BENG KUANG MARINE LIMITED
AND ITS SUBSIDIARY CORPORATIONS
(Company Registration No: 199400196M)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		The Group		
	Note	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000	+/(-) %
Revenue	4	55,712	50,787	9.7%
Cost of sales		(41,115)	(31,369)	31.1%
Gross profit		14,597	19,418	(24.8%)
Other gains/(losses) – net				
- Loss allowance on trade receivables		(3)	(72)	(95.8%)
- Others		1,911	(7)	NM
Expenses				
- Administrative		(8,741)	(9,945)	(12.1%)
- Finance		(370)	(330)	12.1%
Share of results of joint venture		(111)	-	NM
Profit before income tax	6	7,283	9,064	(19.6%)
Income tax expense	7	(1,467)	(2,184)	(32.8%)
Net profit		5,816	6,880	(15.5%)
Other comprehensive loss, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation – losses		(221)	(355)	(37.7%)
Items that will not be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation – losses		(56)	(78)	(28.2%)
Other comprehensive losses		(277)	(433)	(36.0%)
Total comprehensive income		5,539	6,447	(14.1%)
Profit attributable to:				
Equity holders of the Company		3,540	2,931	20.8%
Non-controlling interests		2,276	3,949	(42.4%)
		5,816	6,880	(15.5%)
Total comprehensive income attributable to:				
Equity holders of the Company		3,319	2,576	28.8%
Non-controlling interests		2,220	3,871	(42.7%)
		5,539	6,447	(14.1%)
Earnings per share attributable to equity holders of the Company (cents per share)				
Basic earnings per share	9	1.44	1.46	(1.4%)
Diluted earnings per share	9	1.42	1.46	(2.7%)

Note:
NM - Not meaningful

B. Condensed interim statements of financial position

	Note	The Group 30 June 2026 $'000	The Group 31 December 2025 $'000	The Company 30 June 2026 $'000	The Company 31 December 2025 $'000
ASSETS					
Current assets					
Cash and cash equivalents	11	26,302	37,380	2,012	1,388
Trade and other receivables	12	18,891	15,512	20,339	19,906
Contract assets		23,024	9,173	-	-
Derivative financial instruments	13	-	18	-	-
Inventories		1,528	1,777	-	-
		69,745	63,860	22,351	21,294
Assets of disposal group	14	-	-	-	-
		69,745	63,860	22,351	21,294
Non-current assets					
Investments in subsidiary corporations		-	-	64,589	4,589
Investment in a joint venture	15	589	-	700	-
Investment properties	16	-	-	-	-
Property, plant and equipment	17	15,333	15,717	898	927
Deferred income tax assets		198	198	-	-
		16,120	15,915	66,187	5,516
Total assets		85,865	79,775	88,538	26,810
LIABILITIES					
Current liabilities					
Trade and other payables	18	40,664	27,484	22,934	15,016
Contract liabilities		579	545	-	-
Deferred income	19	21	29	-	-
Current income tax liabilities		2,686	3,503	-	-
Borrowings	20	9,872	4,249	4,654	1,621
		53,822	35,810	27,588	16,637
Non-current liabilities					
Trade and other payables	18	10,882	1,571	10,000	-
Borrowings	20	16,440	6,247	14,157	3,161
Deferred income tax liabilities		6	6	-	-
		27,328	7,824	24,157	3,161
Total liabilities		81,150	43,634	51,745	19,798
NET ASSETS		4,715	36,141	36,793	7,012
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	21	84,662	55,856	84,662	55,856
Other reserves	22	(48,258)	(2,442)	77	31
Accumulated losses		(25,248)	(26,989)	(47,946)	(48,875)
		11,156	26,425	36,793	7,012
Non-controlling interests		(6,441)	9,716	-	-
Total equity		4,715	36,141	36,793	7,012

