明光集团
BENG KUANG GROUP

BENG KUANG MARINE LIMITED
Registration No. 199400196M

PRESS RELEASE

Beng Kuang Posts Revenue of S$50.79 Million in 1H2025 with Gross Profit of S$19.42 Million; Net Cash Generated from Operating Activities Increased to S$10.01 Million in 1H2025

- The Group's transition to an asset-light and service-oriented business model that is anchored by its two core business divisions, with the IE division generating revenue of S$41.17 million and the CP division contributing S$9.59 million in 1H2025
- Enhanced cost control measures and productivity improvements, together with the Group's strategic restructuring initiatives undertaken in recent years, have progressively improved its gross profit margin to 38.2% in 1H2025, as compared to 35.5% in 1H2024
- While the absence of other gains and foreign exchange losses weighed on financial results in 1H2025, the Group's underlying performance has been resilient with healthy cash flow generation
- Despite the impact of foreign exchange losses of S$1.19 million in 1H2025, the Group posted a profit attributable to shareholders of S$2.91 million for 1H2025, as compared to S$3.06 million in 1H2024 (excluding a one-time gain of S$5.51 million)
- As compared to 31 December 2024, the Group's balance sheet continues to strengthen with cash and cash equivalents increasing to S$25.13 million, while total equity increased to S$33.08 million as at 30 June 2025
- Emerging growth trends in the offshore and marine sector are expected to support stable business performance through the second half of 2025

Financial Year End: 31 December

(S$ million)	1H2024	1H2025	Change (%)
Revenue	59.92	50.79	(15.2)
Gross profit	21.26	19.42	(8.6)
Gross profit margin	35.5	38.2	+2.7 percentage points
Other gains / (losses)	7.26[1]	(0.01)	N.M.
Profit before tax	17.04	9.06	(46.8)
Net profit	14.38	6.88	(52.2)
EBITDA	19.06	11.19	(41.3)
Net asset value per share (S$ cents) as at 30 June 2025		11.43	

Singapore, 6 August 2025 – **Beng Kuang Marine Limited** ("**明光集团**" or the "**Company**", and together with its subsidiaries, the "**Beng Kuang Group**"), is pleased to announce a profitable set of financial results for the six months ended 30 June 2025 ("**1H2025**").

[1] Includes the gain of S$5.51 million from the partial disposal of Batam property in 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 1H2025 results, Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said: ***"Despite a slower start to the year and persistent headwinds from a weaker USD, we remain cautiously optimistic on our overall performance. In the face of ongoing economic and geopolitical uncertainties, our first-half results underscore the robustness and resilience of our asset-light, service-oriented business model.***

Our continued focus on cash flow, profitability, and sustainability underpins our disciplined cost management and ongoing efforts to enhance operational efficiency. These priorities allow us to remain agile and responsive in a constantly evolving market environment.

Looking ahead, we expect to sustain and maintain our business momentum in the second half of 2025 and will continue to position the Group strategically to capture emerging growth opportunities across the offshore and marine sectors."

Key Financial Highlights for 1H2025

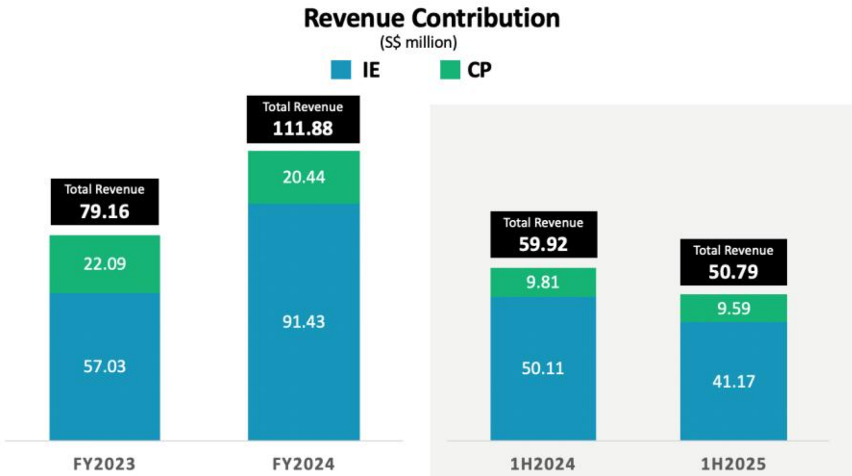
The Group's IE division continued to be main contributor, accounting for 81.1% of overall revenue in 1H2025: Under IE, the Group's asset integrity solutions for operating floating assets such as Floating Production Storage and Offloading vessels ("**FPSO**") and Floating Storage and Offloading vessels ("**FSO**"), among others, delivered revenue of S$41.17 million in 1H2025 despite some delays due to the timing of projects execution at the start of the year in the Group's Africa & Guyana operations.

