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BENG KUANG GROUP

**BENG KUANG MARINE LIMITED
AND ITS SUBSIDIARY CORPORATIONS**
(Company Registration No: 199400196M)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

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Beng Kuang Marine Limited and its Subsidiary Corporations

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		The Group		
	Note	6 months ended 30 June 2025 \$'000	6 months ended 30 June 2024 \$'000	+/(-) %
Revenue	4	50,787	59,920	(15.2%)
Cost of sales		(31,369)	(38,664)	(18.9%)
Gross profit		19,418	21,256	(8.6%)
Other (losses)/gains – net		(7)	7,263	NM
Expenses				
- Administrative		(10,017)	(10,949)	(8.5%)
- Finance		(330)	(527)	(37.4%)
Profit before income tax	6	9,064	17,043	(46.8%)
Income tax expense	7	(2,184)	(2,660)	(17.9%)
Net profit		6,880	14,383	(52.2%)
Other comprehensive income/(loss), net of tax:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation differences arising from consolidation – losses		(355)	(185)	91.9%
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Currency translation differences arising from consolidation – losses		(78)	(42)	85.7%
Other comprehensive losses		(433)	(227)	90.7%
Total comprehensive income		6,447	14,156	(54.5%)
Profit attributable to:				
Equity holders of the Company		2,931	8,566	(65.8%)
Non-controlling interests		3,949	5,817	(32.1%)
		6,880	14,383	(52.2%)
Total comprehensive income attributable to:				
Equity holders of the Company		2,576	8,381	(69.3%)
Non-controlling interests		3,871	5,775	(33.0%)
		6,447	14,156	(54.5%)
Earnings per share attributable to equity holders of the Company (cents per share)				
Basic earnings per share	9	1.46	4.30	(66.0%)
Diluted earnings per share ⁽¹⁾	9	1.46	4.30	(66.0%)

Note:

(1) As at 30 June 2025, shareholders hold 59,760,110 bonus warrants. These are anti-dilutive because the exercise price of S\$0.22 is higher than the average market price in 1H2025.

NM - Not meaningful

Beng Kuang Marine Limited and its Subsidiary Corporations

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30 June 2025 \$'000	31 December 2024 \$'000	30 June 2025 \$'000	31 December 2024 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	25,128	22,920	489	2,385
Trade and other receivables	12	21,930	24,954	20,093	20,007
Contract assets		16,344	12,712	-	-
Inventories		1,081	1,068	-	-
		64,483	61,654	20,582	22,392
Assets of disposal group	13	-	-	-	-
		64,483	61,654	20,582	22,392
Non-current assets					
Investments in subsidiary corporations		-	-	4,589	4,589
Investment properties	14	1,592	1,553	-	-
Property, plant and equipment	15	12,090	10,612	899	766
Deferred income tax assets		292	292	-	-
		13,974	12,457	5,488	5,355
Total assets		78,457	74,111	26,070	27,747
LIABILITIES					
Current liabilities					
Trade and other payables	16	31,127	31,732	17,554	18,905
Contract liabilities		100	43	-	-
Deferred income	17	343	737	-	-
Current income tax liabilities		3,776	3,931	-	-
Borrowings	18	3,282	3,762	215	198
		38,628	40,205	17,769	19,103
Non-current liabilities					
Trade and other payables	16	1,992	951	-	-
Borrowings	18	4,749	4,477	2,872	3,259
Deferred income tax liabilities		7	7	-	-
		6,748	5,435	2,872	3,259
Total liabilities		45,376	45,640	20,641	22,362
NET ASSETS		33,081	28,471	5,429	5,385
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	19	55,472	54,124	55,472	54,124
Other reserves		(2,392)	(2,037)	-	-
Accumulated losses		(29,392)	(31,098)	(50,043)	(48,739)
		23,688	20,989	5,429	5,385
Non-controlling interests		9,393	7,482	-	-
Total equity		33,081	28,471	5,429	5,385

Beng Kuang Marine Limited and its Subsidiary Corporations

C. Condensed interim statements of changes in equity

The Group	← Attributable to equity holders of the Company →				Non-controlling interests \$'000	Total \$'000
	Share capital \$'000	Accumulated losses \$'000	Other reserves \$'000	Total \$'000		
2025						
Balance at 1 January 2025	54,124	(31,098)	(2,037)	20,989	7,482	28,471
Profit for the financial period	-	2,931	-	2,931	3,949	6,880
Other comprehensive loss for the financial period	-	-	(355)	(355)	(78)	(433)
Total comprehensive income	-	2,931	(355)	2,576	3,871	6,447
Issuance of new shares pursuant to exercise of bonus warrants	1	-	-	1	-	1
Issuance of new shares pursuant to exercise of compensation shares	929	-	-	929	-	929
Share issue expenses	(114)	-	-	(114)	-	(114)
Dividend paid to equity shareholders:						
- In cash	-	(693)	-	(693)	-	(693)
- Shares issued in lieu of dividends	532	(532)	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	(1,960)	(1,960)
Balance as at 30 June 2025	<u>55,472</u>	<u>(29,392)</u>	<u>(2,392)</u>	<u>23,688</u>	<u>9,393</u>	<u>33,081</u>
2024						
Balance at 1 January 2024	54,124	(42,636)	(1,952)	9,536	2,315	11,851
Profit for the financial period	-	8,566	-	8,566	5,817	14,383
Other comprehensive loss for the financial period	-	-	(185)	(185)	(42)	(227)
Total comprehensive income	-	8,566	(185)	8,381	5,775	14,156
Acquisition of additional equity interest in subsidiary corporation	-	-	5	5	(505)	(500)
Dividend paid to non-controlling interests	-	-	-	-	(1,960)	(1,960)
Balance as at 30 June 2024	<u>54,124</u>	<u>(34,070)</u>	<u>(2,132)</u>	<u>17,922</u>	<u>5,625</u>	<u>23,547</u>