C. Condensed interim statements of changes in equity

	← Attributable to equity holders of the Company			→		
The Group	**Share capital $'000**	**Accumulated losses $'000**	**Other reserves $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total $'000**
2026						
Balance at 1 January 2026	55,856	(26,989)	(2,442)	26,425	9,716	36,141
Profit for the financial period	-	3,540	-	3,540	2,276	5,816
Other comprehensive loss for the financial period	-	-	(221)	(221)	(56)	(277)
Total comprehensive income/(loss)	-	3,540	(221)	3,319	2,220	5,539
Issuance of new shares pursuant to exercise of bonus warrants	3,993	-	-	3,993	-	3,993
Issuance of new shares pursuant to acquisition of subsidiary	20,000	-	-	20,000	-	20,000
Issuance of ordinary shares	5,000	-	-	5,000	-	5,000
Acquisition of non-controlling interest in subsidiary corporation	-	-	(45,641)	(45,641)	(14,359)	(60,000)
Share issue expenses	(187)	-	-	(187)	-	(187)
Dividend paid to equity shareholders	-	(1,799)	-	(1,799)	-	(1,799)
Dividend paid to non-controlling interests	-	-	-	-	(4,018)	(4,018)
Employee share option scheme - value of employee services	-	-	46	46	-	46
Balance as at 30 June 2026	84,662	(25,248)	(48,258)	11,156	(6,441)	4,715
2025						
Balance at 1 January 2025	54,124	(31,098)	(2,037)	20,989	7,482	28,471
Profit for the financial period	-	2,931	-	2,931	3,949	6,880
Other comprehensive loss for the financial period	-	-	(355)	(355)	(78)	(433)
Total comprehensive income/(loss)	-	2,931	(355)	2,576	3,871	6,447
Issuance of new shares pursuant to exercise of bonus warrants	1	-	-	1	-	1
Issuance of new shares pursuant to exercise of compensation shares	929	-	-	929	-	929
Share issue expenses	(114)	-	-	(114)	-	(114)
Dividend paid to equity shareholders:						
- In cash	-	(693)	-	(693)	-	(693)
- Shares issued in lieu of dividends	532	(532)	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	(1,960)	(1,960)
Balance as at 30 June 2025	55,472	(29,392)	(2,392)	23,688	9,393	33,081

C. Condensed interim statements of changes in equity

The Company	Share capital $'000	Accumulated losses $'000	Other reserves $'000	Total Equity $'000
2026				
Balance at 1 January 2026	55,856	(48,875)	31	7,012
Profit for the financial period	-	2,728	-	2,728
Issuance of new shares pursuant to exercise of bonus warrants	3,993	-	-	3,993
Issuance of new shares pursuant to acquisition of subsidiary	20,000	-	-	20,000
Issuance of ordinary shares	5,000	-	-	5,000
Share issue expenses	(187)	-	-	(187)
Dividend paid to equity shareholders	-	(1,799)	-	(1,799)
Employee share option scheme - value of employee services	-	-	46	46
Balance as at 30 June 2026	84,662	(47,946)	77	36,793
2025				
Balance at 1 January 2025	54,124	(48,739)	-	5,385
Loss for the financial period	-	(79)	-	(79)
Issuance of new shares pursuant to exercise of bonus warrants	1	-	-	1
Issuance of new shares pursuant to exercise of compensation shares	929	-	-	929
Share issue expenses	(114)	-	-	(114)
Dividend paid to equity shareholders:				
- In cash	-	(693)	-	(693)
- Shares issued in lieu of dividends	532	(532)	-	-
Balance as at 30 June 2025	55,472	(50,043)	-	5,429

