



明光集團
BENG KUANG GROUP

1Q2024 Corporate Highlights

2 May 2024



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Overview

Key Facts

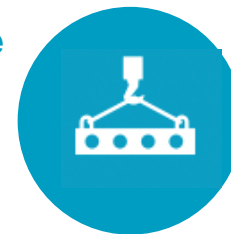
- Beng Kuang Marine Limited (“明光集团” or the “Company”, and together with its subsidiaries, the “Beng Kuang Group”) was founded in 1994 and has been listed on Singapore Exchange since 15 October 2004.
- Aligning our business activities to create new value propositions for our customers, Beng Kuang Group 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 Group’s business strategy is shaped towards an asset-light and service-oriented business model, coupled together with monetising fixed assets and deleveraging initiatives.

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”)



Providing a wide range of engineering services including repairs and maintenance of floating production platforms, onshore and offshore marine fabrications; and the production and supply of customised pedestal cranes and deck equipment.

Corrosion Prevention (“CP”)



Providing comprehensive corrosion protection services such as surface preparation and application of protective coatings as part of the marine and offshore energy sectors.

Key Customers



Transformative Growth in Recent Years

2021

FY2021 (S\$ million)

Revenue: 51.31m
Gross Profit: 11.90
EBITDA: (5.23)

- Chua Beng Yong appointed as Executive Director on 10 May 2021 and re-designation to Executive Chairman on 03 January 2022
- Appointment of new CEO Yong Jiunn Run on 02 June 2021
- Strategic review to transform the Group's business model to a service-centric and asset-light approach
- Completed share placement of 27 million new ordinary shares at \$0.05 per share on 21 July 2021
- Completed share placement of 37.2 million new ordinary shares at an issue price of S\$0.09 per share, raising gross proceeds of approximately S\$3.35 million on 17 December 2021
- Renewed existing Bond holders and redeemed one Bond holder (with a coupon rate of 9% per annum) in principal amount of S\$3.5 million that mature in Nov 2024

2022

FY2022 (S\$ million)

Revenue: 59.13
Gross Profit: 12.52
EBITDA: (13.55)

- Re-focus on new opportunities with our core activities of Infrastructure Engineering and Corrosion Prevention to create more recurring income streams and enhance the Group's business sustainability
- Streamlining the Group's capex-heavy business activities
- Undertook a decisive action to cease our livestock carrier business
- Ceased 55 Shipyard road IE fabrication business

2023

FY2023 (S\$ million)

Revenue: 79.16
Gross Profit: 24.91
EBITDA : 15.67
Profit before tax: 10.82

- With an asset-light and service-oriented business model that is anchored by its two core business divisions, IE and CP, the Group continue to perform resiliently within the offshore and marine market
- Announced partial land sales and asset disposals with an aggregate consideration of approximately S\$22.5 million in cash as part of its monetisation and deleveraging initiatives
- Exiting our loss-making business operations

**Turnaround that is Powered by
Strong Business Drivers in 2H2023**

Our Yard Facilities at Batam, Indonesia



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Waterfront yard on the Eastern side of Batam Island, Kabil

After the two partial disposals, the Group will **continue to own 13.8 hectare (137,986 square metres)** of the waterfront yard

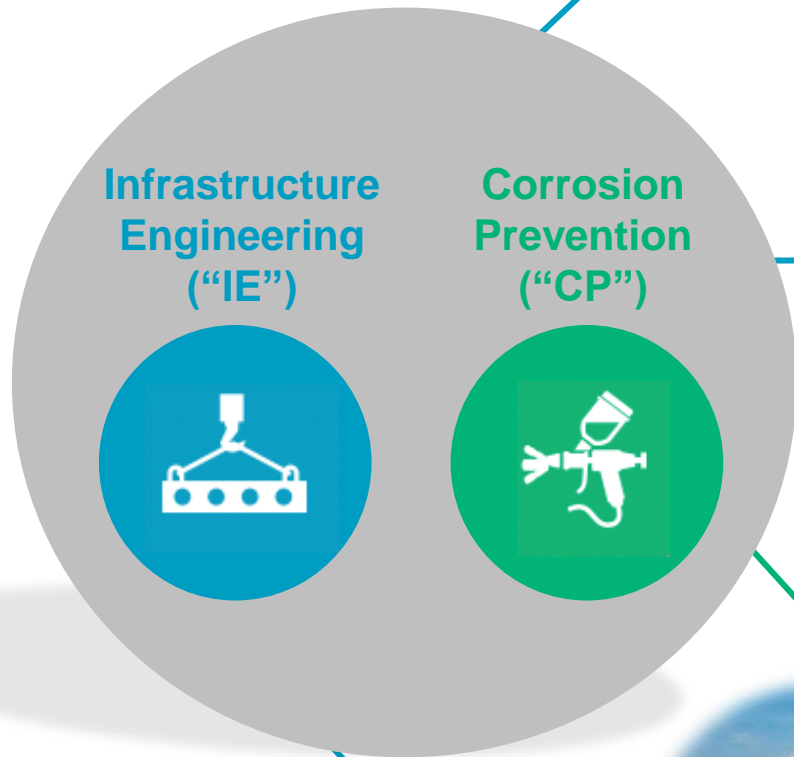
Continual efforts to:

