



明光集團
BENG KUANG GROUP

INVESTOR PRESENTATION

3Q2024 & 9M2024
Corporate Highlights

12 November 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 and Trusted 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

No. of Issued Warrants

Approximately 60 million warrants (exercisable at S\$0.22 per new share from 4 March 2025) and listed on a 3-year period from 4 September 2024

Stock Codes

Bloomberg: BKM:SP
Reuters: BENK.SI
SGX: BEZ.SI (Ordinary share)
SGX: Z3RW (Warrant)

Core Business Divisions

Infrastructure Engineering (“IE”)



- Providing a wide range of engineering services that includes:
- asset integrity solutions
 - repairs and maintenance
 - production and supply of customised pedestal cranes and deck equipment
 - project management and consultancy services
 - turnkey projects

Corrosion Prevention (“CP”)



- Providing comprehensive corrosion protection services that includes:
- surface preparation
 - application of protective coatings

Key Customers



BW OFFSHORE



SIEMENS



LARSEN & TOUBRO



Seatrium

PaxOcean



ST Engineering



Transformative Turnaround in Recent Years

2021 Start of our asset-light strategy

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 Strengthening our business model with a service- centric focus

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 Turnaround that is powered by strong business drivers in 2H2023

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

2024 Firmly back on the track of profitability

9M2024 (S\$ million)

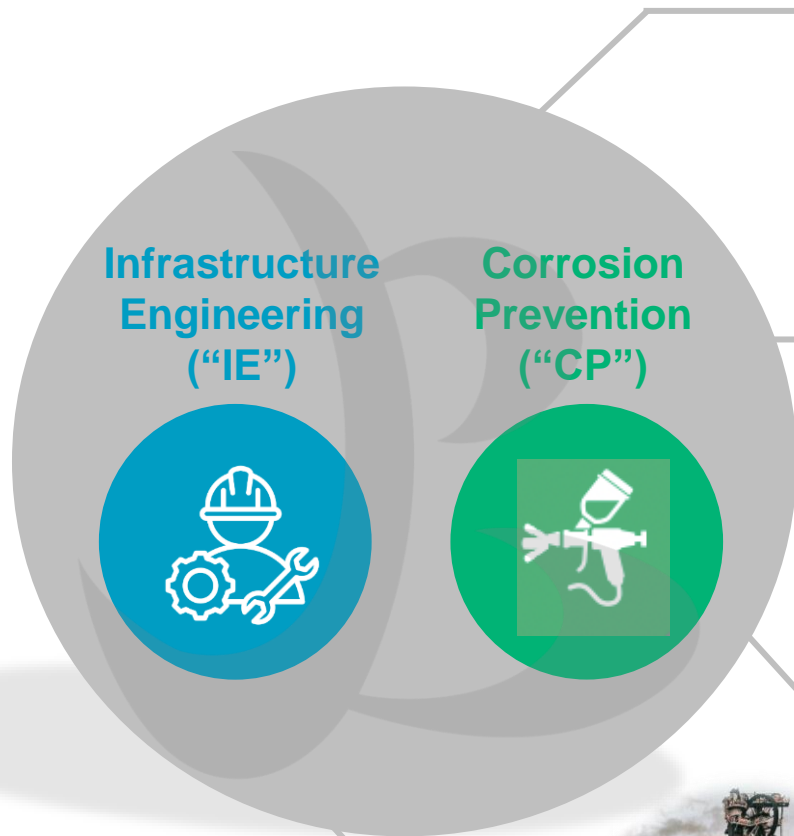
Revenue: 86.89
Gross Profit: 30.73
Profit before tax: 20.83

- Completed the second partial land sale of the Group's Batam waterfront yard
- Removed from SGX watch-list on 15 October 2024
- Completed bonus warrants issuance that has created additional value to shareholders
- Successfully redeemed outstanding bonds of S\$3.5 million and issued new bonds of a smaller size of S\$3 million
- Cattle Line Two Pte. Ltd: Final Creditors' Meeting by the Liquidator on 22 November 2024 and subject to the necessary approvals at the meeting, thereafter, application to the Court to be released and discharged as Liquidator and this subsidiary to be dissolved

Pivot Towards the Marine and Offshore Energy Market with a Service-Centric Model



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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



Engineering and Onshore Support Services

- Project Management for New Build Projects
- Structural Fabrication, Turnkey Engineering project
- Topside completion & commissioning support
- Service, Repair & Maintenance for Ocean-going Vessels



Resident Contractors for Shipyards

- Servicing & Maintenance
- Special Projects
- Corrosion Prevention



Infrastructure Engineering (“IE”)



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Scaling up our business presence within the FPSOs and FSOs market

- Under IE, the Group specialises in asset integrity solutions for operating floating assets such as FPSOs and FSOs, among others, for both offshore and onshore markets.
- Gaining much capabilities over the decade serving the offshore oil & gas market, the Group has established itself as a proficient “one-stop” in-situ turnkey solutions provider, utilising conventional and unique technologies, targeting a larger customer base globally.