D. Condensed interim consolidated statements of cash flows

	Note	The Group	
		6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000
Cash flows from operating activities			
Net profit		5,816	6,880
Adjustments for:			
Loss allowance on trade receivables, net	6	3	72
Inventories written down	6	103	1
Gain on disposal of property, plant and equipment	6	(470)	(14)
Gain on disposal of disposal group, net	6	(956)	-
Interest income		(196)	(176)
Interest expense	6	370	330
Income tax expense	7	1,467	2,184
Depreciation of investment properties	6	-	88
Depreciation of property, plant and equipment	6	1,894	1,705
Fair value loss on derivatives	6	18	-
Employee share option expenses		46	-
Share of results of joint venture		111	-
Unrealised currency translation differences		(182)	(5)
		8,024	11,065
Change in working capital			
Inventories		146	10
Contract assets		(13,852)	(3,631)
Trade and other receivables		(3,375)	2,959
Trade and other payables		2,493	2,117
Contract liabilities		34	57
Deferred income		(7)	(394)
Cash (used in)/generated from operations		(6,537)	12,183
Interest received		196	175
Interest paid		(23)	(12)
Income tax paid		(2,284)	(2,339)
Net cash (used in)/generated from operating activities		(8,648)	10,007
Cash flows from investing activities			
Additions to property, plant and equipment		(2,205)	(2,554)
Proceeds from disposal of property, plant and equipment		811	154
Investment in a joint venture		(700)	-
Net cash inflow from sale of disposal group		1,346	-
Net cash used in investing activities		(748)	(2,400)

D. Condensed interim consolidated statements of cash flows

	Note	The Group	
		6 months ended 30 June 2026	6 months ended 30 June 2025
		$'000	$'000
Cash flows from financing activities			
Bank deposits pledged		-	(100)
Proceeds from issuance of warrants		3,993	1
Proceeds from issuance of shares		5,000	-
Repayment of bonds		-	(1,250)
Proceeds from borrowings		17,997	3,474
Repayment of borrowings		(3,390)	(3,692)
Principal payment of lease liabilities		(820)	(799)
Increase in bills payable, net		1,892	333
Interest paid		(350)	(319)
Acquisition of non-controlling interests		(20,000)	-
Dividend paid to non-controlling interests		(4,018)	(1,960)
Dividend paid to equity shareholders		(1,799)	(693)
Share issue expense		(187)	(114)
Net cash used in financing activities		(1,682)	(5,119)
Net (decrease)/increase in cash and cash equivalents		(11,078)	2,488
Cash and cash equivalents			
Beginning of financial period		36,775	22,420
Effects of currency translation on cash and cash equivalents		5	(380)
End of financial period		25,702	24,528

E. Selected notes to the condensed interim consolidated financial statements

1 Corporate information

Beng Kuang Marine Limited (the "Company") is a limited liability company, which is incorporated in the Republic of Singapore and listed on the Singapore Stock Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are provision of corrosion prevention services relating to repairing of ships, tankers and other ocean-going vessels and investment holding. The principal activities of the subsidiary corporations are provision of infrastructure engineering services and corrosion prevention services for the marine and offshore energy sector.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency and all values are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group is organised into the following main business segments:

(a) Infrastructure Engineering

This relates to provision of a wide range of engineering services including repairs and maintenance of floating production platforms, onshore and offshore marine fabrications; and the production and supply of customised pedestal cranes and deck equipment.

(b) Corrosion Prevention

This relates to the provision of comprehensive corrosion protection services such as surface preparation and application of protective coatings as part of the marine and offshore energy sectors.

(c) Corporate Services

This relates to corporate administration and treasury related functions at Group level.

(d) Others

This relates to other non-core activities comprising vessel owning and freighting services.

These operating segments are reported in a manner consistent with internal reporting provided to Executive Committee who are responsible for allocating resources and assessing performance of the operating segments.

E. Selected notes to the condensed interim consolidated financial statements

4.1 Reporting segments

	Infrastructure Engineering		Corrosion Prevention		Corporate Services		Others		Total	
	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000
Revenue										
Total segment sales	47,631	41,497	11,223	10,094	-	-	6	26	58,860	51,617
Inter-segment sales	(287)	(324)	(2,855)	(506)	-	-	(6)	-	(3,148)	(830)
Sales to external customers	47,344	41,173	8,368	9,588	-	-	-	26	55,712	50,787
Results:										
Segment results	7,605	10,458	2,050	1,477	(2,005)	(2,652)	(193)	(65)	7,457	9,218
Interest expense	(34)	(13)	(176)	(158)	(160)	(159)	-	-	(370)	(330)
Interest income	160	138	13	11	23	27	-	-	196	176
Profit/(loss) from operating segment	7,731	10,583	1,887	1,330	(2,142)	(2,784)	(193)	(65)	7,283	9,064
Income tax expense									(1,467)	(2,184)
Net profit									5,816	6,880
Profit attributable to non-controlling interests									(2,276)	(3,949)
									3,540	2,931
Net profit includes:										
- Depreciation of investment properties	-	88	-	-	-	-	-	-	-	88
- Depreciation of property, plant and equipment	775	555	872	902	183	184	64	64	1,894	1,705
- Share of results of joint venture	111	-	-	-	-	-	-	-	111	-

