明 光 集 團
BENG KUANG GROUP

BENG KUANG MARINE LIMITED
Registration No. 199400196M

PRESS RELEASE

Beng Kuang Group Builds on Growth Momentum; Revenue Jumps 14.4% to S$14.37 Million in 1Q2022 with Gross Profit Surging 101.6% to S$2.55 Million

- *The Group's IE business division was the key revenue driver in 1Q2022 with strong revenue growth of 83.9%, while there was no revenue contribution from Group's SH business division as both of the Group's livestock vessels are still taken off charter during 1Q2022 and the Group is undertaking a strategic review of the livestock vessel business*
- *The Group's IE order book stood at S$15.5. million as at 31 March 2022, of which S$10.5 million was attributed to ASOM that provides specialised on-site vessel repair and maintenance solutions to operating floating asset, such as FPSO and FSO vessels*
- *Net cash inflow generated from operating activities was S$1.87 million in 1Q2022*
- *With a substantial amount of fixed assets in the balance sheet, the Group registered a depreciation expense (non-cash component) of S$1.90 million in 1Q2022*
- *Prioritising costs minimisation and deleveraging initiatives, while focusing on monetising fixed assets and high-potential business segments to create new growth catalysts*

Financial Period ended 31 March 2022

(S$ million)	*1Q2022*	*1Q2021*	*Change (%)*
Revenue	***14.37***	***12.56***	***+ 14.4***
Gross profit	***2.55***	***1.27***	***+101.6***
Loss attributable to owners of the Company	***(0.69)***	***(1.03)***	***(33.01)***
Adjusted EBITDA*	***1.60***	***0.73***	***+119.1***

**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*

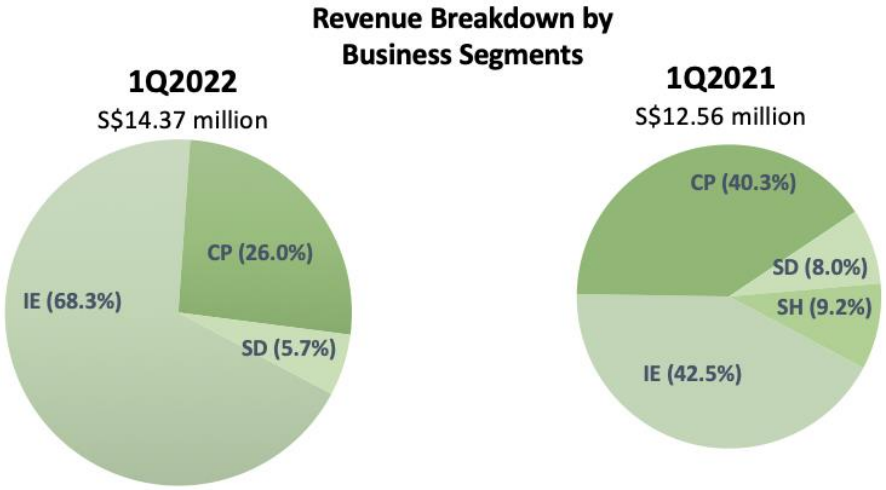
Singapore, 13 May 2022 – **Beng Kuang Marine Limited** ("明光集团" or the "**Company**", and together with its subsidiaries, the "**Beng Kuang Group**"), is pleased to share its financial highlights for the first quarter ended 31 March 2022 ("**1Q2022**").

Striving to be the "Preferred Partner" in providing total solutions for the offshore and marine industries, the Group has four key business divisions 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 increased to S$14.37 million in 1Q2022, representing a growth of 14.4% as compared to 1Q2021: The Group's IE business division continued its strong performance with higher business volume in 1Q2022, where IE's revenue surged by 83.9% or S$4.47 million, from S$5.34 million in 1Q2021 to S$9.81 million in 1Q2022.



With the IE division, the Group's 51%-owned subsidiary, Asian Sealand Offshore and Marine Pte Ltd ("**ASOM**"), was the main revenue contributor with S$4.7 million or 48% of IE's 1Q2022 sales as a result of higher business volume.

Specialising in asset integrity solutions for operating floating assets such as Floating Production Storage and Offloading vessels and Floating Storage and Offloading vessels, among others, ASOM has established itself as a proficient "one-stop" offshore in-situ turnkey solutions provider in optimising and extending the life of such operating floating assets.

As a service-centric business, revenue contribution from ASOM has been growing progressively over the past few years and as at 31 March 2022, ASOM has an order book of S$10.5 million and approximately 5.0 million in the pipeline.

In addition, the Group's other subsidiaries under IE have performed better for 1Q2022 as compared to 1Q2021, where new marine cranes supply orders have contributed to additional revenue following the Group's new marketing efforts in the Middle East and India markets. there were more fabrication work orders for its Batam yard due 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 division (including ASOM) has an order book of S$15.5 million as at 31 March 2022.

On its CP business division, the Group continues to proactively build up its order book and revenue recognition can start once the relevant works commenced. Revenue from the Group's CP decreased by 26.4% or S$1.34 million from S$5.07 million in 1Q2021 to S$3.73 million in 1Q2022 as there was a short-term ad-hoc project in 1Q2021.

Revenue from the Group's SD declined S$0.19 million to S$0.82 million in 1Q2022 as compared to S$1.01 million in 1Q2021. 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 the Group's business units to manage the operating costs of consumables.

There was no revenue contribution from the Group's SH in 1Q2022 as both of the Group's livestock vessels continue to be 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 upgrading and maintenance. 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.

Net cash of S$1.87 million generated from operating activities during 1Q2022: With a substantial amount of fixed assets in the balance sheet, the Group registered a depreciation expense (non-cash component) of S$1.90 million in 1Q2022. Reflecting the adverse performance of the livestock carrier business activities, the Group recognised an impairment charge of S$7.54 million in FY2021.

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 of S$1.60 million in 1Q2022 as compared to the Group's adjusted EBITDA of S$0.73 million in 1Q2021.

Mr. Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said: ***"We have strong momentum as we enter 2022 and we remain focused on high-potential business segments and new growth catalysts.***

Looking ahead, we also continue to explore initiatives to monetise our fixed assets and undertake deleveraging initiatives."

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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 business model, Beng Kuang Group continues to strive to be the "Preferred 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.

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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