明 光 集 團
BENG KUANG GROUP

BENG KUANG MARINE LIMITED
Registration No. 199400196M

PRESS RELEASE

Beng Kuang Group's Revenue increased 30% to S$27.86 Million in 1H2021

- *The Group's IE and CP business segments were the main revenue drivers for 1H2021 with revenue growth in excess of 80%*
- *The Group's IE order book is S$14.7 million as at 30 June 2021, of which S$6.0 million is attributed to ASOM that provides specialised on-site vessel repair and maintenance solutions to FPSO and FSO vessels*
- *The Group to focus on stabilising its business activities and undertaking a strategic review of its business model*

Unaudited condensed interim financial for the six months ended 30 June 2021

(S$ million)	*1H2021*	*1H2020*	*Change (%)*
Revenue	*27.86*	*21.45*	*30*
Gross Profit	*2.93*	*1.72*	*71*
Net Loss	*(2.95)*	*(1.69)*	*(74)*
*Adjusted EBITDA**	*1.45*	*0.89*	*63*

**Adjusted EBITDA is not determined in accordance with SFRS(I) as SFRS(I) does not prescribe the computation methodology of Adjusted EBITDA. Adjusted EBITDA of Beng Kuang Group is defined as profit before tax, finance expense, depreciation and amortisation of property, plant and equipment and intangible assets, and excluding other gains. Adjusted EBITDA of the Beng Kuang Group may not be comparable to that of other companies that may determine Adjusted EBITDA differently. Adjusted EBITDA is presented as an additional measure because management believes that some investors find it to be a useful tool for measuring the Beng Kuang Group's ability to fund capital expenditures or to service debt obligations. It should not be considered in isolation or as an alternative to net profit as an indicator of operating performance or as an alternative to cash flows as a measure of liquidity.*

Singapore, 14 August 2021 – **Beng Kuang Marine Limited** ("**明光集团**" or the "**Company**", and together with its subsidiaries, the "**Beng Kuang Group**"), has announced today its financial results for the half year ended 30 June 2021 ("**1H2021**").

Striving to be the "Preferred Partner" in providing total solutions for the marine, offshore oil and gas industries, the Group has four key business segments as follows:

1. **Infrastructure Engineering** ("**IE**") – Providing a spectrum of turnkey engineering services from planning and project management to implementation involving procurement, fabrication, corrosion prevention, testing, installation and pre-commissioning of steel work modules and structures
2. **Corrosion Prevention** ("**CP**") – Providing corrosion prevention services in several established shipyards in Singapore and Batam, Indonesia
3. **Supply and Distribution** ("**SD**") – Providing a variety of marine and industrial hardware, tools and equipment as well as consumables under its house brands like MASTER, MULTI-FLEX, WELL and SPLASH
4. **Shipping** ("**SH**") – Operating two livestock vessels and two Indonesian-flagged assist tugs

Revenue growth of 30% to S$27.86 million in 1H2021: The Group's IE and CP business segments registered strong revenue growth in 1H2021, which saw CP's revenue increasing 85% to S$9.96 million

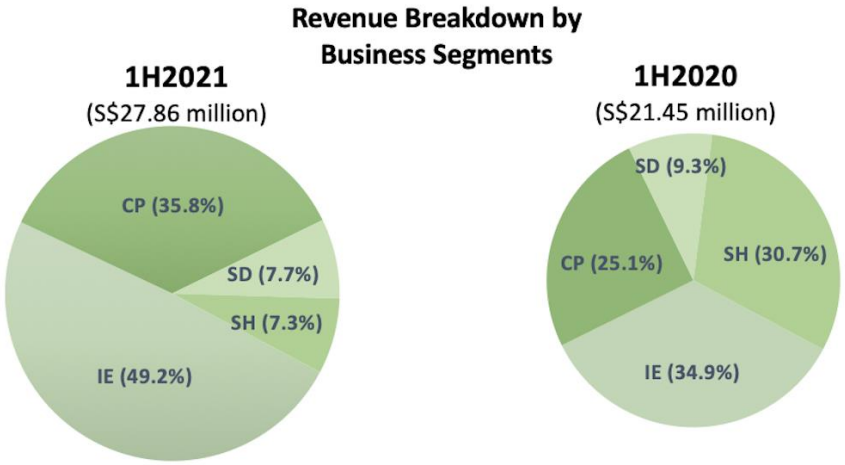
as CP secured more orders during 1H2021 and the gradual return of the Group's foreign labour workforce to operations.