4.1 Reporting segments (cont'd)

	Infrastructure Engineering		Corrosion Prevention		Corporate Services		Others		Total	
	30 June 2026 $'000	30 June 2025 $'000	30 June 2026 $'000	30 June 2025 $'000	30 June 2026 $'000	30 June 2025 $'000	30 June 2026 $'000	30 June 2025 $'000	30 June 2026 $'000	30 June 2025 $'000
Other information										
Segment assets	67,171	60,842	13,719	15,036	3,917	1,453	1,058	1,126	85,865	78,457
Segment assets include:-										
Additions to Property, plant and equipment	2,089	628	104	2,402	160	450	-	49	2,353	3,529
Segment liabilities	(25,016)	(22,042)	(11,297)	(12,232)	(44,664)	(11,010)	(173)	(92)	(81,150)	(45,376)

4.2 Disaggregation of Revenue

	At a point in time $'000	Over time $'000	Total $'000
6 months ended 30 June 2026			
Infrastructure engineering			
- Singapore	297	5,378	5,675
- Asia	3,276	13,988	17,264
- Europe	1,938	19,757	21,695
- Middle East	-	227	227
- South America	321	1,795	2,116
- Africa	-	367	367
	5,832	41,512	47,344
Corrosion prevention			
- Singapore	512	5,820	6,332
- Asia	93	1,943	2,036
	605	7,763	8,368
Total	6,437	49,275	55,712

	At a point in time $'000	Over time $'000	Total $'000
6 months ended 30 June 2025			
Infrastructure engineering			
- Singapore	801	6,684	7,485
- Asia	117	1,657	1,774
- Europe	1,563	27,345	28,908
- South America	6	2,198	2,204
- Africa	-	802	802
	2,487	38,686	41,173
Corrosion prevention			
- Singapore	325	6,187	6,512
- Asia	360	2,716	3,076
	685	8,903	9,588
Others			
- Asia	-	26	26
Total	3,172	47,615	50,787

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2026 and 31 December 2025:

	The Group		The Company	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Financial assets				
Cash and cash equivalents	26,302	37,380	2,012	1,388
Trade and other receivables	18,156	15,137	20,082	19,883
	44,458	52,517	22,094	21,271
Financial liabilities				
Borrowings	(26,312)	(10,496)	(18,811)	(4,782)
Trade and other payables	(51,546)	(29,055)	(32,934)	(15,016)
	(77,858)	(39,551)	(51,745)	(19,798)

6. Profit before income tax

6.1. Significant items

Profit before income tax is derived after (debiting)/crediting the following: -

	The Group	
	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000
Income		
Government grants	149	191
Currency exchange gains/(losses), net	89	(1,190)
Rental income from investment properties	-	725
Inventories written down	(103)	(1)
Gain on disposal of property, plant and equipment	470	14
Gain on disposal of disposal group, net	956	-
Loss allowance on trade receivables, net	(3)	(72)
Fair value loss on derivatives	(18)	-
Expense		
Interest expense	(370)	(330)
Depreciation of investment properties	-	(88)
Depreciation of property, plant and equipment	(1,894)	(1,705)

6.2. Related party transactions

Other than disclosed elsewhere in the financial statements, transactions carried out with related parties in the normal course of business on terms agreed between the parties are as follows:

	The Group	
	6 months ended 30 June 2026	6 months ended 30 June 2025
	$'000	$'000
Repayment of loan to a related party	-	76
Purchase of material and/or services from related parties	-	3

During September 2023, Mr. Yong Jiunn Run ("Mr. Yong"), who is the Company's Chief Executive Officer extended two fresh loans amounting to S$100,000 and S$200,000 to the Company. The temporary bridging loan of S$100,000 was repaid on 15 September 2023; the S$200,000 is to be repaid over a 2-year period. Both loans are interest-free and unsecured. The purpose of the loan was to finance the Group's working capital requirements.

