



明光集團
BENG KUANG GROUP

9M2021 Business Updates



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Overview



Key Facts

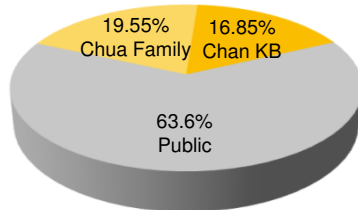
- Striving to be the “Preferred Partner” in providing total solutions for the marine, offshore oil and gas industries, Beng Kuang Marine Limited (together with its subsidiaries called Beng Kuang Group) has built up more than 30 years of operating track record since its establishment in 1990.
- With an established reputation for reliability, the Group has been appointed as “Resident Contractor” to provide corrosion prevention services in several established shipyards in Singapore and Batam, Indonesia.
- As a testament to its commitment to quality, health and safety, many of its subsidiaries have been accredited with the relevant ISO certifications.



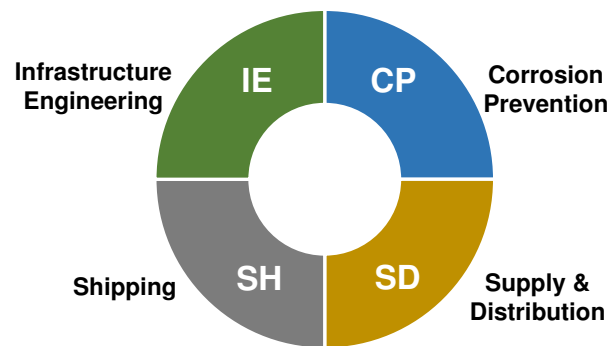
Key Stock Information

SGX-ST Listing	First listed in 2004 and transferred to Mainboard in 2007
No. of Issued Shares	Approximately 162 million
Stock Codes	Bloomberg Code: BKM:SP Reuters Code: BENK.SI SGX Code: BEZ.SI

