BENG KUANG MARINE LIMITED
Registration No. 199400196M

PRESS RELEASE

Beng Kuang Group's Revenue Jumped 24.3% to S$53.03 Million in FY2021 with Gross Profit of S$6.41 Million

- *The Group's IE and CP business segments are the key revenue drivers in FY2021 with strong revenue growth of 75.1% and 60.5% respectively in FY2021, while revenue from the Group's SH business segment dipped significantly as both of the Group's livestock vessels were taken off charter during FY2021*
- *The Group's IE order book is S$18.0 million as at 31 December 2021, of which S$12.0 million is attributed to ASOM that provides specialised on-site vessel repair and maintenance solutions to FPSO and FSO vessels*
- *Net cash inflow generated from operating activities was S$3.89 million in FY2021*
- *With a substantial amount of fixed assets in the balance sheet, the Group registered a depreciation expense (non-cash component) of S$8.30 million in FY2021*
- *Reflecting the adverse performance of the livestock carrier business, the Group recognised an impairment charge of S$7.54 million in FY2021*
- *Prioritising costs minimisation and deleveraging initiatives, while focusing on monetising fixed assets and high-potential business segments to create new growth catalysts*

Financial Year End: 31 December 2021

(S$ million)	*FY2021*	*FY2020*	*Change (%)*
Revenue	***53.03***	***42.67***	***+ 24.3***
Gross profit	***6.41***	***(1.58)***	***N.M***
Loss attributable to owners of the Company	***(13.23)***	***(15.40)***	***N.M***
Adjusted EBITDA*	***(0.27)***	***(3.30)***	***N.M***

**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 is presented as an additional measure because management believes that some investors may 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*

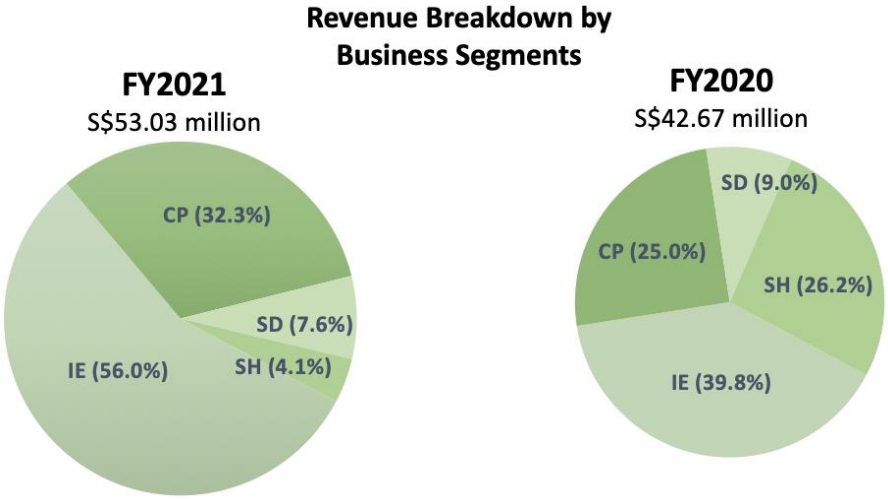
Singapore, 28 February 2022 – **Beng Kuang Marine Limited** ("**明光集团**" or the "**Company**", and together with its subsidiaries, the "**Beng Kuang Group**"), is pleased to share its financial highlights for the full year ended 31 December 2021 ("**FY2021**").

Striving to be the "Preferred Partner" in providing total solutions for the marine and offshore 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

All business units registered growth except for SH business segment in FY2021: The Group's IE and CP business segments delivered strong performance with higher business volume in FY2021, where IE's revenue surged by 75.1% or S$12.75 million, from S$16.97 million in FY2020 to S$29.72 million in FY2021 and CP's revenue rose by 60.5% or S$6.46 million from S$10.67 million in FY2020 to S$17.13 million in FY2021.



For IE, the Group's 51%-owned subsidiary, Asian Sealand Offshore and Marine Pte Ltd ("**ASOM**"), was the main revenue contributor with S$21.55 million or 72.5% of IE's FY2021 sales as a result of the re-opening of global business travel from the fourth quarter of 2020 that enabled ASOM to increase its business activities with new team deployments and new orders being secured during FY2021.