During 1H2025, repayments of loans from Mr. Yong amounted to S$75,500. As the amounts in the related party transactions table are presented in S$'000, this amount is rounded and presented as S$76,000. There were no outstanding loans from Mr. Yong as at 30 June 2026.

Mr. Yong is an "interested person", and the loans are "interested person transactions" for the purposes of Chapter 9 of Mainboard Rules of the Singapore Exchange Securities Trading Limited. As all the loans that were extended are interest-free, there is no "value at risk" to the Group. These are not commercial loans and do not adversely affect the interest of minority shareholders.

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group	
	6 months ended 30 June 2026	6 months ended 30 June 2025
	$'000	$'000
Current income tax expense	1,467	2,184

8. Dividends

	The Group	
	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000
Ordinary dividend paid		
Final one-tier tax-exempt cash dividend of 0.6 cents (2025: 0.6 cents) per share in respect of the previous financial year	1,799	693
Final one-tier tax-exempt scrip dividend of 0.6 cents per share in respect of the previous financial year	-	532
	1,799	1,225

9. Earnings Per Share

Basic earnings per share is calculated by dividing the Group's profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The following table reflects the profit and shares data used in the computation of basic and diluted profit per share:

	The Group	
	6 months ended 30 June 2026	6 months ended 30 June 2025
Net profit attributable to equity holders of the Company ($'000)	3,540	2,931
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	246,504	200,550
Effect of dilution:		
Potential ordinary shares issuable under exercise of warrants ('000)	3,106	-
Weighted average number of ordinary shares outstanding used in the calculation of diluted earnings per share ('000)	249,610	200,550
Basic earnings per share (cents per share)	1.44	1.46
Diluted earnings per share (cents per share)	1.42	1.46

As at 30 June 2026, shareholders hold 39,860,560 bonus warrants. These are diluted because the exercise price of S$0.22 is less than the average market price.

10. Net Asset Value

	The Group		The Company	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Net assets value per ordinary share (cents)	3.72	12.64	12.27	3.36
Number of shares	299,907,879	208,987,973	299,907,879	208,987,973

The decrease in the Group’s net asset value per ordinary share from 12.64 cents as at 31 December 2025 to 3.72 cents as at 30 June 2026 was mainly due to the accounting treatment for the acquisition of the remaining 49% interest in Asian Sealand Offshore and Marine Pte. Ltd. (“ASOM”). As ASOM was already controlled and consolidated by the Group prior to the acquisition, the transaction was accounted for as an acquisition of non-controlling interests in accordance with SFRS(I) 10 Consolidated Financial Statements. Accordingly, the excess of the consideration transferred over the carrying amount of the non-controlling interests derecognised, amounting to S$45.6 million, was recognised directly in equity rather than as goodwill. This reduced the Group's reported net asset value but did not arise from the Group's operating performance, profitability or cash-generating ability. The accounting treatment did not affect the Group's revenue, profit, EBITDA or operating cash flows. Of the total consideration of S$60.0 million, S$20.0 million was satisfied in cash during the period and is reflected as a financing cash outflow in the consolidated statement of cash flows, while the balance comprised the issuance of shares and deferred contingent consideration. Further details are disclosed in Note 23.

11. Cash and cash equivalents

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	30 June 2026 $'000	31 December 2025 $'000
Cash and bank balances	26,302	37,147
Short-term bank deposits	-	233
	26,302	37,380
Less: Bank deposits pledged [(a)]	(600)	(600)
Less: Bank overdrafts (Note 20)	-	(5)
Cash and cash equivalents per consolidated statement of cash flows	25,702	36,775

[(a)] Bank deposits are pledged in relation to the security granted for certain borrowings (Note 20).