C. Condensed interim statements of changes in equity

The Company	Share capital \$'000	Accumulated losses \$'000	Total Equity \$'000
2025			
Balance at 1 January 2025	54,124	(48,739)	5,385
Loss for the financial period	-	(79)	(79)
Issuance of new shares pursuant to exercise of bonus warrants	1	-	1
Issuance of new shares pursuant to exercise of compensation shares	929	-	929
Share issue expenses	(114)	-	(114)
Dividend paid to equity shareholders:			
- In cash	-	(693)	(693)
- Shares issued in lieu of dividends	532	(532)	-
Balance as at 30 June 2025	<u>55,472</u>	<u>(50,043)</u>	<u>5,429</u>
2024			
Balance at 1 January 2024	54,124	(51,682)	2,442
Loss for the financial period	-	(1,044)	(1,044)
Balance as at 30 June 2024	<u>54,124</u>	<u>(52,726)</u>	<u>1,398</u>

Beng Kuang Marine Limited and its Subsidiary Corporations

D. Condensed interim consolidated statements of cash flows

	Note	The Group 6 months ended 30 June 2025 \$'000	6 months ended 30 June 2024 \$'000
Cash flows from operating activities			
Net profit		6,880	14,383
<i>Adjustments for:</i>			
Credit loss allowance/(write back) - trade receivable, net	6	72	(331)
Inventories written down		1	-
Gain on disposal of property, plant and equipment	6	(14)	(17)
Property, plant and equipment written off	6	-	10
Gain on disposal and remeasurement of disposal group, net	6	-	(5,511)
Interest income		(176)	(22)
Interest expense	6	330	527
Income tax expense	7	2,184	2,660
Depreciation of investment properties	6	88	97
Depreciation of property, plant and equipment	6	1,705	1,393
Unrealised currency translation differences		(5)	(978)
		11,065	12,211
<i>Change in working capital</i>			
Inventories		10	(24)
Contract assets		(3,631)	(2,680)
Trade and other receivables		2,959	(1,339)
Trade and other payables		2,117	(869)
Contract liabilities		57	56
Deferred income		(394)	(5)
Cash generated from operations		12,183	7,350
Interest received		175	22
Interest paid		(12)	(145)
Income tax paid		(2,339)	(1,192)
Net cash generated from operating activities		10,007	6,035
Cash flows from investing activities			
Additions to property, plant and equipment		(2,554)	(426)
Proceeds from disposal of property, plant and equipment		154	24
Acquisition of non-controlling interests		-	(500)
Net cash inflow from sale of disposal group		-	9,334
Net cash (used in) / generated from investing activities		(2,400)	8,432
Cash flows from financing activities			
Bank deposits pledged		(100)	-
Proceeds from issuance of shares, net		1	-
Repayment of bonds		(1,250)	-
Proceeds from borrowings		3,474	4,531
Repayment of borrowings		(3,692)	(7,738)
Principal payment of lease liabilities		(799)	(684)
Increase in bills payable, net		333	-
Interest paid		(319)	(382)
Dividend paid to non-controlling interests		(1,960)	(1,960)
Dividend paid to equity shareholders		(693)	-
Share issue expense		(114)	-
Net cash used in financing activities		(5,119)	(6,233)
Net increase in cash and cash equivalents		2,488	8,234
Cash and cash equivalents			
Beginning of financial period		22,420	9,889
Effects of currency translation on cash and cash equivalents		(380)	862
End of financial period		24,528	18,985

E. Selected notes to the condensed interim consolidated financial statements

1 Corporate information

Beng Kuang Marine Limited (the “Company”) is a limited liability company, which is incorporated in the Republic of Singapore and listed on the Singapore Stock Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are provision of corrosion prevention services relating to repairing of ships, tankers and other ocean-going vessels and investment holding. The principal activities of the subsidiary corporations are provision of infrastructure engineering services and corrosion prevention services for the marine and offshore energy sector.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency and all values are rounded to the nearest thousand (\$’000) except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

E. Selected notes to the condensed interim consolidated financial statements

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group is organized into the following main business segments:

(a) Infrastructure Engineering

This relates to provision of 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.