Shareholding Spread



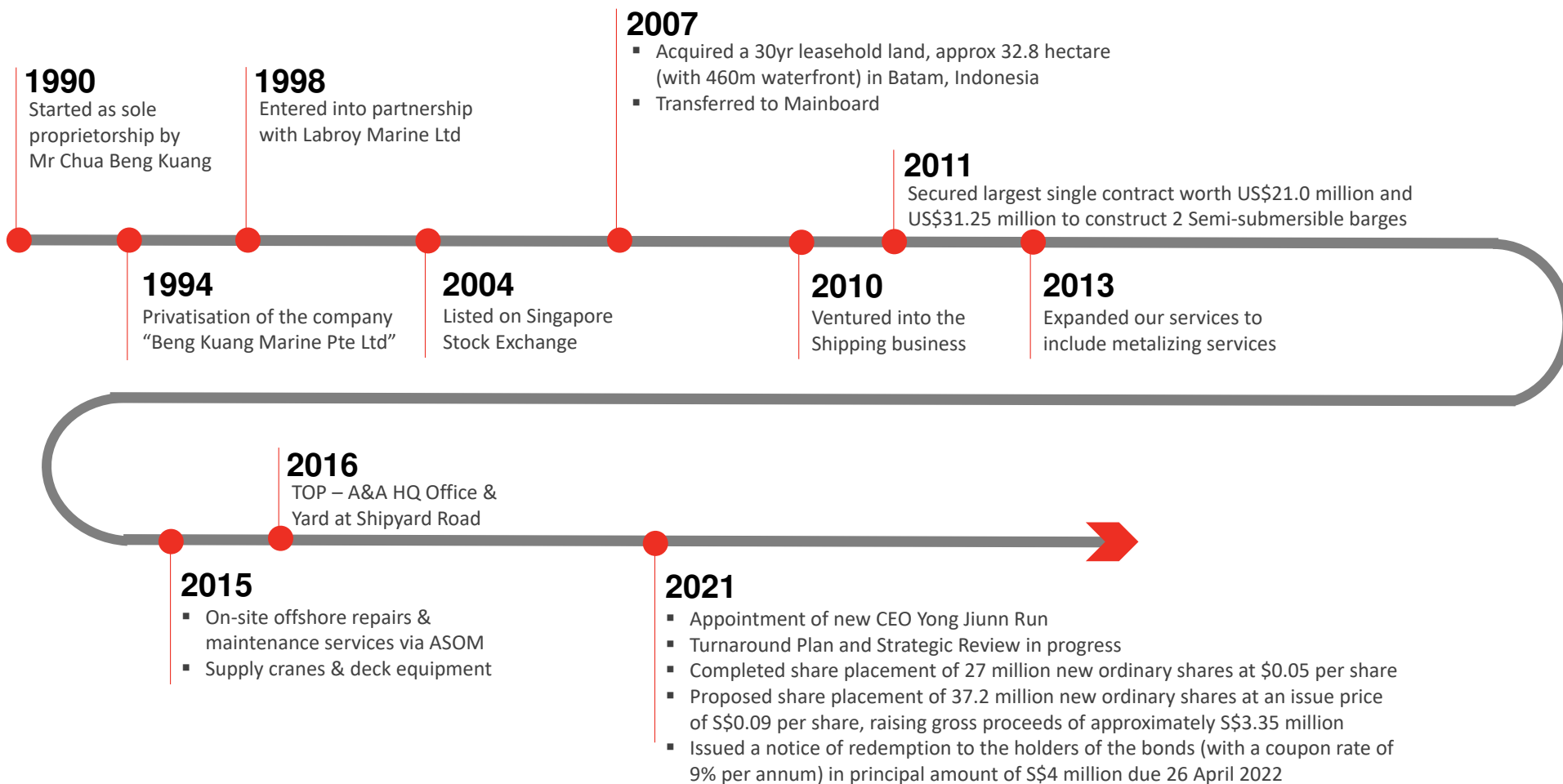
Business Model



Key Customers



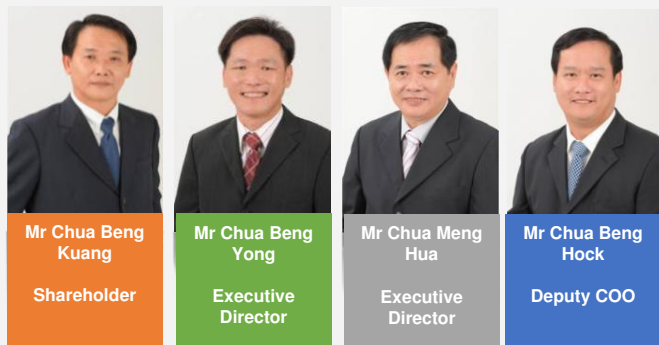
Key Milestones



Professional Team



Founders



The Company was founded by Chua Beng Kuang in 1990s and the rest of the brothers joined him subsequently. Beng Kuang retired in April 2021.

Executive Team



Mr Yong Jiunn Run
Chief Executive Officer

He was CEO of CIMB Group Commercial Banking, Senior MD of CIMB Commercial Banking Singapore and director of CIMB Cambodia PLC. Prior to CIMB, he was formerly the Business Head for Global Enterprise Banking at OCBC. He has more than 30 years of experience in corporate and commercial banking having started his career in BNP Paribas.



Mr Chua Beng Yong
Executive Director

He is primarily in charge of the overall management, including developing and steering corporate plans, business directions and strategies for the Group. He has more than 35 years of experience in the marine, offshore, oil and gas industries



Mr Chua Meng Hua
Executive Director

He oversees the overall administrative, safety and operational systems, including developing and steering plans and directions for the Group. He has over 30 years of experience within the marine industry.



Mr Chua Beng Hock
Deputy COO

He is currently overseeing the Group's business divisions, particularly in the CP Division, including developing and steering plans, directions in the marketing, business development and operations aspects. He has vast years of experience in the corrosion prevention business in the marine, offshore, oil and gas industries.