12. Trade and other receivables

	The Group		The Company	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	$'000	$'000	$'000	$'000
Trade receivables				
- Subsidiary corporations	-	-	109	114
- Non-related parties	16,341	14,024	18	-
	16,341	14,024	127	114
Less: Loss allowance	(227)	(210)	-	-
Trade receivables - net	16,114	13,814	127	114
Non-trade receivables				
- Subsidiary corporations	-	-	20,681	20,545
- Non-related parties	671	160	50	-
	671	160	20,731	20,545
Less: Loss allowance				
- Subsidiary corporations	-	-	(816)	(816)
Non-trade receivables - net	671	160	19,915	19,729
Retentions	693	561	-	-
Deposits	678	602	40	40
Prepayments	735	375	257	23
	18,891	15,512	20,339	19,906

The ageing of net trade receivables as at 30 June 2026 and 31 December 2025 is as follows:

	The Group		
	30 June 2026	31 December 2025	% change
	$'000	$'000	
Current	7,489	8,013	(6.5%)
Less than 90 days	6,826	3,940	73.2%
91 to 150 days	717	974	(26.4%)
151 to 365 days	835	693	20.5%
More than 365 days	247	194	27.3%
	16,114	13,814	

E. Selected notes to the condensed interim consolidated financial statements

13. Derivative financial instruments

	The Group	
	Notional amount	Fair value asset
	$'000	$'000
31 December 2025		
Forward foreign exchange contracts		
- Sell USD less than 12 months	3,875	18

The Group classifies derivative financial instruments as financial assets at fair value through profit or loss. As at 30 June 2026, the Group had no outstanding derivative financial instruments, as the prior year instruments had matured or been settled during the period. Accordingly, the balance as at 30 June 2026 was nil.

14. Assets of disposal group

	The Group	
	30 June 2026	31 December 2025
	$'000	$'000
Beginning of financial period/year	-	-
Reclassified from property, plant and equipment (Note 17)	390	-
Disposal	(390)	-
End of financial period/year	-	-

On 17 March 2026, the Group's wholly-owned subsidiary corporation, PT Nexelite CP Indonesia, entered into a Conditional Sale & Purchase Agreement with a third party for the sale of a parcel of land located in Tanjung Uncang, Batam, Indonesia for a consideration of approximately S$1.35million. The disposal was completed on 25 May 2026, with a gain on disposal of S$0.96 million.

15. Investment in a joint venture

	The Group	
	30 June 2026	31 December 2025
	$'000	$'000
Offshore Collective Pte. Ltd.		
- Cost of investment in joint venture	700	-
- Share of post-acquisition loss	(4)	-
- Equity accounting adjustments	(107)	-
	589	-

Offshore Collective Pte. Ltd. ("OSC") is a 50%-owned joint venture of the Group and is accounted for using the equity method. As at 30 June 2026, the carrying amount of the Group's investment in OSC comprised the cost of investment, adjusted for the Group's share of OSC's post-acquisition losses and the elimination of unrealised profit arising from transactions between the Group and OSC.

E. Selected notes to the condensed interim consolidated financial statements

16. Investment properties

	The Group	
	30 June 2026	31 December 2025
	$'000	$'000
Cost		
Beginning of financial period/year	-	1,718
Transfer to property, plant and equipment (Note 17)	-	(1,718)
End of financial period/year	-	-
Accumulated depreciation		
Beginning of financial period/year	-	165
Depreciation charge	-	169
Transfer to property, plant and equipment (Note 17)	-	(334)
End of financial period/year	-	-
Net carrying value		
End of financial period/year	-	-

Investment properties include those land parcels of the Batam shipyard that were held for long-term rental incomes and/or for capital appreciation.