(b) Corrosion Prevention

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

(c) Corporate Services

This relates to corporate administration and treasury related functions at Group level.

(d) Others

This relates to other non-core activities comprising vessel owning and freighting services.

These operating segments are reported in a manner consistent with internal reporting provided to Executive Committee who are responsible for allocating resources and assessing performance of the operating segments.

E. Selected notes to the condensed interim consolidated financial statements

4.1 Reporting segments

	Infrastructure Engineering		Corrosion Prevention		Corporate Services		Others		Total	
	1H2025 \$'000	1H2024 \$'000	1H2025 \$'000	1H2024 \$'000	1H2025 \$'000	1H2024 \$'000	1H2025 \$'000	1H2024 \$'000	1H2025 \$'000	1H2024 \$'000
Revenue										
Total segment sales	41,497	50,219	10,094	11,090	-	-	26	-	51,617	61,309
Inter-segment sales	(324)	(105)	(506)	(1,284)	-	-	-	-	(830)	(1,389)
Sales to external customers	41,173	50,114	9,588	9,806	-	-	26	-	50,787	59,920
Results:										
Segment results	10,458	19,964	1,477	1,464	(2,652)	(3,785)	(65)	(95)	9,218	17,548
Interest expense	(13)	(130)	(158)	(196)	(159)	(201)	-	-	(330)	(527)
Interest income	138	17	11	5	27	-	-	-	176	22
Profit/(loss) from operating segment	10,583	19,851	1,330	1,273	(2,784)	(3,986)	(65)	(95)	9,064	17,043
Income tax expense									(2,184)	(2,660)
Net profit									6,880	14,383
Profit attributable to non-controlling interests									(3,949)	(5,817)
									2,931	8,566
Net profit includes:										
- Depreciation of investment properties	88	97	-	-	-	-	-	-	88	97
- Depreciation of property, plant and equipment	555	561	902	589	184	179	64	64	1,705	1,393

E. Selected notes to the condensed interim consolidated financial statements

4.1 Reporting segments (cont'd)

	Infrastructure Engineering		Corrosion Prevention		Corporate Services		Others		Total	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other information										
Segment assets	60,842	53,474	15,036	12,530	1,453	2,501	1,126	1,271	78,457	69,776
Segment assets include:-										
Additions to: Property, plant and equipment	628	308	2,402	155	450	250	49	-	3,529	713
Segment liabilities	(22,042)	(19,788)	(12,232)	(13,949)	(11,010)	(12,422)	(92)	(70)	(45,376)	(46,229)

E. Selected notes to the condensed interim consolidated financial statements

4.2 Disaggregation of Revenue

	At a point in time \$'000	Over time \$'000	Total \$'000
<u>6 months ended 30 June 2025</u>			
Infrastructure engineering			
- Singapore	801	6,684	7,485
- Asia	117	1,657	1,774
- Europe	1,563	27,345	28,908
- South America	6	2,198	2,204
- Africa	-	802	802
	<u>2,487</u>	<u>38,686</u>	<u>41,173</u>
Corrosion prevention			
- Singapore	325	6,187	6,512
- Asia	360	2,716	3,076
	<u>685</u>	<u>8,903</u>	<u>9,588</u>
Others			
- Asia	-	26	26
	<u>-</u>	<u>26</u>	<u>26</u>
Total	<u>3,172</u>	<u>47,615</u>	<u>50,787</u>

	At a point in time \$'000	Over time \$'000	Total \$'000
<u>6 months ended 30 June 2024</u>			
Infrastructure engineering			
- Singapore	186	12,071	12,257
- Asia	485	1,383	1,868
- Europe	2,124	33,832	35,956
- Middle East	-	24	24
- Others	9	-	9
	<u>2,804</u>	<u>47,310</u>	<u>50,114</u>
Corrosion prevention			
- Singapore	316	5,963	6,279
- Asia	318	3,209	3,527
	<u>634</u>	<u>9,172</u>	<u>9,806</u>
Total	<u>3,438</u>	<u>56,482</u>	<u>59,920</u>

E. Selected notes to the condensed interim consolidated financial statements

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024:

	The Group		The Company	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	25,128	22,920	489	2,385
Trade and other receivables	21,560	24,645	20,068	20,000
	<u>46,688</u>	<u>47,565</u>	<u>20,557</u>	<u>22,385</u>
Financial liabilities				
Borrowings	(8,031)	(8,239)	(3,087)	(3,457)
Trade and other payables	(33,119)	(32,683)	(17,554)	(18,905)
	<u>(41,150)</u>	<u>(40,922)</u>	<u>(20,641)</u>	<u>(22,362)</u>

6. Profit before income tax

6.1. Significant items

Profit before income tax is derived after (debiting)/crediting the following: -

	The Group	
	6 months	6 months
	ended	ended
	30 June 2025	30 June 2024
	\$'000	\$'000
Income		
Government grants	191	152
Currency exchange (losses)/gains, net	(1,190)	629
Rental income from investment properties	725	822
Expense		
Interest expense on borrowings	(330)	(527)
Credit loss (allowance)/write back - trade receivable, net	(72)	331
Gain on disposal of property, plant and equipment	14	17
Gain on disposal and remeasurement of disposal group, net	-	5,511
Property, plant and equipment written off	-	(10)
Depreciation of investment properties	(88)	(97)
Depreciation of property, plant and equipment	<u>(1,705)</u>	<u>(1,393)</u>