Mr Wiliam Lee
Chief Financial Officer

He has overall responsibility on all financial related matters of the Group. He joined the Group as Finance Manager in 2000 and was promoted as Chief Financial Officer in 2012. Prior to joining the Group, his services were rendered to Bob Low and Company as an Audit Assistant to Audit Senior from 1998 to 2000. He obtained a Bachelor of Accountancy from Queensland University of Technology in 1999.

Yard Facilities at Batam, Indonesia

32.8 hectare waterfront yard on the Eastern side of Batam Island, Kabil



Infrastructure Engineering



- Shipbuilding / Conversion
- Offshore Construction
- Turnkey Projects
- Sandwich Plate System (SPS) License
- Offshore Asset Integrity Management
- Project Management Services
- Supply of Cranes & Deck Equipment
- Rental of Industrial Equipment & Machinery

- 100% MTM Engineering Pte Ltd
- 100% PT. Nexus Engineering Indonesia
- 100% PT. Master Indonesia
- 51% Asian Sealand Offshore and Marine Pte Ltd
 - 51% ASIC Engineering Sdn Bhd
 - 51% PBT Engineering Resources Pte Ltd
- 51% International Offshore Equipments Pte Ltd
 - 51% International Offshore Equipment Canada Inc
- 51% Venture Automation & Electrical Engineering Pte Ltd

One of the high-growth segments within IE is Asian Sealand Offshore and Marine Pte Ltd (“**ASOM**”) that specialises in asset integrity solutions, providing 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 (“**FPSOs**”) vessels and Floating Storage and Offloading (“**FSOs**”) vessels.

Revenue contribution from ASOM has growing progressively over the past few years and as at 30 September 2021, ASOM has an order book of S\$3 million.

In total, the IE business segment (including ASOM) has an order book of S\$8 million as at 30 September 2021.

Corrosion Prevention



- Abrasive & Non-Abrasive Blasting
- Paint Application
- Processing & Distributing of Copper Slag
- Rental of Machineries and Equipment
- Shop Blasting & Painting
- Thermal Spray Coating

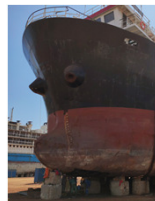
- 100% Beng Kuang Marine (B&Chew) Pte Ltd
- 100% Beng Kuang Marine (B&M) Pte Ltd
- 100% B&K Marine Pte Ltd
- 100% OneHub Tank Coating Pte Ltd
- 100% PT. Nexelite CP Indonesia
- 80% Nexus Hydrotech Pte Ltd
- 51% Pangco Pte Ltd
- 51% PT. Berger Batam

Seawater contains a significant concentration of dissolved salts and as a result, ship corrosion continues to be a major hazard for the industry.

Our strong track record and reputation for reliability have enabled the Group to be appointed as “Resident Contractor” to provide corrosion prevention services in several established shipyards in Singapore and Batam, Indonesia.

External Vessel Hull Corrosion Prevention Process

Vessel Docking



Marine Growth Removal



Surface Cleaning



Surface Preparation



Paint Application



Completion & Handover



Supply & Distribution




- Personal Protective Equipment
- Blasting Equipment & Accessories
- Welding Equipment & Accessories
- Painting Equipment & Accessories
- Other General Hardware Products

100% Nexus Sealand Trading Pte Ltd

100% Picco Enterprise Pte Ltd

Providing a variety of marine and industrial hardware, tools and equipment as well as consumables under its house brands, this business segment continue to undertake a key role within the Group's business model as our internal procurement arm to **support the rest of its business units to manage the operating costs of consumables.**

