



明光集團
BENG KUANG GROUP

An aerial photograph showing a person in a red protective suit and helmet operating a yellow inflatable boat in turbulent blue water. The boat is connected to a larger orange structure, possibly a ship's deck, by a thick rope. The water is churning with white foam, indicating rough conditions.

**FY2024
Corporate Highlights**

19 February 2025

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At a Glance

“Preferred and Trusted Partner” for the offshore and marine industries



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Core Business Units

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



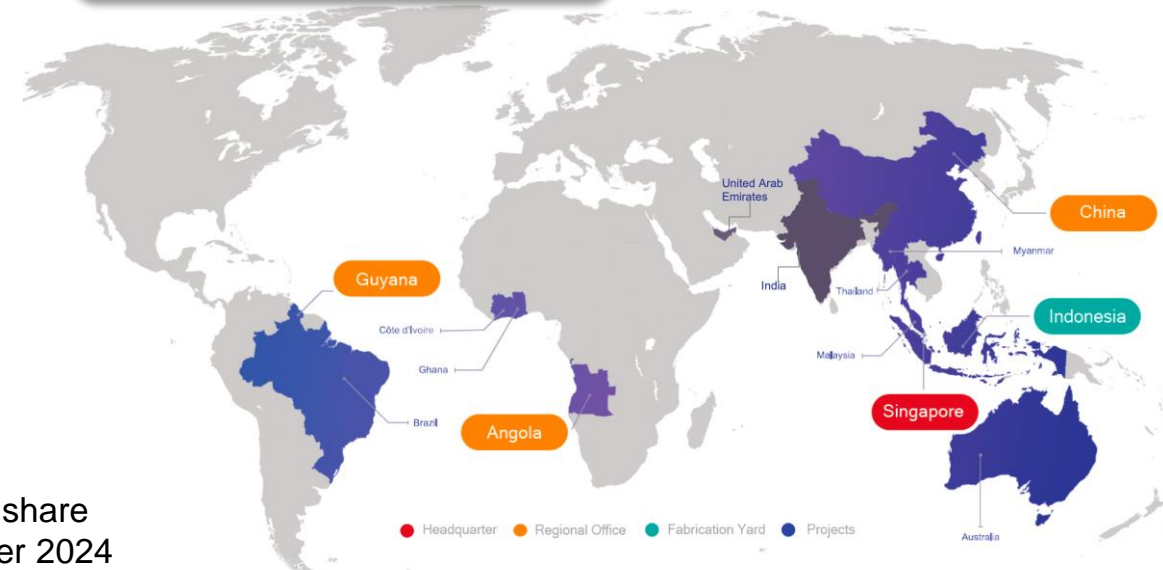
PaxOcean



ST Engineering



Our Global Presence



Key Stock Info

SGX-ST Listing First listed in 2004 and transferred to Mainboard in 2007

Bloomberg: BKM:SP

Reuters: BENK.SI

SGX: BEZ.SI (Ordinary share)

SGX: Z3RW (Warrant)

Stock Codes

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

Transformative Turnaround

Driven by a performance-oriented and sustainability approach



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Start of our
asset-light strategy

FY2021

Revenue: S\$51.31m
Gross Profit: S\$11.90m
EBITDA: (S\$5.23m)

- Appointment of Chua Beng Yong as Executive Director on 10 May 2021 and re-designation to Executive Chairman on 03 January 2022
- Appointment of 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



Strengthening our
business model with a
service-centric focus

FY2022

Revenue: S\$59.13m
Gross Profit: S\$12.52m
EBITDA: (S\$13.55m)

- Re-focus on new opportunities within 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



Turnaround that is powered
by strong business drivers
in 2H2023

FY2023

Revenue: S\$79.16m
Gross Profit: S\$24.91m
Profit before tax: S\$10.82m

- 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



Firmly back on the track of
profitability

FY2024

Revenue: S\$111.88m
Gross Profit: S\$38.73m
Profit before tax: S\$25.40m

- Completed the second partial land sale of the Group's Batam waterfront yard
- Exited from SGX watch-list on 15 October 2024
- Completed bonus warrants issuance to create 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

Market Prospects

New opportunities from improving global access to energy



Positive FPSO outlook for new builds

- A new FPSO can cost between US\$1 billion and US\$3 billion.⁽¹⁾
- The market for floating production, storage, and offloading (FPSO) vessels will continue to snowball over the next five years, with 66 planned FPSO projects between 2022 and 2027.⁽²⁾

Need for continuous maintenance and repairs for existing FPSOs

- There are approximately more than 180 operating FPSOs, capable of staying on location for continuous operations upwards of 20 years.⁽³⁾
- More than half of the world's FPSOs are over 30-years-old and a quarter are over 40-years-old.⁽⁴⁾

Growing number of marine renewable energy assets

- Corrosion costs the maritime industry between \$50 billion and \$80 billion annually, not including indirect costs⁽⁵⁾
- Corrosion prevention works are essential to prevent structural deterioration of marine renewable energy assets (new or old).