E. Selected notes to the condensed interim consolidated financial statements

6.2. Related party transactions

Other than disclosed elsewhere in the financial statements, transactions carried out with related parties in the normal course of business on terms agreed between the parties are as follows:

	The Group	
	6 months ended 30 June 2025 \$'000	6 months ended 30 June 2024 \$'000
Repayment of loan to a related party	76	210
Purchase of material and/or services from related parties	<u>3</u>	<u>3</u>

During September 2023, Mr. Yong Jiunn Run ("Mr. Yong"), who is the Company's Chief Executive Officer extended two fresh loans amounting to S\$100,000 and S\$200,000 to the Company. The temporary bridging loan of S\$100,000 was repaid on 15 September 2023; the S\$200,000 is to be repaid over a 2-year period. Both loans are interest-free and unsecured. The purpose of the loan was to finance the Group's working capital requirements.

During 1H2025, the total repayment of the loans from Mr. Yong was S\$75,500 (1H2024: S\$209,800).

The loans from Mr. Yong amounted was Nil as at 30 June 2025 (31 December 2024: S\$75,500).

Mr. Yong is an "interested person", and the loans are "interested person transactions" for the purposes of Chapter 9 of Mainboard Rules of the Singapore Exchange Securities Trading Limited. As all the loans that were extended are interest-free, there is no "value at risk" to the Group. These are not commercial loans and do not adversely affect the interest of minority shareholders.

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group	
	6 months ended 30 June 2025 \$'000	6 months ended 30 June 2024 \$'000
Current income tax expense	<u>2,184</u>	<u>2,660</u>

E. Selected notes to the condensed interim consolidated financial statements

8. Dividends

	The Group	
	6 months ended 30 June 2025 \$'000	6 months ended 30 June 2024 \$'000
Ordinary dividend paid		
0.006 cents (2024: Nil) final tax-exempt (one-tier) cash/scrip dividend per ordinary share paid in respect of the previous financial year	<u>1,226</u>	<u>-</u>

9. Earnings Per Share

Basic earnings per share is calculated by dividing the Group's profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The following table reflects the profit and shares data used in the computation of basic and diluted profit per share for the 6 months ended 30 June 2025 and 2024:

	The Group	
	6 months ended 30 June 2025	6 months ended 30 June 2024
Net profit attributable to equity holders of the Company (\$'000)	<u>2,931</u>	<u>8,566</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	<u>200,550</u>	<u>199,210</u>
Basic earnings per share (cents per share)	1.46	4.30
Diluted earnings per share (cents per share) *	<u>1.46</u>	<u>4.30</u>

* As at 30 June 2025, shareholders hold 59,760,110 bonus warrants. These are anti-dilutive because the exercise price of S\$0.22 is higher than the average market price in 1H2025.

10. Net Asset Value

	The Group		The Company	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Net assets value per ordinary share (cents)	11.43	10.54	2.62	2.70
Number of shares	<u>207,240,473</u>	<u>199,210,406</u>	<u>207,240,473</u>	<u>199,210,406</u>

E. Selected notes to the condensed interim consolidated financial statements

11. Cash and cash equivalents

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	30 June 2025 \$'000	31 December 2024 \$'000
Cash and bank balances	24,802	22,441
Short-term bank deposits	326	479
Less: Bank deposits pledged ^(a)	(600)	(500)
Cash and cash equivalents per consolidated statement of cash flows	<u>24,528</u>	<u>22,420</u>

^(a) Bank deposits are pledged in relation to the security granted for certain borrowings (Note 18).

12. Trade and other receivables

	The Group		The Company	
	30 June 2025 \$'000	31 December 2024 \$'000	30 June 2025 \$'000	31 December 2024 \$'000
Trade receivables				
- Subsidiary corporations	-	-	935	892
- Non-related parties	18,289	24,158	12	3
	<u>18,289</u>	<u>24,158</u>	<u>947</u>	<u>895</u>
Less: Loss allowance	(236)	(261)	-	-
Trade receivables - net	<u>18,053</u>	<u>23,897</u>	<u>947</u>	<u>895</u>
Non-trade receivables				
- Subsidiary corporations	-	-	19,821	19,798
- Non-related parties	428	179	-	-
	<u>428</u>	<u>179</u>	<u>19,821</u>	<u>19,798</u>
Less: Loss allowance				
- Subsidiary corporations	-	-	(740)	(740)
Non-trade receivables - net	<u>428</u>	<u>179</u>	<u>19,081</u>	<u>19,058</u>
Retentions	2,576	163	-	-
Deposits	503	406	40	47
Prepayments	370	309	25	7
	<u>21,930</u>	<u>24,954</u>	<u>20,093</u>	<u>20,007</u>