Creating new value propositions at every stage of the asset life cycle

- With a service-centric business model, the IE business division aims to strengthen and expand its capabilities to create new value propositions across the value chain of the marine and offshore industry, particularly in the new build sector with onshore support services.
- Delivering safe, flexible and cost-effective services and maintenance solutions within the marine and offshore industry, the Group aims to generate more recurring income streams, expand its customer base and enhance its track record globally.

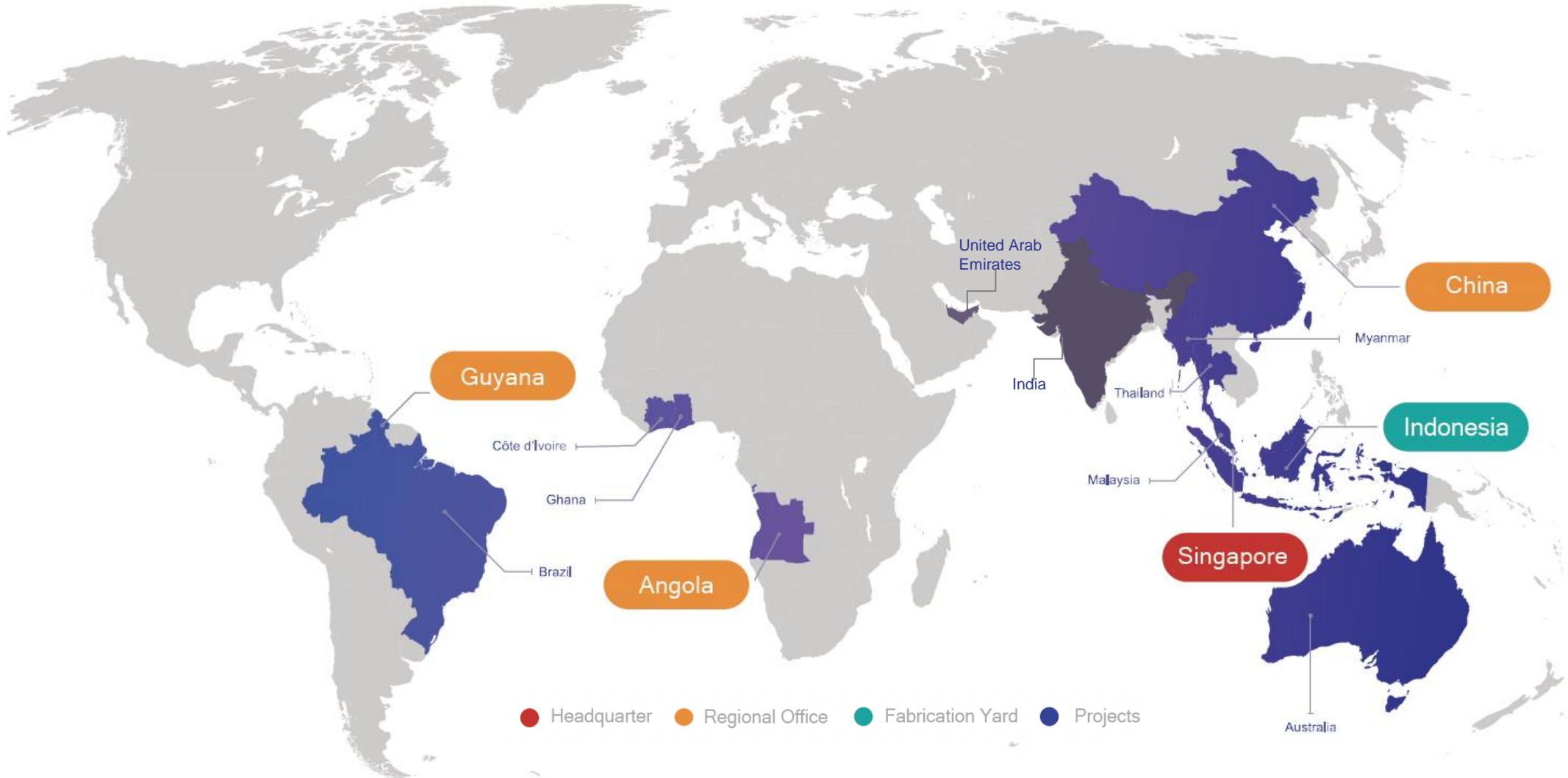
Marine & supply deck equipment is potentially another high-growth segment

- The marine and supply deck equipment (pedestal crane, mooring winches, deck equipment) business segment under the IE division has registered increased orders for pedestal cranes in recent years.
- 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.