1. <https://www.upstreamonline.com/exclusive/high-costs-and-financing-challenges-cloud-the-outlook-for-fps-lease-and-operate-model/2-1-1724112>

2. <https://www.nesfircroft.com/resources/blog/notable-fps-projects-in-2023-2027/>

3. <https://www.investopedia.com/terms/f/fps-floating-production-storage-and-offloading.asp>

4. [https://splash247.com/more-than-half-of-the-worlds-fps-are-over-30-years-old/#:~:text=FPSO\)%20fleet%20is,More%20than%20half%20of%20the%20world's%20FPSOs%20are%20over%2030,range%20of%20FPSO%20safety%20issues.](https://splash247.com/more-than-half-of-the-worlds-fps-are-over-30-years-old/#:~:text=FPSO)%20fleet%20is,More%20than%20half%20of%20the%20world's%20FPSOs%20are%20over%2030,range%20of%20FPSO%20safety%20issues.)

5. <https://www.offshore-mag.com/vessels/article/14302211/coating-provides-long-term-protection-of-static-offshore-assets>

Asset-light, Service-centric Model

Enhanced business agility to pursue new growth catalysts within the global energy market



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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")



Corrosion Prevention
("CP")



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

- New Build & Conversion Projects
- Carryover Work for Commissioning and Deployment
- Servicing & Maintenance
- Inspection & Certification
- Special Projects



Offshore Renewables Assets

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



Infrastructure Engineering (“IE”)

Unique value propositions driven by a service-centric business model



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Our Strategy

1 Scaling up our business presence within the FPSOs and FSOs market

- Specialising 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.

2 Creating new value propositions at every stage of the asset life cycle with a service-centric business model

- To strengthen and expand its capabilities within the offshore and marine industry, particularly in the new build sector with onshore support services.
- Cement our lead market position as a one-stop service provider and expand our track record globally.

Targeted Markets

FPSOs and FSOs

- New Build & Conversion Projects
- Carryover Work for Commissioning and Deployment
- Servicing & Maintenance

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

Offshore Renewables Assets

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

Corrosion Prevention (“CP”)

Established track record with a diversified group of blue-chip customers



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1

One of the leading providers of corrosion prevention services in Singapore

2

Blue-chip customers in the offshore and marine 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 offshore and marine customers.
- Demand for our services continue to remain resilient and healthy in Singapore and Batam yards.

- Ship corrosion continues to be a major hazard for the industry
- Corrosion prevention is essential for prolonging the lifespan of assets, ensuring safety, and maintaining operational efficiency.

External Vessel Hull Corrosion Prevention Process

Vessel Docking



Marine Growth Removal



Surface Cleaning



Surface Preparation



Paint Application



Completion & Handover



Key Financial Snapshot for FY2024



Revenue **+41.3%**
S\$111.88m from FY2023 (S\$79.16m)



Gross Profit **+55.5%**
S\$38.73m from FY2023 (S\$24.91m)



Gross Profit Margin **34.6%**
FY2023 (31.5%)



Profit before Tax **+134.8%**
S\$25.40m from FY2023 (S\$10.82m)



Generated net cash of S\$13.47 million from operating activities



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Rewarding Shareholders

Proposed Dividend

S\$0.006

per ordinary share

Commenting on the FY2024 results, Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said:

“Supported by strong organic growth, our business performance highlight the strength of our core competences in the global offshore and marine industry.

Firmly backed to profitability with a strengthened balance sheet, we are pleased to reward shareholders with dividends, underscoring our confidence in our financial stability. Along with the bonus warrants issuance in September 2024, it reinforces our commitment to create value to shareholders.