- Enhance the utilisation rate of our assets onsite
- Monetise the remaining property space via leasing activities, while allocating sufficient space to **support the expansion of the Group's IE business activities**

Our Service-Centric Model in the Marine and Offshore Energy Market



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Floating Production Storage and Offloading vessels ("FPSOs") and Floating Storage and Offloading vessels ("FSOs")

- New Build & Conversion Projects
- Inspection & Certification
- Servicing & Maintenance
- Special Projects



Offshore Renewables Assets

- Project Management for New Build Projects
- Servicing & Maintenance
- Special Projects



Resident Contractors for Shipyards

- Servicing & Maintenance
- Special Projects
- Corrosion Prevention



Engineering and Onshore Services

- Structural Fabrication, Turnkey Engineering project
- Service, Repair & Maintenance for Ocean-going Vessels

Key Financial Highlights for 1Q2024



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**Profit Before Tax of S\$11.32 Million in 1Q2024
Surpasses FY2023's Profit Before Tax of
S\$10.82 Million**

Gross Profit Surged 208.0% to S\$9.79 Million

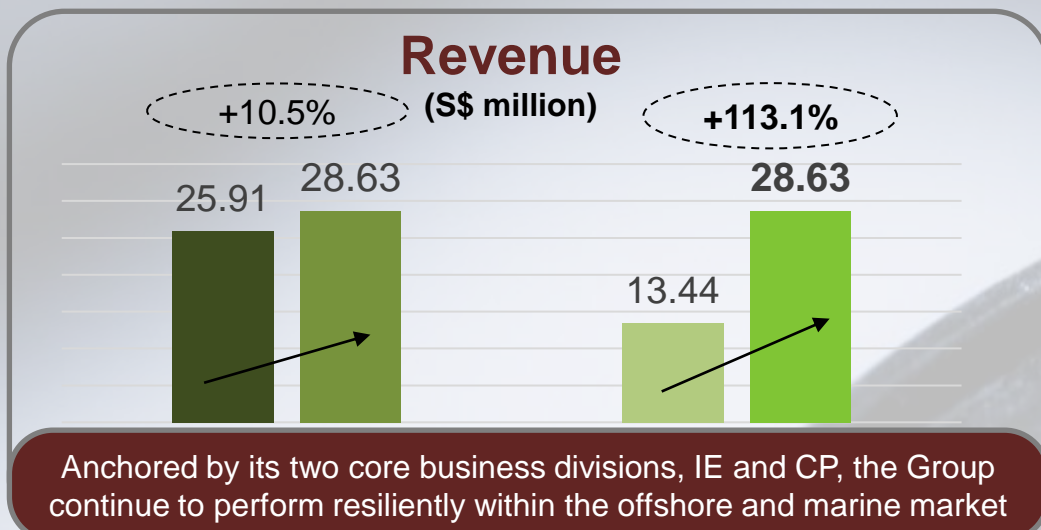
Organic Revenue Growth of 113.1% to S\$28.63 Million



