



BENG KUANG MARINE LIMITED

Registration No. 199400196M

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

The Board of Directors of Beng Kuang Marine Limited (the "Company" and together with its subsidiaries, the "Group") was placed on the Watch-List under the Financial Entry Criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Listing Manual") on 6 June 2023.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors (the "Board") wishes to provide an update on its efforts and the progress made in meeting the Financial Exit Criteria as set out in Rule 1314(1) of the Listing Manual in respect of the quarter ended 30 September 2023.

For the Update on Efforts for Satisfying Financial Exit Criteria, the Group's revenue increased 21.4% to S\$53.25 million, which was mainly driven by the revenue contribution of our business divisions, Infrastructure Engineering ("IE") and Corrosion Prevention ("CP") , for the 9-month period ended 30 September 2023 ("9M2023"), despite negligible revenue contribution from our Supply and Distribution ("SD") and Shipping ("SH") business divisions that are being streamlined and phased out accordingly.

Notably, the Group's IE business division continued its strong growth performance for 9M2023 with a service-centric business model that aims to create new value propositions and recurring income streams within the offshore and marine market.

For 9M2023, the Group's gross profit increased 115.8% to S\$16.03 million, with profit before tax of S\$4.16 million and net profit of S\$2.73 million in 9M2023 from our continuing operations as compared to the previous corresponding period.

Here are the key excerpts from the Company's corporate highlights presentation for 9M2023 announced on SGXNet on 09 November 2023:

- The Group's business strategy towards an asset-light and service-oriented business model within the offshore and marine market continue to gain momentum with efforts to monetise fixed assets and deleveraging initiatives yielding good progress.

- In July 2023 and October 2023, the Company has obtained approval from shareholders via Extraordinary General Meetings for the proposed partial disposals:
 - 90,000 square metres forming of the Group's shipyard in Batam for a consideration of S\$8.64 million in cash; and
 - 100,970 square metres forming of the Group's shipyard in Batam for a consideration of approximately S\$9.89 million in cash respectively.

Following the completion of the proposal partial disposals, the Group will continue to own 137,986 square metres of the waterfront shipyard in Batam. The Group will continue its efforts to monetise the remaining property space via leasing activities, while allocating sufficient space to support the expansion of the Group's IE business activities.

- The Group's order book stood at S\$24.4 million as at 30 June 2023, of which S\$8.8 million was attributed to the Group's specialised on-site vessel repair and maintenance solutions of operating floating assets, such as FPSO and FSO vessels, within the offshore and marine market.
- Costs minimisation and productivity measures undertaken have improved the Group's gross profit margin to 30.1% in 9M2023, driving gross profit growth of 116.8%.
- Net cash inflow generated from operating activities was S\$6.64 million in 9M2023.
- The Group has cash and cash equivalents of S\$6.60 million and total borrowings of S\$15.95 million as at 30 September 2023.

BY ORDER OF THE BOARD

Chua Beng Yong
Executive Chairman

09 November 2023