Despite the short-term impact in 1H2025, the Group continues to maintain a healthy and stable pipeline of ongoing work orders, driven by rising demand for offshore in-situ services for FPSO vessels and expansion into Latin America (where FPSO deployment commands higher rates).

Established as a proficient "one-stop" in-situ turnkey solutions provider, revenue contribution from this service-centric business segment has become the key revenue contributor of the Group 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.

The Group's supply deck equipment business has reoriented its market focus towards Southeast Asia and India, and as at 30 June 2025, the Group has secured new contracts valued at S$6.95 million. Moving ahead, the Group aims to grow its recurring revenue base through enhanced service and maintenance offerings, as well as the sale of spare parts to further nurture this business unit into another growth segment.

For the Group's CP, revenue are largely recurring in nature, revenue from CP remained relatively resilient at S$9.59 million in 1H2025, as compared to S$9.81 million in 1H2024. There was contrasting performance across its two core operating markets, where Singapore's operations delivered a stronger performance from FPSO and offshore wind farm projects, while its Batam's operations had lower work volume due to key projects reaching its tail-end stages in 1Q2025. The Group is actively engaged in tendering for various upcoming projects at its Batam CP operations.



Improvement of the Group's gross profit margin to 38.2% with gross profit of S$19.42 million in 1H2025: The Group's cost of sales declined at a faster rate than revenue in 1H2025, which was largely driven by enhanced cost control measures and productivity improvements across key business units, as well as strategic restructuring initiatives and cost optimisation efforts undertaken in recent periods.

As a result, the Group's gross profit margin increased 2.7 percentage points to 38.2% in 1H2025, as compared to 35.5% in 1H2024.

Corresponding to lower revenue in 1H2025, the Group's gross profit dipped 8.6% to S$19.42 million in 1H2025, as compared to a gross profit of S$21.26 million recognised in 1H2024.

Absence of Other Gains and foreign exchange losses weighed on financial performance 1H2025: In 1H2025, the Group recorded Other Losses of S$7,000, a reversal from Other Gains of S$7.26 million in 1H2024 that included the one-time gain of S$5.51 million from the partial disposal of Batam property.

Notably, 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, which was mainly attributable to the sharp depreciation of the US Dollar against the Singapore Dollar during the period.

The Group's administrative expenses for 1H2025 decreased by 8.5% to S$10.02 million, as compared by S$10.95 million in 1H2024, which comprises the Group's regular staffing and payroll cycles, lower bonus provisions, and reduced personnel-related expenses that were in line with the lower revenue in 1H2025.

Driven by the progressive reduction in borrowings over the past few years, the Group's interest expense continued to reduce to S$0.33 million in 1H2025, as compared to S$0.53 million in 1H2024.

Excluding the effects of foreign exchange losses of S$1.19 million in 1H2025, the Group's net profit would have been stronger at S$8.07 million in 1H2025. On an EBITDA basis, the Group achieved S$11.19 million in 1H2025, as compared to EBITDA of S$19.06 million in 1H2024.

Despite the impact of foreign exchange losses of S$1.19 million in 1H2025, the Group posted a profit attributable to shareholders of S$2.91 million for 1H2025, compared to S$3.06 million in 1H2024 (excluding a one-time gain of S$5.51 million), reflecting the resiliency of the Group's underlying financial performance.

Notably, the Group generated cash of S$10.01 million from its operating activities in 1H2025, as compared to S$6.04 million in 1H2024.

Strengthened balance sheet with improved liquidity position: The Group's total equity increased to S$33.08 million as at 30 June 2025 with total assets increasing to S$78.46 million, while total liabilities remain relatively stable at S$45.38 million.

Current assets increased to S$64.48 million as at 30 June 2025, of which the key components comprise cash and cash equivalents (which increased to S$25.13 million), trade and other receivables (which decreased to S$21.93 million) and contract assets (which increased to S$16.34 million).

Non-current assets increased to S$13.98 million as at 30 June 2025, of which the key components comprise property, plant and equipment (which increased to S$12.09 million) and investment properties (which increased marginally to S$1.59 million).

Current liabilities decreased to S$38.63 million as at 30 June 2025, of which the key components comprise trade and other payables (which decreased marginally to S$31.13 million), current tax income liabilities (which decreased marginally to S$3.78 million), and borrowings (which decreased to S$3.28 million).

Non-current liabilities increased to S$6.75 million as at 30 June 2025, of which the key components comprise borrowings (which increased to S$4.75 million) and trade and other payables (which increased to S$1.99 million).

The Group's net asset value per share increased marginally to 11.43 Singapore cents as at 30 June 2025.

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This press release is to be read in conjunction with the Company's announcements released on 6 August 2025, 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/

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