BENG KUANG MARINE LIMITED
Registration No. 199400196M

PRESS RELEASE

Beng Kuang Signs Another Agreement for Partial Sale of its Batam Shipyard Property; Approximately 31% of its Batam Shipyard Property will be Sold for S$9.89 Million

- *The Group has a waterfront shipyard property with a total area (land and sea) of 328,956 square metre on the Eastern side of Batam Island, Kabil*
- *The shipyard property is currently being subdivided into smaller land parcels and 100,970 square metre (land and sea area), representing approximately 31% of the total area, of the Group's Batam shipyard property will be sold under the agreement*
- *Previously in April 2023, the Group entered into a separate conditional land sale & purchase agreement to sell approximately 30% of its Batam shipyard property for S$8.64 million*
- *As of 31 December 2022, the net book value of the partial shipyard property in this land sale transaction is approximately S$4.68 million*
- *The gross proceeds of S$9.89 million from this transaction will be used to reduce the Group's borrowings and for general working capital*

Singapore, 23 June 2023 – **Beng Kuang Marine Limited** ("明光集团" or the "**Company**", and together with its subsidiaries, the "**Beng Kuang Group**" or the "**Group**"), is pleased to announce that the Group has entered into a conditional land sale & purchase agreement to sell part of its Batam shipyard property, approximately 100,970 square metre, for S$9.89 million to PT. Bukit Batu Mulia.

The sale of 100,970 square metre (land and sea area) of its Batam shipyard property represented approximately 31% of the total area owned by the Group.

PT. Bukit Batu Mulia. is 51.0% and 49.0% owned by Summit Excellent Enterprises Ltd, BVI and Mr George Santos respectively. Summit Excellent Enterprises Ltd is ultimately associated and affiliated with the Nanshan Group of China. The Nanshan Group is a large-scale private joint-stock enterprise listed in the Chinese Federation of Enterprises (CFE)'s Top 500 Chinese Enterprises. The Nanshan Group is in the business of aluminium processing, fabric and garment manufacturing and processing, real estate, finance, scientific research, education, tourism and health preservation.

Mr George Santos is the founder and owner of the Indonesia Solid Group based out of Batam/Raiu Indonesia and is engaged in various business activities spanning mining, shipping, constructions, concrete batching, asphalt and stone quarry.

Separately, in April 2023, the Group entered into a conditional land sale & purchase agreement to sell approximately 30% of its Batam shipyard property for S$8.64 million to a subsidiary of Oil States International, a major global provider of integrated energy systems and solutions.

In the recent years, the Group has been prioritising cost minimisation and deleveraging initiatives, while focusing on monetising fixed assets and high-potential business segments within its core business divisions to create new growth catalysts.

Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said: ***"The cash proceeds from both sale transactions of our Batam shipyard property are expected to significant boost our liquidity resources. Coupled together with the rest of our deleveraging initiatives, it will allow us to stay nimble and agile in navigating through the current rising interest rate environment.***

More importantly, it provides a stronger financial footing for us to pursue high-growth opportunities within our Infrastructure Engineering and Corrosion Prevention business segments where we have an entrenched market position and strong technical competencies.

We see good business prospects in the marine and offshore industries and the momentum we gained so far underpins our confidence for the year ahead."

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This press release should be read in conjunction with the Company's announcements uploaded on SGXNet on 23 June 2023.

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 its 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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