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 31 December 2021, ASOM has an order book of S$12.0 million. In comparison, ASOM's order book as at 30 September 2021 was S$3.0 million.

In addition, the Group's other subsidiaries under IE have performed better for FY2021 as compared to FY2020 where there has been 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$18.0 million as at 31 December 2021.

Revenue from the Group's CP increased by 60.5% or S$6.46 million from S$10.67 million in FY2020 to S$17.13 million in FY2021 with the return of the Group's foreign labour workforce to operations. The Group's CP also recorded higher business volume in Batam. However, there are still border controls and higher costs related to COVID-19 that were associated with new workforce employment.

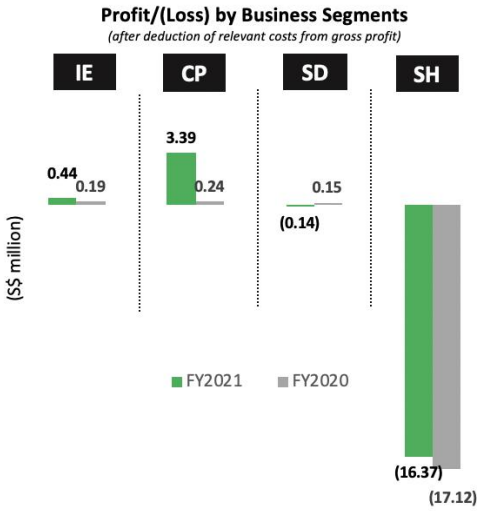
Revenue from the Group's SD remained relatively stable at S$4.01 million as compared to S$3.83 million in FY2020. The Group's SD continue to undertake a key role within the Group's business model, serving as its internal procurement arm to support the rest of our business units to manage the operating costs of consumables.

Revenue from the Group's SH declined substantially by S$9.03 million to S$2.17 million in FY2021, from S$11.20 million in FY2020 as both of the Group's livestock vessels were taken off charter. The first livestock vessels was taken off charter since October 2020 due to an accident and it is currently docked on our Batam waterfront yard for repairs and maintenance. Due to COVID-19 travel restrictions and border control measures, there were delays in coordinating onsite insurance and Class inspections. The second livestock vessel was taken off charter as it was detained on 7 October 2021 by the Indonesia Navy for anchoring at unauthorised area but it has been released in November 2021 and it is back at the Group's Batam yard for maintenance. Given the current circumstances, the management is undertaking a strategic review of the livestock vessel business.

Achieved gross profit of S$6.41 million in FY2021

The Group registered a gross profit of S$6.41 million in FY2021 as compared to a gross loss of S$1.58 million in FY2020.

In FY2021, the Group posted a gross profit margin of 12.1%, largely attributed to ASOM's increased business volume from on-site repair and maintenance services for active offshore FPSO and FSO vessels as well as CP's higher business activities.



Net cash inflow of S$3.89 million from operating activities during FY2021: With a substantial amount of fixed assets in the balance sheet, the Group registered a depreciation expense (non-cash component) of S$8.30 million in FY2021. In addition, the Group recognised an impairment charge of S$7.54 million in FY2021, reflecting the adverse performance of the livestock carrier business activities.

After adjusting for finance expense, depreciation and amortisation of property, plant and equipment and intangible assets, and excluding other gains, the Group recorded an adjusted EBITDA loss of S$0.27 million in FY2021 as compared to the Group's adjusted EBITDA loss of S$3.30 million in FY2020.

To accelerate its growth plans and strengthen its balance sheet, the Company completed two share placements in FY2021 that was facilitated by SAC Capital Private Limited, raising total gross proceeds of approximately S$4.47 million.

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Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said: ***"We delivered a strong topline performance in FY2021 despite the circumstances of our livestock vessel business.***

At the same time, it provides positive indications of the high-potential business segments within the Group as we continue to monetise our fixed assets and undertake deleveraging initiatives.

We are looking to the future, with clear goals in mind, and we believe that 2022 is an important inflection point for the Group to develop more business agility as well as create new growth catalysts and position us for long-term sustainable growth."

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This press release is to be read in conjunction with the Company's exchange filings on 28 February 2022, 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 and offshore 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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