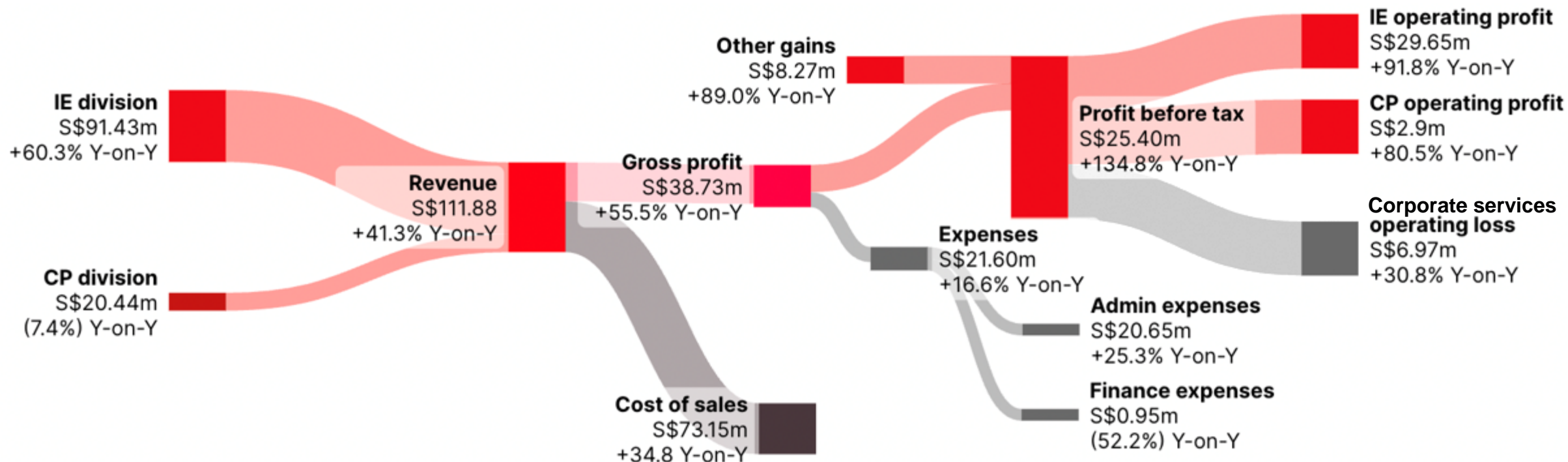
With our momentum, we aim to continue to drive growth through operational excellence, cost efficiencies and new value propositions in our targeted markets globally.

Key Segmental Presentation for FY2024

Higher profit contributions from IE and CP, partially offset by a slower rise in operating expenses



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Key Financial Highlights for FY2024