E. Selected notes to the condensed interim consolidated financial statements

12. Trade and other receivables (cont'd)

Ageing of net trade receivables as of 30 June 2025 and 31 December 2024 are as follow: -

	30 June 2025 \$'000	The Group 31 December 2024 \$'000	% change \$'000
Current	6,453	8,667	(25.5%)
Less than 90 days	7,865	13,097	(39.9%)
91 to 150 days	1,358	1,464	(7.2%)
151 to 365 days	2,103	252	734.5%
More than 365 days	274	417	(34.3%)
	<u>18,053</u>	<u>23,897</u>	

13. Assets of disposal group

	The Group 30 June 2025 \$'000	31 December 2024 \$'000
Beginning of financial period/year	-	2,742
Reclassified from inventories	-	830
Reclassified from property, plant and equipment (Note 15)	-	249
Disposal	-	(2,991)
Loss on remeasurement to fair value less cost to sell	-	(830)
End of financial period/year	<u>-</u>	<u>-</u>

- (a) On 12 April 2023, the Group's wholly-owned subsidiary corporation, PT. Nexus Engineering Indonesia, entered into a Conditional Land Sale & Purchase Agreement with Oil States Industries (Asia) Pte. Ltd. for the sale of 90,000 square metres of land forming part of the Group's 328,956 square metre waterfront fabrication yard in Batam, Indonesia for a consideration of \$8.64 million. The disposal was completed on 24 January 2024, with gain on disposal of S\$5.53 million.
- (b) On 26 June 2023, the Group's wholly-owned subsidiary corporation, PT. Marina Shipping, entered into a sale and purchase agreement with PT Pelayaran Sinar Varuna Sentosa for a second 1,700HP tugboat for a consideration of \$0.97 million. The disposal was completed on 19 January 2024, with a loss of S\$0.02 million.

E. Selected notes to the condensed interim consolidated financial statements

14. Investment properties

	The Group	
	30 June 2025 \$'000	31 December 2024 \$'000
Cost		
Beginning of financial period	1,718	-
Transfer from property, plant and equipment (Note 15)	127	1,718
End of financial period/year	<u>1,845</u>	<u>1,718</u>
Accumulated depreciation		
Beginning of financial period	165	-
Depreciation charge	88	165
End of financial period/year	<u>253</u>	<u>165</u>
Net carrying value		
End of financial period/year	<u>1,592</u>	<u>1,553</u>

Investment properties include those land parcels of the Batam shipyard that are held for long-term rental incomes and/or for capital appreciation.

15. Property plant and equipment

	The Group		The Company	
	30 June 2025 \$'000	31 December 2024 \$'000	30 June 2025 \$'000	31 December 2024 \$'000
Cost				
Beginning of financial period	45,720	52,037	1,746	1,400
Additions	3,529	1,776	450	349
Disposals	(377)	(1,250)	(295)	-
Written-off	(157)	(1,729)	-	(3)
Lease termination	-	(483)	-	-
Reclassified to assets of disposal group (Note 13)	-	(648)	-	-
Transfer to inventories (P&L)	(24)	(144)	-	-
Transfer to investment properties (Note 14)	(291)	(3,618)	-	-
Currency translation differences	(250)	(221)	-	-
End of financial period	<u>48,150</u>	<u>45,720</u>	<u>1,901</u>	<u>1,746</u>
Accumulated depreciation				
Beginning of financial period	35,108	38,196	980	620
Depreciation charge (Note 6)	1,705	2,735	184	363
Disposals	(237)	(1,220)	(162)	-
Written-off	(157)	(1,703)	-	(3)
Lease termination	-	(402)	-	-
Reclassified to assets of disposal group (Note 13)	-	(399)	-	-
Transfer to investment properties (Note 14)	(164)	(1,900)	-	-
Currency translation differences	(195)	(199)	-	-
End of financial period	<u>36,060</u>	<u>35,108</u>	<u>1,002</u>	<u>980</u>
Net carrying value				
End of financial period	<u>12,090</u>	<u>10,612</u>	<u>899</u>	<u>766</u>

E. Selected notes to the condensed interim consolidated financial statements

16. Trade and other payables

	The Group		The Company	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<i>Current</i>				
Trade payables				
- Non-related parties	5,796	4,432	48	9
	<u>5,796</u>	<u>4,432</u>	<u>48</u>	<u>9</u>
Non-trade payables				
- Subsidiary corporations	-	-	9,625	9,229
- Related party	-	76	-	76
- Non-related parties	4,330	5,183	3,528	3,955
	<u>4,330</u>	<u>5,259</u>	<u>13,153</u>	<u>13,260</u>
Accruals for operating expenses	13,305	13,780	4,353	5,636
Accruals for project expenses	7,696	8,261	-	-
	<u>21,001</u>	<u>22,041</u>	<u>4,353</u>	<u>5,636</u>
	<u>31,127</u>	<u>31,732</u>	<u>17,554</u>	<u>18,905</u>
<i>Non-current</i>				
Trade payables				
- Non-related parties	1,992	951	-	-
	<u>1,992</u>	<u>951</u>	<u>-</u>	<u>-</u>
Total trade and other payables	<u>33,119</u>	<u>32,683</u>	<u>17,554</u>	<u>18,905</u>

17. Deferred income

	The Group		The Company	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Rental Income	<u>343</u>	<u>737</u>	<u>-</u>	<u>-</u>

Rental represents cash received in advance for rental of workers' dormitory, office space, equipment and machinery, and is non-refundable.