Infrastructure Engineering (“IE”)

Our Global Footprint





Corrosion Prevention (“CP”)

One of the leading providers of corrosion prevention services in Singapore

- Ship corrosion continues to be a major hazard for the industry.
- Demand for our services continue to remain resilient and healthy in Singapore and Batam yards.

Blue-chip customers in the marine and offshore industry

- With our established track record of more than 30 years, we are appointed as “Resident Contractor” to provide corrosion prevention services to several blue-chip customers in the marine and offshore customers.

Sale, lease and rental activities of CP equipment across Southeast Asia

- In addition, the Group has ventured into the sale, leasing and rental activities of CP equipment across Southeast Asia to create new revenue streams.

External Vessel Hull Corrosion Prevention Process



Key Financial Snapshot for 3Q2024



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Revenue
S\$26.77m



+25.1%

from 3Q2023 (S\$21.40m)

- The Group's revenue om 3Q2024 continued to grow at a healthy pace, particularly with revenue growth from the Group's IE business division



Gross Profit
S\$9.47m



+23.9%

from 3Q2023 (S\$7.64m)

- IE's revenue growth in 3Q2024 remained robust, fueled by demand for asset integrity solutions supporting FPSOs and FSOs in onshore and offshore markets. A brief disruption from a customer's accommodation barge dry-docking in Africa during July 2024 is expected to be mitigated by redeployment initiated in late September 2024, poised to offset the quarterly impact in 3Q2024



Gross Profit
Margin

35.4%

3Q2023 (35.7%)

- Gross profit margin remained relatively stable in 3Q2024 with continuing efforts and focus on cost control, operational efficiency and productivity,

- Recognised administrative expenses of S\$4.48 million in 3Q2024 (3Q2023: S\$4.58 million)



Profit
before Tax
S\$3.79m



+27.2%

from 3Q2023 (S\$2.98m)

- Interest expense on borrowings decreased by 54.6% to S0.19 million in 3Q2024 (3Q2023: S\$0.42 million), which is in line with the reduction in bank borrowings and the Group's continuing strategy to deleverage.

Commenting on the 3Q2024 results, Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said:

"We have regained our momentum towards profitability, fueled by robust revenue growth. Our unwavering focus remains on delivering exceptional service quality, operational efficiency, and value creation which are essential drivers in today's fast-evolving market."

Looking ahead, we are dedicated to upholding operational excellence and nurturing strong relationships with clients and partners. The return to profitability showcases our resilience and positions us for future growth and success."

Key Financial Highlights for 9M2024

(S\$ million)	9M2023	9M2024	Change (%)
Revenue	53.25	86.69	↑ 62.8
Gross Profit	16.03	30.73	↑ 91.7
Gross Profit Margin (%)	30.1	35.4	↑ 5.3 percentage points
Profit before Tax	4.16	20.83¹	↑ 400.6
EBITDA	7.90	23.71¹	↑ 200.1
Net Gearing Ratio² (%)	135.8	Net cash	Not meaningful
Return on Equity (%)	-5.6	50.4	Not meaningful

