BENG KUANG MARINE LIMITED
Registration No. 199400196M

PRESS RELEASE

Strong Growth Trajectory for Beng Kuang in 1H2024, Revenue Increased 88.1% to S$59.92 Million with Gross Profit Surging 153.4% to S$21.26 Million and Net Profit of S$14.38 Million in 1H2024; Proposed Bonus Issue of Warrants

- *The Group's transition to an asset-light and service-oriented business model that is anchored by its two core business divisions, IE and CP, delivered revenue growth of 88.1% to S$59.92 million in 1H2024*
- *Strong performance by the Group's asset integrity solutions for operating floating assets such FPSOs and FSOs, among others, propelled the Group's IE division with organic revenue growth of 141.7% in 1H2024*
- *Rationalising and streamlining initiatives, together with the exit of the Group's loss-making business operations, undertaken in recent years have progressively improved its gross profit margin to 35.5% in 1H2024, as compared to 26.3% in 1H2023, driving gross profit growth of 153.4% to S$21.26 million in 1H2024*
- *Net cash inflow generated from operating activities was S$5.96 million in 1H2024*
- *Recognised one-off gain of S$5.53 million from second partial land sale in 1H2024*
- *Net profit of S$14.38 million in 1H2024 has exceeded net profit of S$7.92 million in FY2023*
- *As compared to 31 December 2023, the Group's balance sheet continues to strengthen further with cash and cash equivalents increasing significantly to S$19.29 million, while total borrowings reduced further to S$8.57 million as at 30 June 2024*
- *Expects to sustain and build upon this positive business momentum for FY2024 by targeting the emerging growth trends within the offshore and marine industry*
- *Proposed bonus issue of 3 year warrants on the basis of 3 bonus warrants for every 10 existing ordinary shares of the Company, where each bonus warrant shall carry the right to subscribe for one new ordinary share of the Company at the exercise price of S$0.22 during the exercise period*

Financial Year End: 31 December

(S$ million)	1H2024	1H2023	Change (%)
Revenue	**59.92**	**31.86**	***+88.1***
Gross profit	**21.26**	**8.39**	***+153.4***
Gross profit margin (%)	**35.5**	**26.3**	***+9.2*** *percentage points*
Net Profit	**14.38**	**0.51**	***N.M***
EBITDA	**18.98**	**3.82**	***+396.6***
Net asset value per share (S$ cents) as at 30 June 2024	**9.00**		

Singapore, 5 August 2024 – **Beng Kuang Marine Limited** ("明光集团" or the "**Company**", and together with its subsidiaries, the "**Beng Kuang Group**"), is pleased to announce improved business performance and financial results for the six months ended 30 June 2024 ("**1H2024**").

Striving to be the "Preferred and Trusted Partner" in providing total solutions for the offshore and marine industries, the Group's business model is anchored by two core business divisions as follows:

1. **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.
2. **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.

Commenting on the Group's 1H2024 results, Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said: ***"Our team came together to deliver a strong start to 2024, delivering high-quality growth in revenue and profit that is anchored by our asset-light, service-centric business model within the oil and gas industry.***

Our progress reflects the turnaround strategy we have been re-engineering since 2021, and our steadfast commitment to strengthening our value propositions and achieving durable results.

Guided by our 2.0 business model, together with further targeted business development, we are building a stronger foundation to expand our value propositions and increase our operational scale globally.

Capitalising on our momentum, we are excited about our opportunities to enhance our growth potential ahead along the energy value chain and we will continue to invest in human capital to broaden our talent pool and capabilities."

Mr Yong added, ***"Given free to shareholders, the proposed bonus warrants issue is to reward shareholders for their loyalty and support in the Group.***

Furthermore, the proposed bonus warrants are priced at a discount so that shareholders can further benefit from any potential appreciation of the price of our shares and warrants ahead.

With our enhanced business model, we believe that the proposed bonus warrants issue will also provide shareholders with the added opportunity to participate in the future growth of the Company."