Notably, revenue from IE surged 83% to S$13.72 million driven mainly by its 51%-owned Asian Sealand Offshore & Marine Pte Ltd ("**ASOM**") as a result of the re-opening of global business travel from the fourth quarter of 2020 that enabled ASOM to ramp up its business operations.

Specialising in asset integrity solutions, ASOM provides a wide range of on-site services such as repairs, engineering services, maintenances, decommissioning, among others. ASOM's key customers are mainly operators and asset owners of Floating Production Storage and Offloading ("**FPSO**") vessels and Floating Storage and Offloading ("**FSO**") vessels.

Revenue contribution from ASOM has been growing progressively over the past few years and as at 30 June 2021, ASOM has an order book of S$6.0 million.

In addition, IE has been receiving more fabrication project enquiries due to a recent uptrend in outsourcing manpower-intensive projects by established shipyard customers in Singapore to neighbouring countries to reduce the dependency on foreign workers. The Group owns and operate a waterfront fabrication yard in Batam, Indonesia with a land size of 32 hectares. In total, the IE business segment (including ASOM) has an order book of S$14.7 million as at 30 June 2021.

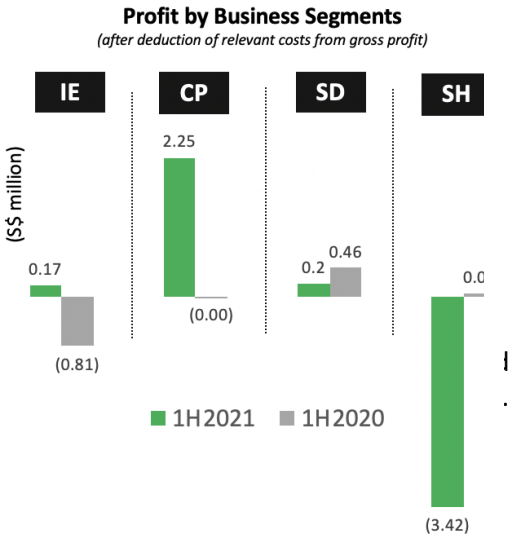


Gross profit increased 71% to S$2.93 million in 1H2021

The Group's gross profit margin increased by 2.5 percentage points from 8.0% in 1H2020 to 10.5% in 1H2021 largely attributed to ASOM's increased business volume from on-site repair and maintenance services for active offshore FPSO and FSO vessels.

However, the Group's gross profit was affected by SH, of which one livestock vessel has not been chartered since an accident in October 2020 and it is currently undergoing repairs and insurance assessment.

The other active livestock vessel experienced 1.5 months of downtime in early 2021 as some of its sea crew members tested positive for COVID-19.



Hence, after adjusting for grants and other income, the Group recorded an adjusted EBITDA of S$1.45 million in 1H2021.

On Group's Balance Sheet: The Group's total assets was S$95.37 million comprising current assets of S$41.88 million and non-current assets of S$53.49 million. The Group's total equity stood at S$28.96 million as at end June 2021 with total liabilities of S$66.42 million, of which S$60.61 million is attributed to current liabilities and S$5.80 million is attributed to non-current liabilities.

Strategic review in progress: Amid the challenging outlook in the oil & gas industry over the past few years, the Group has been focused on stabilising its business activities and undertaking a strategic review of its business model.

Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said: ***"We are seeing signs of turnaround with our strong revenue growth for the first half and it reinforces our confidence in the strategies that we have implemented.***

Our financial priorities are on costs cutting and deleveraging initiatives. On top of it, we will continue to focus our efforts and resources on high-potential business segments such as ASOM.

We are confident that we will become more agile with a strong business foundation for sustainable, profitable growth."

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This press release is to be read in conjunction with the Company's exchange filings on 14 August 2021, 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.

Over the years, Beng Kuang Group has been striving to be the "Preferred Partner" in providing total solutions for the marine, offshore oil and gas industries. As a testament to its commitment to quality, health and safety, many of its subsidiaries have been accredited with the relevant ISO certifications.

Leveraging on its strong track record and established business networks, Beng Kuang Group continues to strategically grow its key businesses in Infrastructure Engineering, Corrosion Prevention, Supply & Distribution and Shipping.

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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