Key Financial Highlights for 1Q2024

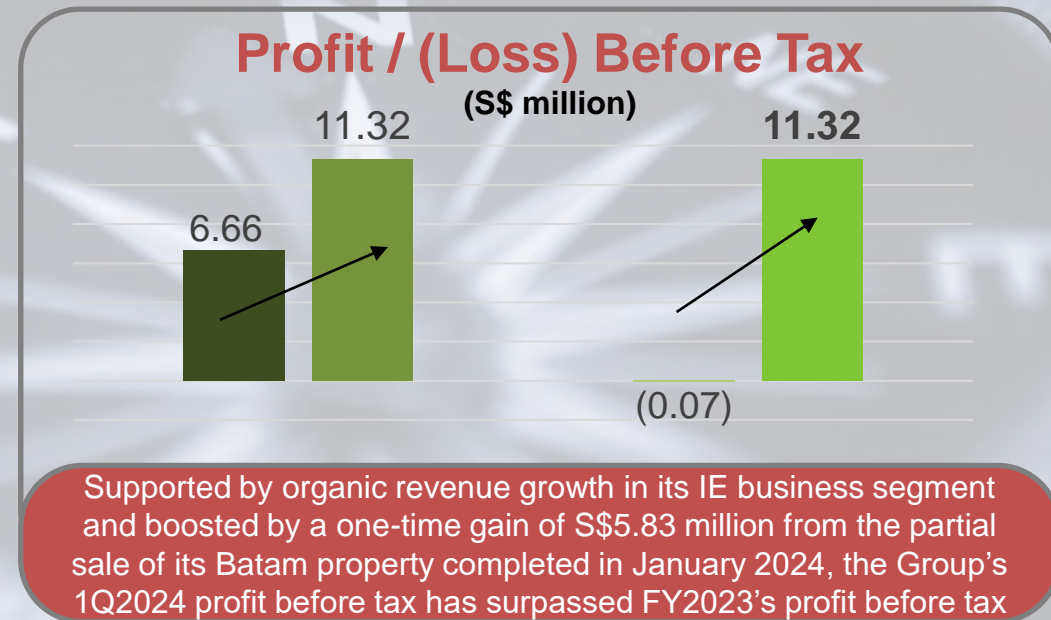
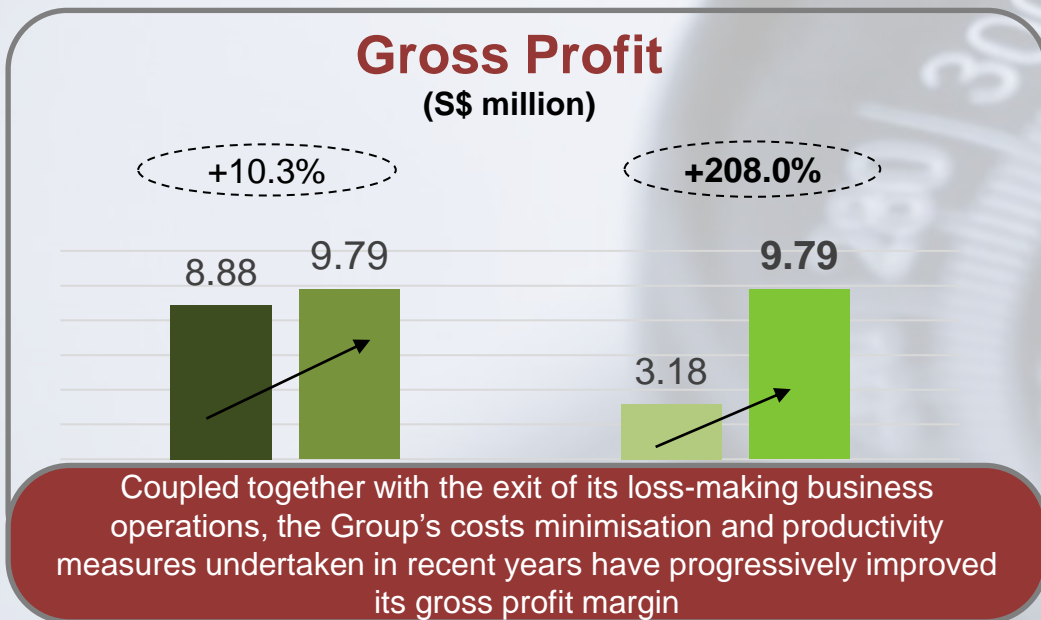
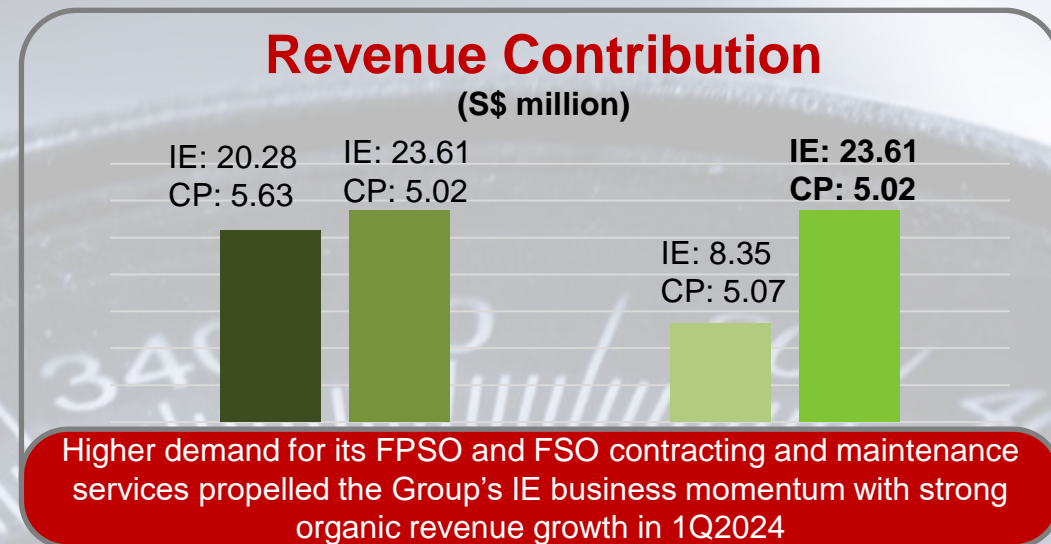


