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 year ended 31 December 2023.

For the Update on Efforts for Satisfying Financial Exit Criteria, the Group's revenue increased 33.9% to S$79.16 million, which was mainly driven by the revenue contribution of our two core business divisions, Infrastructure Engineering ("IE") and Corrosion Prevention ("CP") for FY2023, as compared to the previous corresponding period.

The Group registered a stronger operating performance in FY2023 coupled with Other Gains resulting in a turnaround of the Group's financial performance with a net profit attributable to shareholders of S$3.42 million in FY2023, as compared to a net loss on Continuing Operations attributable to shareholders of S$8.63 million in FY2022 respectively.

The turnaround in the Group's financial performance for FY2023 was mainly due to: -

i. Increased revenue contributions from the Group's IE and CP, of which revenue of our IE increased 47.0% to S$57.02 million in FY2023, accounting for 72.0% of overall revenue;

ii. Strategic initiatives undertaken to exit and dispose loss-making business operations, which eliminated underperforming segments and strengthened the overall business model, improving the Group's operational efficiency and liquidity position.

iii. Coupled together with the costs minimisation and productivity measures undertaken in recent years, the Group has progressively improved our gross profit margin to 31.5% in FY2023 from 21.2% in FY2022, driving gross profit growth of 98.9% to S$24.91 million in FY2023; and

iv. Other Gains from the disposal of asset held-for-sale of S$6.26 million upon completion of sale of 100,970 square metres land forming part of the Group's 328,956 square metre waterfront fabrication yard in Batam, Indonesia on 20 December 2023.

For FY2023, the Group generated positive EBITDA of S$15.67 million and generated net cash inflow from operating activities of S$5.95 million in FY2023.

The Group has cash and cash equivalents of S$12.19 million and total borrowings of S$14.14 million as at 31 December 2023.

For more details on the Group's FY2023 results, please refer to our announcement dated 27 February 2024, which can be downloaded via www.sgx.com or our corporate website http://www.bkmgroup.com.sg/.

BY ORDER OF THE BOARD

Chua Beng Yong
Executive Chairman

27 February 2024