1 Includes the one-off gain of S\$5.51 million from partial disposal of Batam property

2 Net borrowings less cash at bank / tangible net worth

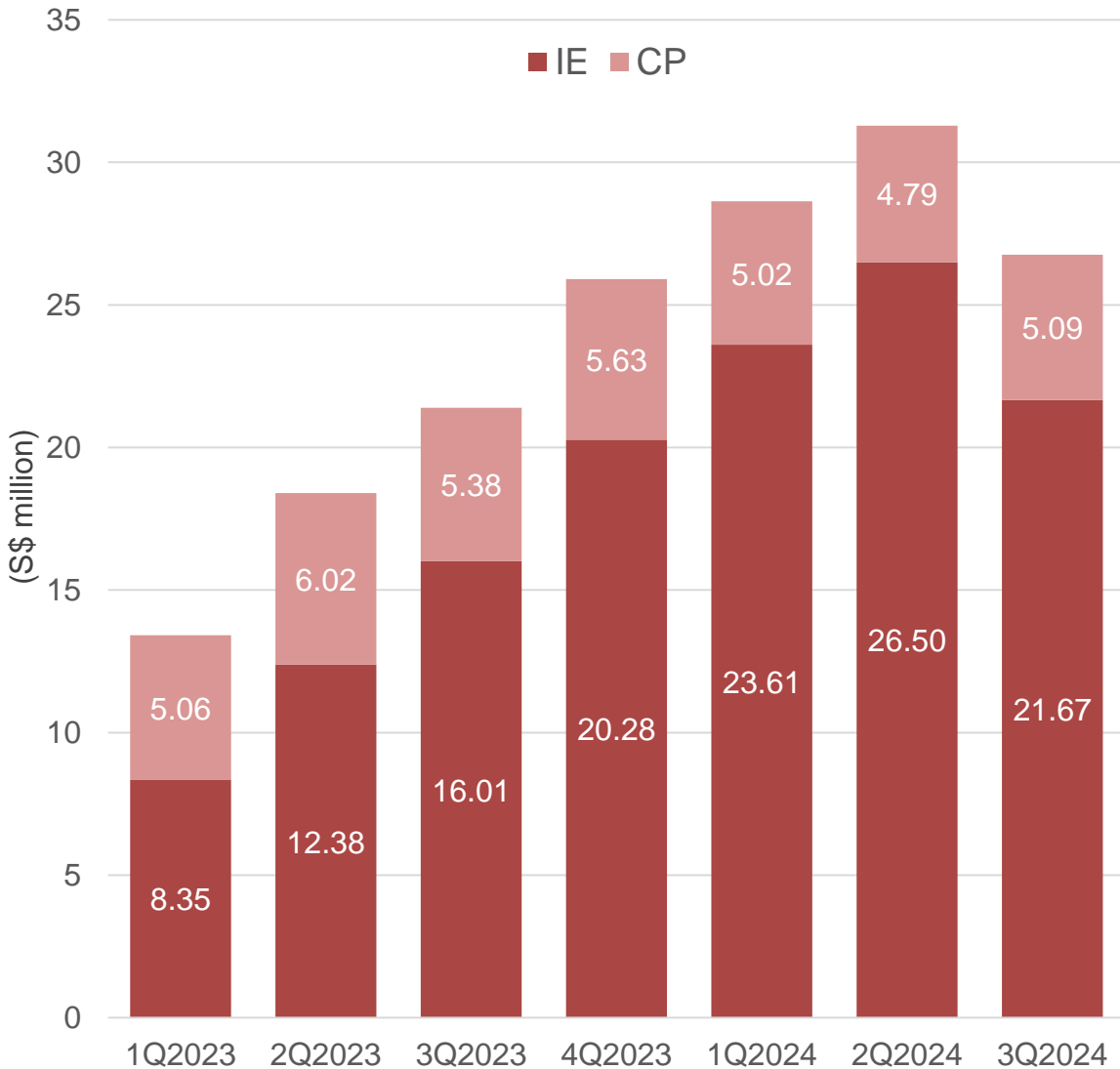
Generated net cash from operating activities	7.41
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Quarterly Highlights