House Brands

	MULTI-FLEX		PRO MASTER
	TRI·WIN		POWELD

Shipping

- Livestock Carriers
- Tugs & Barges
- Ship Management

- 100% Quill Marine Pte Ltd
 - 70% Cattle Line Two Pte Ltd
 - 70% Cattle Line One Pte Ltd
- 100% Drako Shipping Pte Ltd
 - 100% PT. Marina Shipping
- 65% Water & Environmental Technologies (WET) Pte Ltd

Operating two livestock vessels and two Indonesian-flagged assist tugs



Business Updates for 9M2021

- ✓ Revenue jumped 34% to S\$41.22 million
- ✓ Gross profit rising 241% to S\$5.02 million
- ✓ Adjusted EBITDA surging 546% to S\$2.51 million
- ✓ IE Order book of S\$8 million as at 30 September 2021

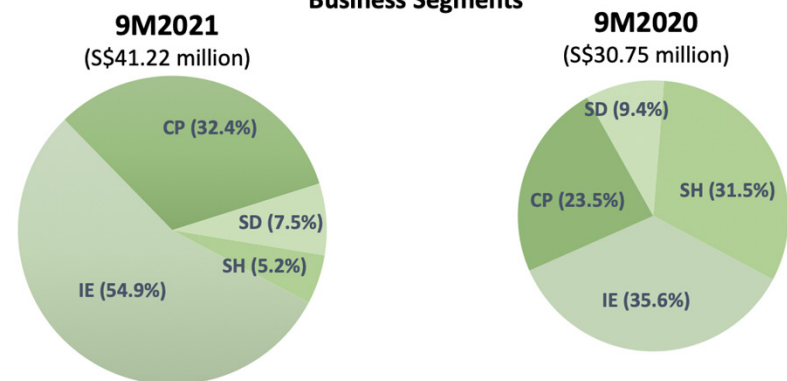
Unaudited financial for the nine (9) months ended 30 September 2021

(\$ million)	9M2021	9M2020	Change (%)
Revenue	41.22	30.75	+34
Gross Profit	5.02	1.47	+241
Net Loss	(3.69)	(3.94)	(6)
Adjusted EBITDA*	2.51	0.39	+546

*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.

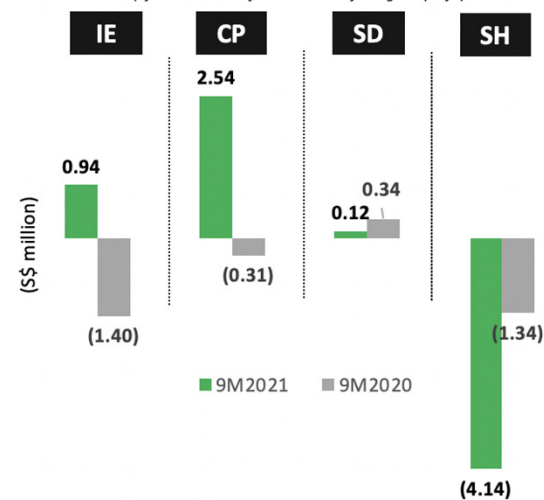
- The Group's IE and CP business segments registered strong revenue growth of 106.4% and 84.9%, increasing to S\$22.62 million and S\$13.37 million respectively in 9M2021, while revenue from the Group's SH business segment dipped significantly as both of the Group's livestock vessels were taken off charter during 9M2021
- With a substantial amount of fixed assets in the balance sheet, the Group registered a depreciation expense (non-cash component) of S\$6.18 million in 9M2021
- The Group's IE order book is S\$8 million as at 30 September 2021, of which S\$3 million is attributed to ASOM that provides specialised on-site vessel repair and maintenance solutions to FPSO and FSO vessels
- The livestock carrier previously detained by the Indonesian Navy for anchoring in unauthorised area has been released from detention on 15 November 2021.
- Strategic review to prioritise costs cutting and deleveraging initiatives, while focusing on monetising fixed assets and high-potential business segments to create new growth catalysts

Revenue Breakdown by Business Segments



Profit by Business Segments

(after deduction of relevant costs from gross profit)





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