Supported by strong business performance and improved margins

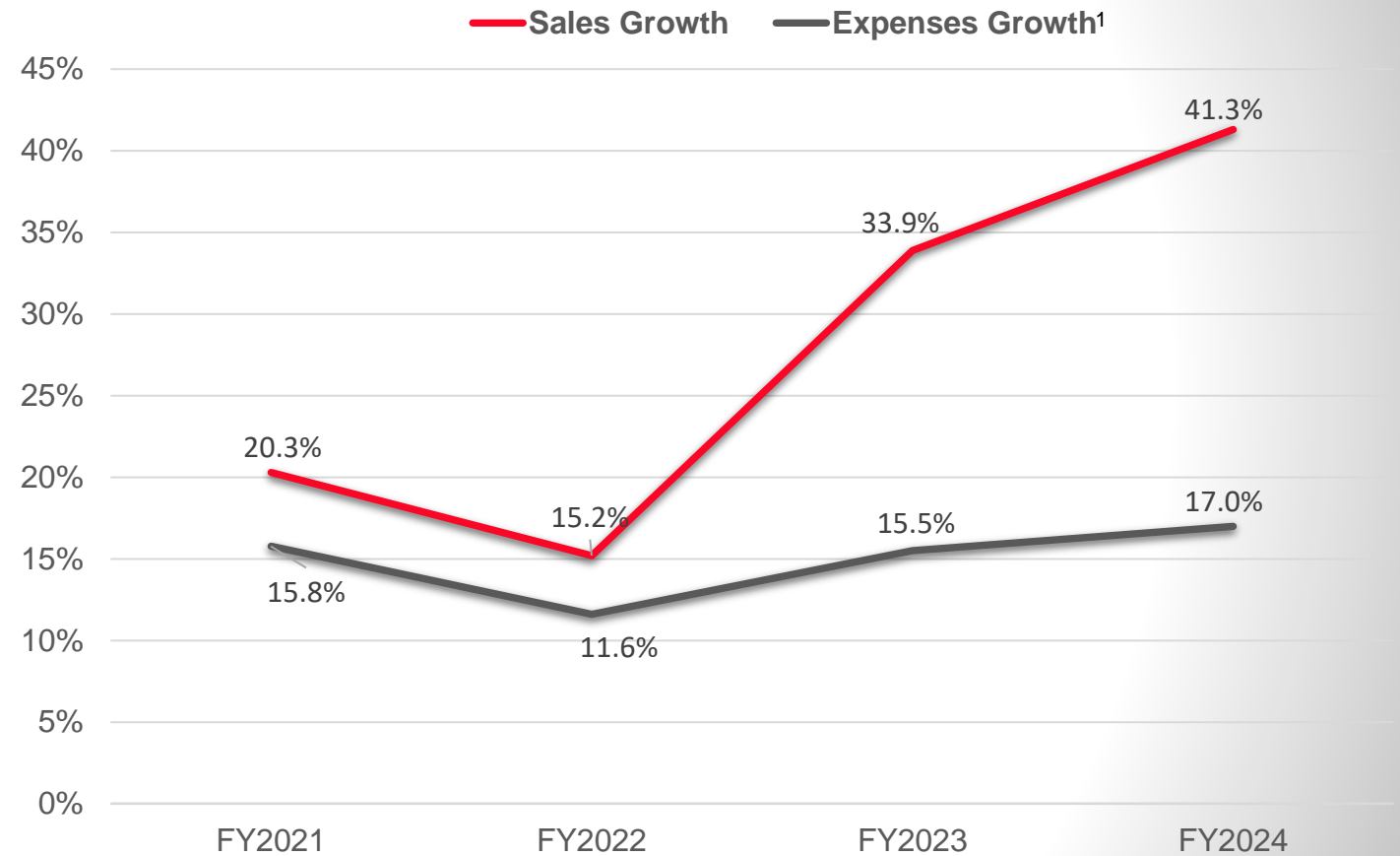
(S\$ million)	FY2023	FY2024	Change (%)
Revenue	79.16	111.88	↑ 41.3
Gross profit	24.91	38.73	↑ 55.5
Other gains ¹	4.37	8.27	↑ 89.0
Administrative expenses	(16.49)	(20.66)	↑ 25.3
Finance expenses	(1.98)	(0.95)	↓ 52.2
Profit before tax	10.82	25.40	↑ 134.8
Net profit	7.92	21.19	↑ 167.7
Net profit attributable to equity holders of the Company	3.42	11.54	↑ 237.0
Earning per Shares (cents)	1.72	5.79	↑ 237.0
EBITDA	15.84	29.25	↑ 84.7
Net assets value per ordinary share (cents)	4.79	10.54	↑ 120.1
Net gearing ratio ² (%)	16.5	Net Cash	✓
Current ratio	1.03	1.53	✓
Return on equity (%)	66.8	74.4	✓

1. Includes the one-off gain of S\$5.40 million and S\$5.51 million from partial disposal of Batam property respectively in FY2023 and FY2024

2. Net borrowings less cash at bank / tangible net worth

Jaws Ratio

- Jaws ratio = (Sales Growth Rate) – (Expense Growth Rate).
- The jaws ratio is a measure used in finance to demonstrate the extent to which a business entity's sales growth rate exceeds its expenses growth rate, measured as a percentage.
- A larger positive value demonstrates that a business entity is effectively generating more sales over time than it is generating expenses, thereby potentially increasing its profitability, and profitability growth rate.