E. Selected notes to the condensed interim consolidated financial statements

18. Borrowings

	The Group		The Company	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<i>Current</i>				
Bank borrowings	2,097	2,527	-	-
Bills payable	179	103	-	-
Lease liabilities	1,006	1,132	215	198
	<u>3,282</u>	<u>3,762</u>	<u>215</u>	<u>198</u>
<i>Non-current</i>				
Bank borrowings	1,400	930	-	-
Bond	2,544	3,042	2,544	3,042
Lease liabilities	805	505	328	217
	<u>4,749</u>	<u>4,477</u>	<u>2,872</u>	<u>3,259</u>
Total borrowings	<u>8,031</u>	<u>8,239</u>	<u>3,087</u>	<u>3,457</u>
Represented by:				
- Secured	2,034	2,672	368	306
- Unsecured	5,997	5,567	2,719	3,151
	<u>8,031</u>	<u>8,239</u>	<u>3,087</u>	<u>3,457</u>

Certain bank borrowings and credit facilities of the Group are secured over floating charge over certain bank deposits (Note 11), certain trade receivables (Note 12) and motor vehicles (Note 15).

The 2024 Bonds have been fully redeemed. The 2027 Bond carries a fixed interest rate of 9% per annum, with a maturity date of 5 November 2027. Interest is payable semi-annually in arrears.

19. Share Capital

- 19.1 Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

E. Selected notes to the condensed interim consolidated financial statements

19. Share Capital (cont'd)

Ordinary share

	The Group and the Company			
	30 June 2025		31 December 2024	
	Numbers '000	Amount \$'000	Numbers '000	Amount \$'000
Beginning of interim period	199,210	54,124	199,210	54,124
Issuance of new shares from exercise of bonus warrants	3	1	-	-
Issuance of new shares pursuant to exercise of compensation shares	5,037	929	-	-
Issuance of new shares from exercise of scrip dividend	2,990	532	-	-
Share issue expenses	-	(114)	-	-
End of interim period	<u>207,240</u>	<u>55,472</u>	<u>199,210</u>	<u>54,124</u>

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2025 and 31 December 2024.

Convertibles

The Company did not hold any outstanding convertibles as at 30 June 2025 and 30 June 2024.

Treasury Shares

The Company did not hold any treasury shares as at 30 June 2025 and 30 June 2024.

Warrants

On 20 August 2024, the Company has obtained approval in-principle from Singapore Exchange Trading ("SGX-ST") for bonus warrants issue of 3 warrant for every 10 existing shares at an exercise price of S\$0.22 for each warrant into a new share. On 4 September 2024, a total of 59,763,110 bonus warrants were issued and listed by the Company. The bonus warrant's exercise period will commence on (and including) the date falling six (6) months from the date of listing of the Bonus Warrants and will expire at 5.00 p.m. on the date falling 36 months from the Warrants Listing Date, being 3 September 2027 given that 4 September 2027 is a not business day.

For the period ending 30 June 2025, 3,000 bonus warrants were converted to 3,000 new ordinary share of the Company bringing total issued share capital to 207,240,473.

As at 30 June 2025, there were 59,760,110 outstanding warrants for which ordinary shares may be issued (31 December 2024: 59,763,110)

E. Selected notes to the condensed interim consolidated financial statements

19. Share Capital (cont'd)

19.2 To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	The Group and the Company	
	30 June 2025	31 December 2024
Issued and fully paid	<u>207,240,473</u>	<u>199,210,406</u>

19.3 A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the current financial period reported on.

None.

19.4 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not Applicable

20. Subsequent Event

Subsequent to 30 June 2025, there have been no events that may have an effect on the consolidated condensed interim financial statements of the Company.

Other Information Required by Listing Rule

Appendix 7.2

OTHER INFORMATION

1. (a) Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed consolidated statements of financial position of Beng Kuang Marine Limited and its subsidiary corporations as at 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

(b) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

2. Review of performance of the Group

Condensed interim consolidated statement of profit or loss and other comprehensive income

(a) Revenue

	The Group		
	6 months ended	6 months ended	
	30 June 2025 S\$'million	30 June 2024 S\$'million	+ / (-) %
<u>Revenue</u>			
Infrastructure Engineering ("IE")	41.17	50.11	(17.8)
Corrosion Prevention ("CP")	9.59	9.81	(2.2)
Others	0.03	-	NM
	<u>50.79</u>	<u>59.92</u>	(15.2)

The Group reported a 15.2% year-on-year decline in revenue, decreasing from S\$59.92 million in 1H2024 to S\$50.79 million in 1H2025. This decline was primarily attributed to a slower start to the year, particularly within the Infrastructure & Engineering (IE) division, which faced delays in project execution and lower-than-expected contract commencements.

a. Infrastructure & Engineering (IE) Division

The IE division experienced a revenue decrease of 17.8% or S\$8.94 million in 1H2025 compared to 1H2024. Key factors contributing to this decline include:

- **Offshore Asset Integrity**

The decline was mainly attributed to delayed contract execution in its Africa & Guyana operations. Despite the short-term impact, the Group continues to maintain a healthy and stable pipeline of ongoing work orders. The outlook remains positive, driven by rising demand for offshore in-situ services for FPSO vessels and the Group's expansion into Latin America (where FPSO deployment commands higher rates).