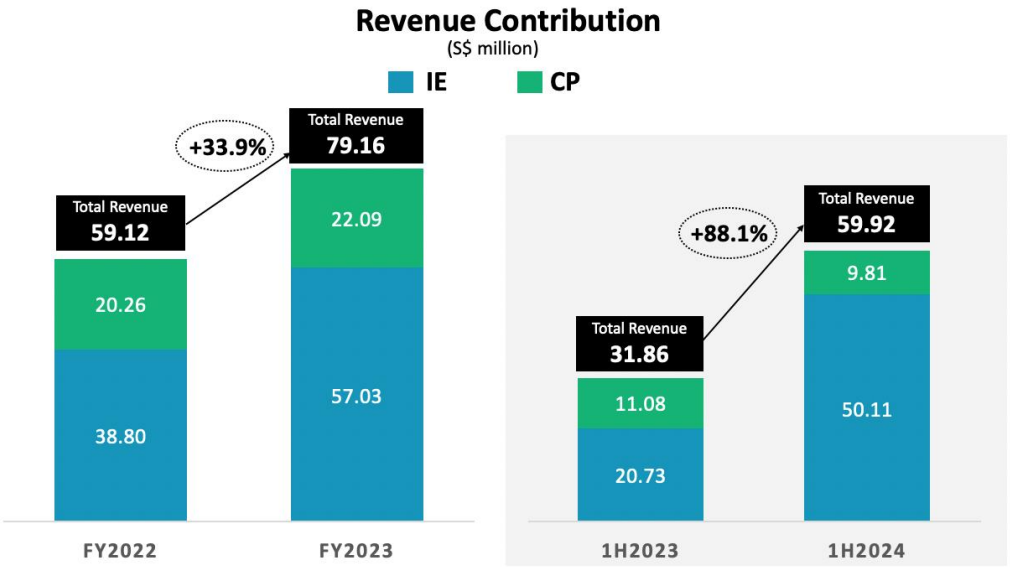
Key Financial Highlights for 1H2024

Strong growth from its IE division propelled the Group's overall revenue to S$59.92 million in 1H2024, representing a growth of 88.1% as compared to 1H2023's revenue of S$31.86 million: The Group's IE division continue to the main revenue contributor in 1H2024, with growth of 141.7% to S$50.11 million, accounting for 83.6% of overall revenue.

Notably, under IE, the Group's asset integrity solutions for operating floating assets such as Floating Production Storage and Offloading vessels ("**FPSO**") and Floating Storage and Offloading vessels ("**FSO**"), among others, continued its strong performance in 1H2024. Established as a proficient "one-stop" in-situ turnkey solutions provider, revenue contribution from this service-centric business segment has been growing progressively over the past few years. Aiming to secure new contracts and build a larger customer base globally, the Group has diversified its geographical scope of work from West Africa to South America and China as well as Southeast Asia.

In addition, the Group's supply deck equipment business under IE has registered better performance for 1H2024 as compared to 1H2023, where its new pedestal cranes supply business has contributed to additional revenue. With a view to further nurture this business unit into another growth segment, the Group aims to expand its business presence in existing and new markets that includes India and Middle Eastern countries.

For the Group's CP, revenue are largely recurring in nature, revenue from CP dipped 11.5% or S$1.27 million to S$9.81 million in 1H2024, as compared to S$11.08 million in 1H2023. This was mainly due to the Group's exit of the water distribution business (under its subsidiary, Picco Enterprise Pte. Ltd.), which contributed revenue S$1.13 million in 1H2023.



Improvement of the Group's gross profit margin to 35.5%, driving gross profit growth of 153.4% to S$21.26 million in 1H2024: As part of its turnaround strategy, the Group has implemented costs minimisation and productivity initiatives in recent years and it have progressively yielded improvement in the Group's gross profit margin, which increased 9.2 percentage points to 35.5% in 1H2024, as compared to 26.3% in 1H2023.

Corresponding to higher revenue and higher gross profit margin, the Group's gross profit surged 153.4% to S$21.26 million in 1H2024, as compared to a gross profit of S$8.39 million recognised in 1H2023.

Net profit of S$14.38 million in 1H2024 has exceeded net profit of S$7.92 million in FY2023: The Group's administrative expenses for 1H2024 increased by 71.7% to S$11.03 million The increase was

largely attributable to higher remuneration and salaries due to increase hiring at our IE business and bonus provisions which were in line with the Group's improved performance.

With the completion of the second partial land sale in January 2024, the Group recognised a one-off gain of S$5.53 million in 1H2024.

Following the completion of both partial land sales of its Batam shipyard property, the Group has retained 137,986 square metres of the Batam shipyard property, which is approximately one-third of its original size. As part of the Group's strategy to unlock value and improve utilisation of its fixed assets, the Group generated rental income from investment properties of S$0.82 million in 1H2024, mainly due to the rental of the facilities and property at its Batam shipyard property.

Driven by the progressive reduction in borrowings, the Group's interest expense continued to reduce in 1H2024 that amounted to S$0.50 million, as compared to S$0.95 million in 1H2023.

Overall, the Group achieved a net profit of S$14.38 million in 1H2024, of which the profit attributable to equity holders of the Company amounted to S$8.57 million.

On an EBITDA basis, the Group achieved S$18.98 million in 1H2024, as compared to EBITDA of S$3.82 million in 1H2023.

Notably, the Group generated cash of S$5.96 million from its operating activities in 1H2024.

Strengthening our balance sheet with increased liquidity position and reduced borrowings: In conjunction with the Group's turnaround strategy, the Group has been reducing its borrowings over the years and as at 30 June 2024, the Group's total borrowings decreased to S$8.57 million as compared to S$14.14 million as at 31 December 2023.

With the completion of the second partial land sale of its Batam shipyard property, the Group's liquidity position was further strengthen with cash and cash equivalents of S$19.29 million as at 30 June 2024.

The Group's net assets increased significantly to S$23.55 million, with total assets of S$69.78 million and total liabilities of S$46.23 million as at 30 June 2024.

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This press release is to be read in conjunction with the Company's announcements released on 5 August 2024, which can be downloaded via www.sgx.com.

About Beng Kuang Marine Limited
(Bloomberg: BKM:SP / Reuters: BENK.SI / SGX Stock Code: BEZ)

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.

With a multi-pronged approach, Beng Kuang Group continues to strive to be the "Preferred and Trusted 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 an asset-light and service-oriented business model.
For more information, please visit http://www.bkmgroup.com.sg/

Issued on behalf of Beng Kuang Marine Limited by 8PR Asia Pte Ltd.

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