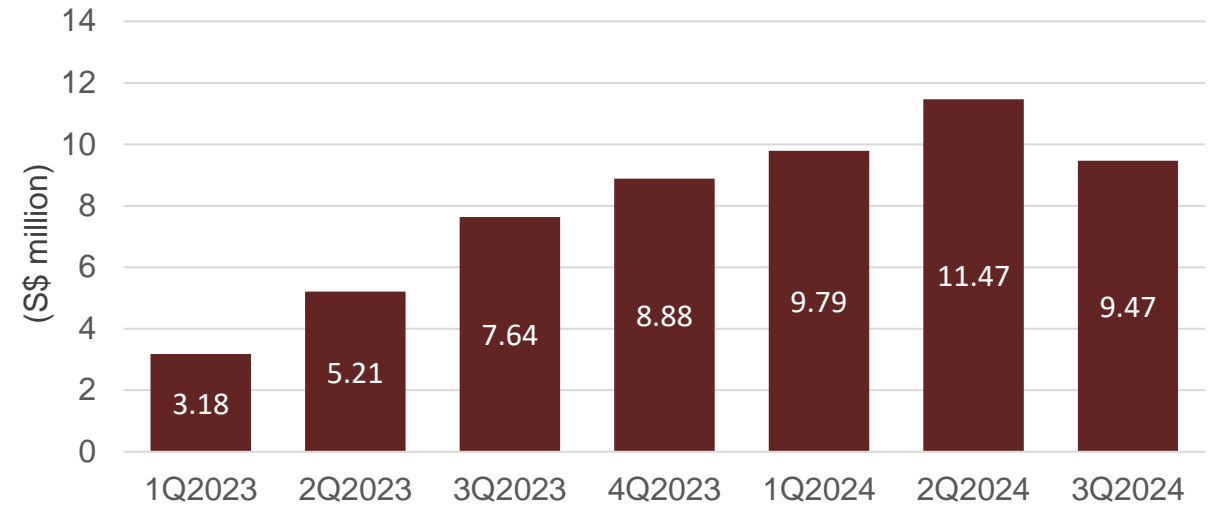


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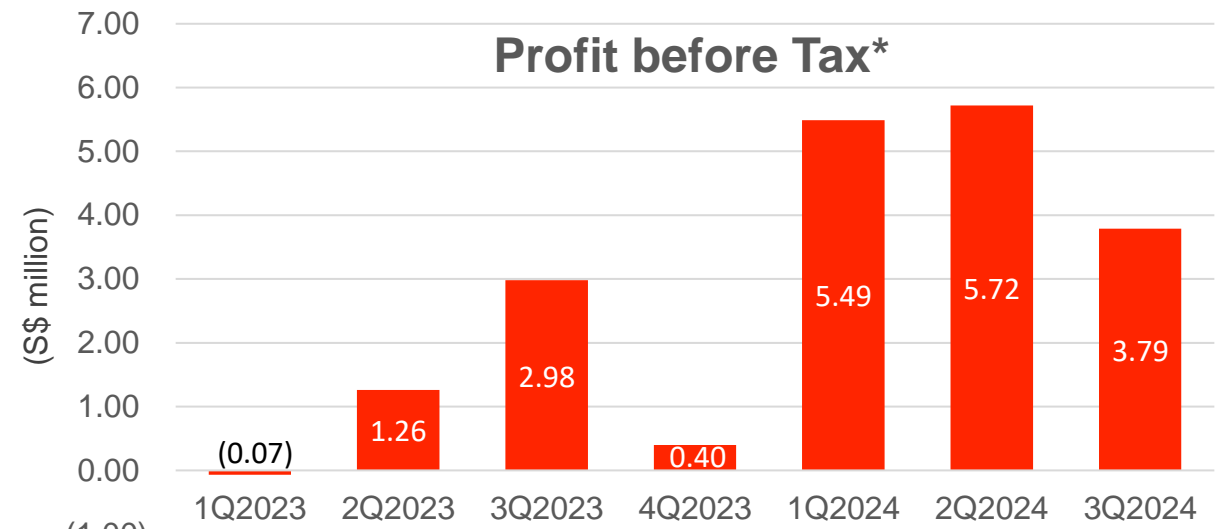
Revenue Contribution



Gross Profit



Profit before Tax*



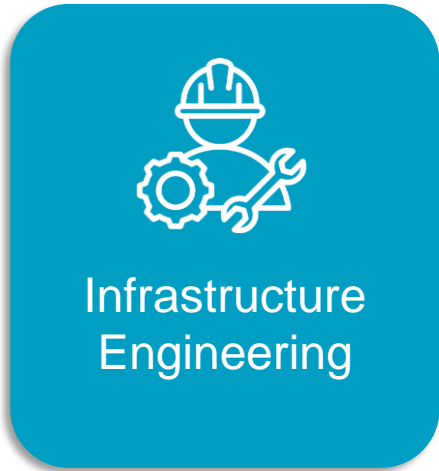
*Excluding one-off gain(s)

Key Balance Sheet Highlights

(S\$ million)	As at 31 Dec 2023	As at 30 Sep 2024	
Current Assets	48.82	57.96	Key components: <ul style="list-style-type: none"> • Cash and cash equivalents of S\$18.56 million • Trade and other receivables of S\$22.59 million • Contract assets of S\$15.63 million
Non-Current Assets	14.18	13.06	Key components: <ul style="list-style-type: none"> • Property, plant and equipment of S\$11.13 million • Investment properties of S\$1.59 million
Total Assets	63.00	71.02	
Current Liabilities	47.49	44.62	Key components: <ul style="list-style-type: none"> • Trade and other payables of S\$32.12 million • Borrowings of S\$8.26 million • Current income tax liabilities of S\$4.06 million
Non-Current Liabilities	3.66	1.85	Key components: <ul style="list-style-type: none"> • Trade and other payables of S\$0.94 million • Borrowings of S\$0.91 million
Total Liabilities	51.15	46.47	
Total Equity	11.85	24.55	

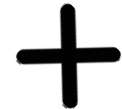
Advancing Towards BKM 2.0

Anchored by our Two Core Business Units



Key Business 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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