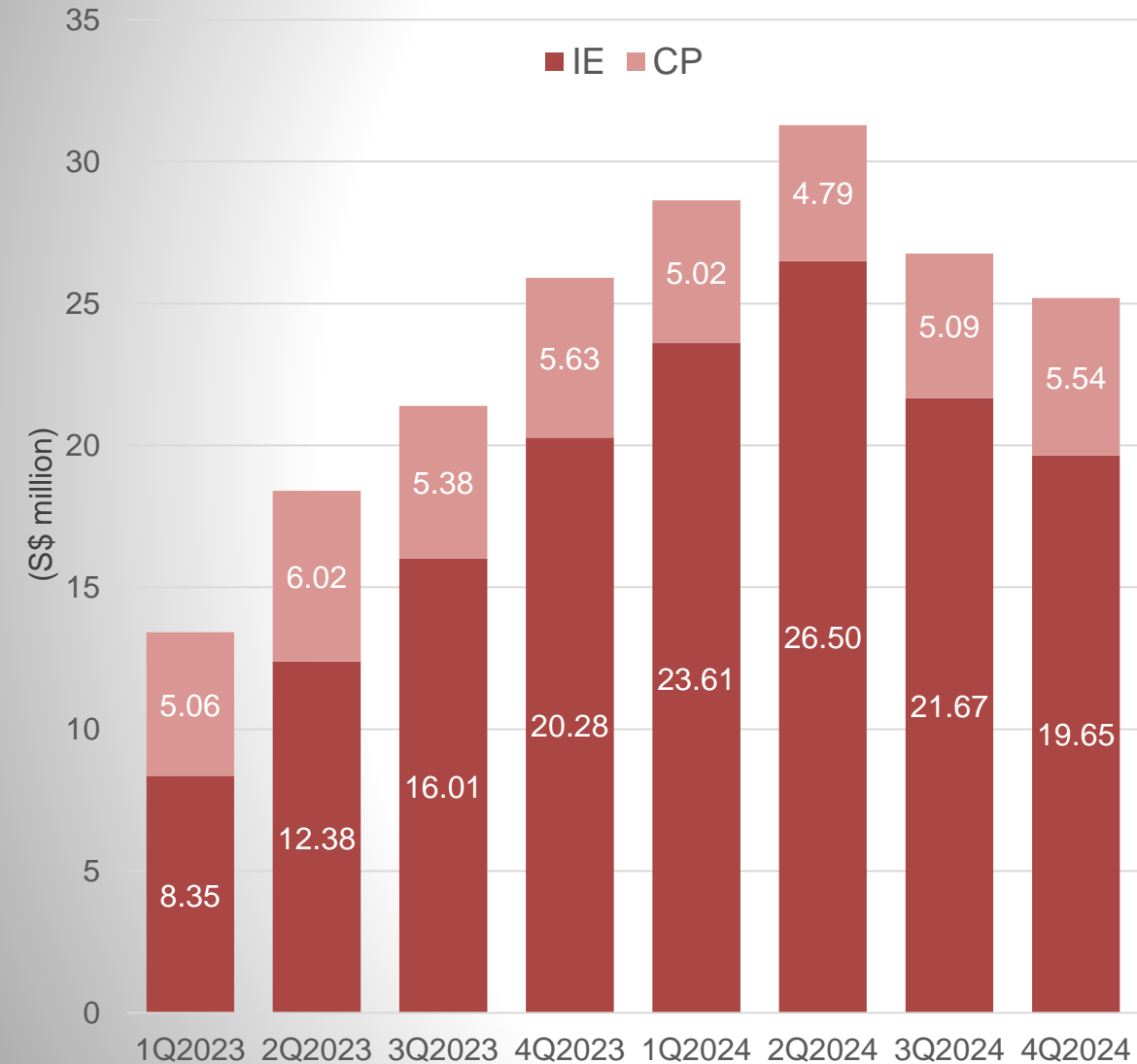
1. Expenses: admin + finance

Quarterly Highlights

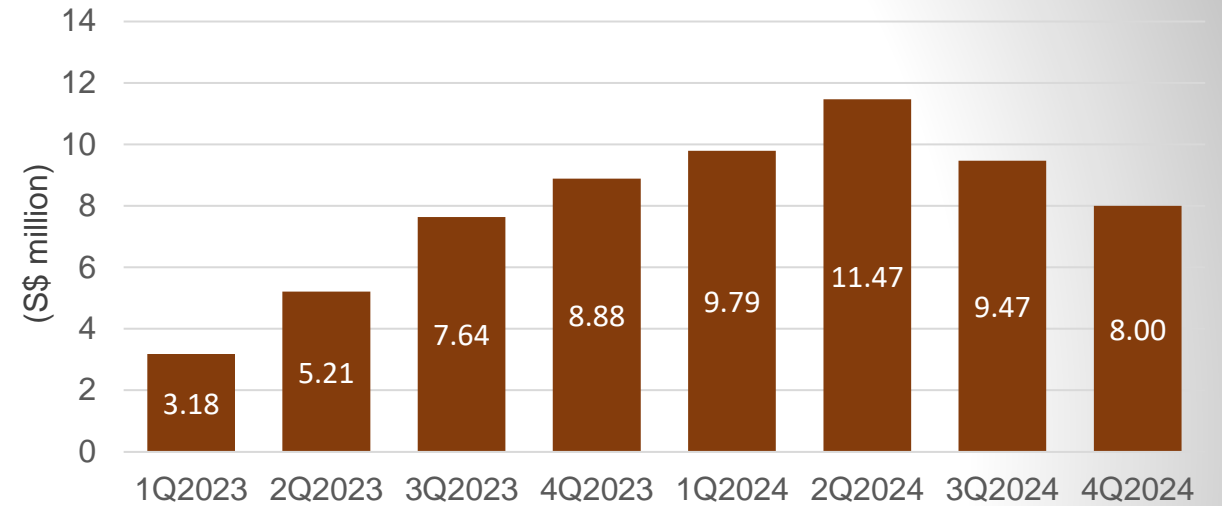


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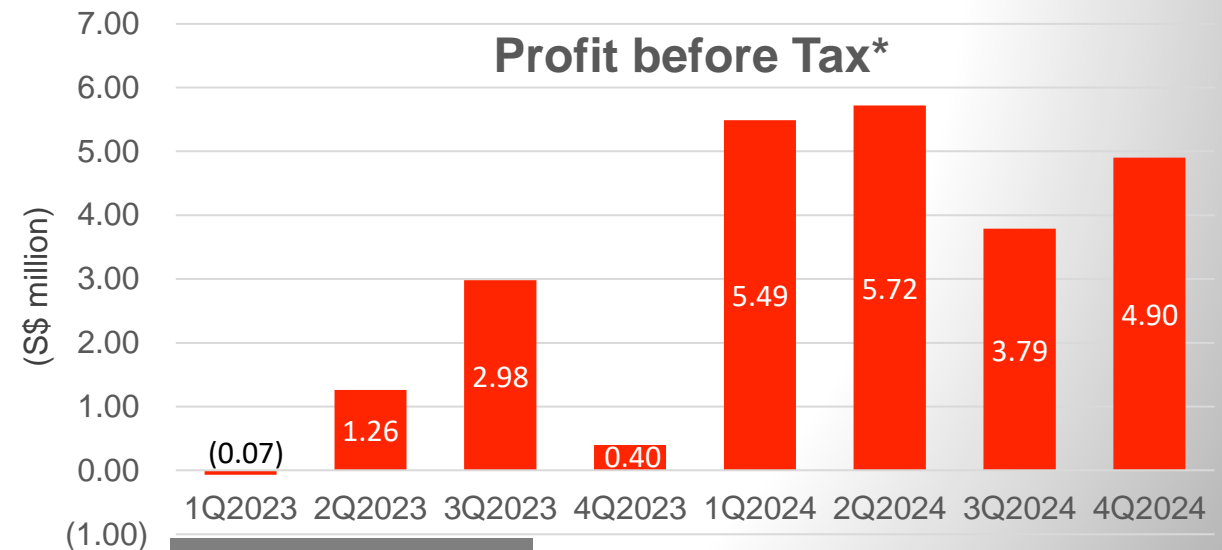
Revenue Contribution



Gross Profit



Profit before Tax*



*Excluding one-off gain(s)

Key Balance Sheet Highlights

Strengthened balance sheet with increased liquidity position and reduced borrowings



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(S\$ million)	As at 31 Dec 2023	As at 31 Dec 2024
Current Assets	48.82	61.65
Non-Current Assets	14.18	12.46
Total Assets	63.00	74.11
Current Liabilities	47.49	40.21
Non-Current Liabilities	3.66	5.44
Total Liabilities	51.15	45.64
Total Equity	11.85	28.47

Key components:

- Cash and cash equivalents of S\$22.92 million
- Trade and other receivables of S\$24.95 million
- Contract assets of S\$12.71 million

Key components:

- Property, plant and equipment of S\$10.61 million
- Investment properties of S\$1.55 million

Key components:

- Trade and other payables of S\$31.73 million
- Borrowings of S\$3.76 million
- Current income tax liabilities of S\$3.93 million

Key components:

- Trade and other payables of S\$0.95 million
- Borrowings of S\$4.48 million


Advancing Towards BKM 2.0

Building sustainable growth within the global offshore and marine industry



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Anchored by our Two
Core Business Units



Infrastructure
Engineering



Corrosion
Prevention



Key
Business Pillars

1. Strategic Market
Positioning

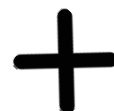
2. Value-led
Transformation

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



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2.0



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