2. Review of performance of the Group (cont'd)

Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

(a) Revenue (cont'd)

a. Infrastructure & Engineering (IE) Division (cont'd)

- Deck Equipment

The Group has since reoriented its market focus toward India and Southeast Asia and has secured new contracts valued at S\$6.95 million. Moving forward, the Group aims to grow its recurring revenue base through enhanced service and maintenance offerings, as well as the sale of spare parts to support long-term sustainability and profitability.

b. Corrosion Protection (CP) Division

Revenue from the CP division declined slightly by 2.2%, or S\$0.22 million, in 1H2025 compared to 1H2024. This marginal decrease was primarily due to contrasting performances across its operating locations:

- CP Singapore

The Singapore operations delivered stronger performance, with higher revenue of S\$6.87 million supported by extended contract services for FPSO module works and offshore wind farm projects.

- CP Batam, Indonesia

In contrast, CP Batam recorded a revenue decline of S\$0.49 million. This was mainly attributed to several key customer projects reaching their tail-end stages in 1Q2025, resulting in lower work volume during the reporting period.

(b) Cost of sales/Gross Profit Margin

The Group's cost of sales declined by 18.9% (S\$7.30 million) to S\$31.37 million in 1H2025. This reduction outpaced the decrease in revenue and was largely driven by:

- A corresponding decline in cost of sales in line with the overall revenue contraction;
- Enhanced cost control measures and productivity improvements across key business units; and
- Strategic restructuring initiatives and cost optimisation efforts undertaken in recent periods, which have begun to yield tangible results in operational efficiency and project execution.

As a result of these efforts, the Group's Gross Profit Margin improved to 38.23% in 1H2025, up from 35.47% in 1H2024, reflecting stronger cost discipline and improved profitability.

2. Review of performance of the Group (cont'd)

Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

(c) Other (losses)/gains - net

Other gains comprise of the following:

	The Group	
	6 months ended	6 months ended
	30 June 2025	30 June 2024
	\$'000	\$'000
Interest income from bank deposits	176	22
Government grants	191	152
Currency exchange (losses)/gains, net	(1,190)	629
Gain on disposal of property, plant and equipment	14	17
Property, plant and equipment written off	-	(10)
Gain on disposal and remeasurement of disposal group, net	-	5,511
Rental income from investment properties	725	822
Others	77	120
	<u>(7)</u>	<u>7,263</u>

In 1H2025, the Group recorded Other Losses of S\$7,000, a reversal from Other Gains of S\$7.3 million in 1H2024. The decline was primarily due to the absence of a one-off gain of S\$5.51 million recognised in the prior period from the disposal of assets held-for-sale.

Additionally, the Group incurred a foreign exchange loss of S\$1.19 million in 1H2025, compared to a foreign exchange gain of S\$0.63 million in 1H2024. This was mainly attributable to the sharp depreciation of the US Dollar against the Singapore Dollar during the period.

(d) Administrative expenses

Administrative expenses for 1H2025 declined by 8.5% to S\$10.02 million, compared to 1H2024. The decrease was mainly due to the Group's regular staffing and salary cycles, lower bonus provisions, and reduced personnel-related expenses, in line with the lower revenue recorded for the period ended 1H2025.

(e) Finance cost

Finance costs decreased by 37.4% to S\$0.33 million in 1H2025, down from S\$0.53 million in 1H2024. The decline was primarily driven by a reduction in bank borrowings, as well as more favourable pricing and lower interest rates secured during the period.

(f) Profit attributable to Owners of the Company

The Group reported a profit attributable to shareholders of S\$2.93 million in 1H2025, a slight decrease from S\$3.05 million in 1H2024 (excluding a one-off gain of S\$5.51 million from the partial yard disposal in Batam).

While the Group maintained a positive operating performance, profitability was impacted by foreign exchange losses of S\$1.20 million and higher depreciation charges during the period. Excluding these effects, the Group's performance would have been stronger. Notably, the Infrastructure Engineering (IE) and Corrosion Prevention (CP) segments continued to deliver positive contributions in 1H2025.