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For QoQ
■ 4Q2023
■ 1Q2024

For YoY
■ 1Q2023
■ 1Q2024



Key Financial Highlights for 1Q2024



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Business Model Enhancement

An asset-light and service-oriented business model anchored by its IE and CP businesses

Improvement in Gross Profit

QoQ – By 10% or S\$0.91m
YoY – By 208% or S\$6.61m

Strengthened Balance Sheet

Cash and cash equivalents increased to S\$14.11 million, while total borrowings reduced to S\$9.14 million as at 31 March 2024

Increased EBITDA

QoQ – By 58% or S\$4.49m
YoY – By 907% or S\$11.04m

Commenting on the 1Q2024 results, Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said:


“By refocusing our business around our core strengths and streamlining our operations over the past few years, the Group has achieved stronger business and operational performance with more cost-efficiency.

The robust performance in 1Q2024 underscores Beng Kuang Group’s successful transition towards an asset-light, service-oriented business model with new value propositions, particularly within the offshore oil & gas market.


Building on this momentum, we will continue to implement our business strategy with strong risk discipline and prudent capital management.”

Advancing Towards BKM 2.0

Anchored by our Two Core Business Units



Infrastructure Engineering



Corrosion Prevention


Key Pillars

1. Strategic Market Positioning
2. Value-led Transformation
3. Financial Resiliency
4. Robust Risk Management
5. Talent Optimisation
6. ESG Integration


Key Focus Areas

- Enhance Core Capabilities & Entrenching Lead Market Position
- Building Fresh Capabilities & New Revenue Streams
- Develop and Incubate New Business & Ventures
- Strategic Partnerships
- Capex-light and Service-centric Model
- Talent Acquisition
- Improve Cost & Operating Efficiency

Building Sustainable Growth



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Our Current Progress

Key Pillars

1. Strategic Market Positioning

- a. CP: We are among the lead market players in Singapore and Batam for major shipyards
- b. ASOM: Our asset integrity team is key and leading player for in-situ services onboard of Offshore Floating Assets (comprising FPSO, FSO, TLP and Semis Submersible) with a worldwide presence
- c. IOE: Knowledge-based expansion into existing (Middle East) and new markets (India and Indonesia)

2. Value-led Transformation

- a. CP: Value creation via expansion of service offerings and rental of CP equipment
- b. ASOM: Extension of our capabilities and value chain from offshore to onshore projects (such as project management of new builds and conversion, including commissioning)
- c. Batam Yard: To explore new opportunities and partnerships by Indonesia country head to increase contribution from Indonesia

3. Financial Resiliency

- a. Diversifying sources of income and optimising our assets
- b. Close monitoring of key financial metrics (revenue, gross margin, cash flow, operational efficiency, financing, etc)

4. Robust Risk Management

- a. Ensure adequacy of the Group's internal controls, compliance and risk management
- b. Close monitoring of key risk metrics (gearing, credit risk exposure, liquidity ratios, compliance etc)

5. Talent Optimisation

- a. CP: Appointment of acting CEO
- b. IOE: Appointment of CEO
- c. Batam Yard: Appointment of Indonesia country head

6. ESG Integration

- a. Formed a dedicated team that will guide the Group on ESG and ERM issues
- b. Supported by the Group's internal auditors for monitoring and implementation



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