2. Review of performance of the Group (cont'd)

Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

(g) EBITDA

	The Group	
	6 months ended 30 June 2025	6 months ended 30 June 2024
	\$'000	\$'000
Net profit	6,880	14,383
Add: Income tax expense	2,184	2,660
Add: Interest expense	330	527
Add: Depreciation of investment properties	88	97
Add: Depreciation of property, plant and equipment	1,705	1,393
EBITDA	<u>11,187</u>	<u>19,060</u>

The Group EBITDA decreased by S\$7.87 million from S\$19.06 million in 1H2024. Nevertheless, the Group continues to generate positive EBITDA of \$11.19 million in 1H2025, primarily due to Group's business operations generating healthy returns as explained above.

Condensed interim consolidated cashflow statement

In 1H2025, the Group generated net cash from operating activities of S\$10.01 million, primarily driven by profit for the period and favourable working capital movements.

Net cash used in investing activities amounted to S\$2.40 million, mainly due to yard improvement works at Kabil, Batam, and the upgrading and renewal of equipment and machinery valued at S\$2.1 million under the Corrosion Prevention (CP) division.

Net cash used in financing activities totaled S\$5.12 million, mainly comprising:

- Partial repayment of bonds: S\$1.25 million;
- Net repayment of bank borrowings and lease liabilities : S\$1.02 million;
- Dividend paid to non-controlling interests: S\$1.96 million; and
- Dividend distribution to shareholders: S\$1.22 million (of which S\$0.69 million was paid in cash, and S\$0.53 million in new shares issued in lieu of cash dividends on 27 June 2025)

As a result of the above, the Group registered a net increase in cash and cash equivalents of S\$2.49 million for 1H2025.

2. Review of performance of the Group (cont'd)

Condensed interim statements of financial position

Group

Non-current assets

The Group's non-current assets increased by S\$1.52 million to S\$13.97 million as at 30 June 2025 mainly due to net of addition in excess of disposal fixed assets by S\$3.39 million less depreciation expense of S\$1.71 million.

Current assets

As at 30 June 2025, the Group's current assets increased by S\$2.83 million to S\$64.48 million, compared to 31 December 2024. The increase was mainly attributable to:

- A S\$2.21 million rise in cash and cash equivalents; and
- An increase of S\$3.63 million in contract assets.

These were partially offset by a decline of S\$5.84 million in net trade receivables, in line with lower business activity for the period ended 30 June 2025.

As at 30 June 2025, 79.3% of total trade receivables were aged below 90 days (31 December 2024: 91.1%). However, receivables aged between 151 and 365 days and beyond increased by S\$1.71 million, from S\$0.67 million to S\$2.38 million (net of credit loss allowances).

The increase in receivables aged over 151 days was primarily due to an extended settlement process relating to foreign withholding tax matters. As the invoiced amounts excluded withholding tax, clarification was required on the appropriate treatment. The matter has since been resolved, with revised invoices progressively issued as the customer updated their purchase orders to reflect the agreed arrangement, thereby normalising the account.

The Group conducts quarterly credit risk assessments on its trade receivables. Credit loss allowances amounted to S\$0.24 million as at 30 June 2025 (31 December 2024: S\$0.26 million), largely relating to debtors with deteriorating financial health and/or poor payment history.

Current liabilities

The Group's current liabilities reduced by S\$1.58 million from S\$40.21 million as at 31 December 2024 to S\$38.63 million. This reduction can be attributed to the following:

- Decrease in trade and other payables of S\$0.61 million resulting from expedited payments to suppliers and subcontractors;
- Decrease in Bank borrowings of S\$0.48 million due to payments to bank; and
- Decrease in current income tax liabilities amounting to S\$0.16 million.

Net current assets

As of 30 June 2025, the Group reported net current assets of S\$25.86 million, an increase from S\$21.45 million recorded on 31 December 2024. This can be attributed to the positive returns on business during 1H2025.

Non-current liabilities

The Group's non-current liabilities increased from S\$5.44 million as at 31 December 2024 to S\$6.75 million as at 30 June 2025. This was mainly due to the securing of S\$1.0 million in new term loans and the refinancing of certain short-term borrowings to longer-term facilities.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Group expects to maintain its business momentum, supported by the stable outlook in the oil and gas sector as well as continued activity in the marine industry. However, this positive trajectory may be tempered by ongoing geopolitical tensions and uncertainties in global economic conditions.

Despite these external challenges, the Group remains agile and proactive, with a focus on navigating market uncertainties and leveraging its operational strengths. In particular, the Infrastructure Engineering (IE) and Corrosion Prevention (CP) divisions are well-positioned to capitalise on emerging growth opportunities in their respective markets.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

None.

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the period under review. The Board will reassess the dividend position at the full-year results, consistent with the approach adopted in the previous financial year.

7. Interested person transactions

Other than disclosed in notes 6.2 on related party transactions from the selected notes to the condensed interim consolidated financial statements, there are no other interested parties transaction to disclosure.

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

8. Negative confirmation pursuant to Rule 705(5).

We, Chua Meng Hua and Chua Beng Yong, being Directors of Beng Kuang Marine Limited (the “Company”), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the half year ended 30 June 2025 to be false or misleading in any material aspect.

9. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

BY ORDER OF THE BOARD

Chua Beng Yong
Executive Chairman

Chua Meng Hua
Executive Director

Singapore
06 Aug 2025