17. Property plant and equipment

	The Group		The Company	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	$'000	$'000	$'000	$'000
Cost				
Beginning of financial period/year	52,641	45,720	2,100	1,746
Additions	2,353	7,434	160	657
Disposals	(1,105)	(534)	(90)	(299)
Written-off	(70)	(527)	-	(4)
Lease termination	-	(498)	-	-
Reclassified to assets of disposal group (Note 14)	(1,397)	-	-	-
Transfer from investment properties (Note 16)	-	1,384	-	-
Currency translation differences	(241)	(338)	-	-
End of financial period/year	52,181	52,641	2,170	2,100
Accumulated depreciation				
Beginning of financial period/year	36,924	35,108	1,173	980
Depreciation charge (Note 6)	1,894	3,396	183	363
Disposals	(764)	(460)	(84)	(166)
Written-off	(70)	(486)	-	(4)
Lease termination	-	(353)	-	-
Reclassified to assets of disposal group (Note 14)	(1,007)	-	-	-
Currency translation differences	(129)	(281)	-	-
End of financial period/year	36,848	36,924	1,272	1,173
Net carrying value				
End of financial period/year	15,333	15,717	898	927

E. Selected notes to the condensed interim consolidated financial statements

18. Trade and other payables

	The Group		The Company	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Current				
Trade payables				
- Non-related parties	4,538	6,646	3	3
	4,538	6,646	3	3
Non-trade payables				
- Subsidiary corporations	-	-	7,140	7,442
- Non controlling interest	1,180	1,080	-	-
- Non-related parties	3,939	4,311	3,059	3,121
- Deferred contingent consideration	10,000	-	10,000	-
	15,119	5,391	20,199	10,563
Accruals for operating expenses	10,061	12,387	2,732	4,450
Accruals for project expenses	10,946	3,060	-	-
	21,007	15,447	2,732	4,450
	40,664	27,484	22,934	15,016
Non-current				
Trade payables				
- Non-related parties	-	688	-	-
Non-trade payables				
- Non-related parties	882	883	-	-
- Deferred contingent consideration	10,000	-	10,000	-
	10,882	1,571	10,000	-
Total trade and other payables	51,546	29,055	32,934	15,016

Deferred contingent consideration for the acquisition of non-controlling interests represents the liability recognised in respect of the remaining consideration for the acquisition of the remaining 49% interest in ASOM. The liability is included within trade and other payables and classified as current or non-current based on the contractual settlement terms and the Group's right at the reporting date to defer settlement for at least 12 months. Further details are disclosed in Note 23.

19. Deferred income

	The Group		The Company	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Rental Income	21	29	-	-

Rental represents cash received in advance for rental of workers' dormitory, office space, equipment and machinery, and is non-refundable.

E. Selected notes to the condensed interim consolidated financial statements

20. Borrowings

	The Group		The Company	
	30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Current				
Bank borrowings	6,120	2,344	4,347	1,331
Bank overdrafts (Note 11)	-	5	-	-
Bills payable	2,207	315	-	-
Lease liabilities	1,545	1,585	307	290
	9,872	4,249	4,654	1,621
Non-current				
Bank borrowings	15,048	4,217	13,919	2,846
Lease liabilities	1,392	2,030	238	315
	16,440	6,247	14,157	3,161
Total borrowings	26,312	10,496	18,811	4,782
Represented by:				
- Secured	3,610	989	339	311
- Unsecured	22,702	9,507	18,472	4,471
	26,312	10,496	18,811	4,782

Certain bank borrowings and credit facilities of the Group are secured by a floating charge over certain bank deposits (Note 11), certain trade receivables (Note 12) and motor vehicles (Note 17).

21. Share Capital

21.1 Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

21. Share Capital (cont'd)

Ordinary share

	The Group and the Company			
	30 June 2026		31 December 2025	
	Numbers '000	Amount $'000	Numbers '000	Amount $'000
Beginning of financial period/year	208,988	55,856	199,210	54,124
Issuance of ordinary shares	15,625	5,000	-	-
Issuance of new shares from exercise of bonus warrants	18,152	3,993	1,751	385
Issuance of new shares pursuant to acquisition of subsidiary	57,143	20,000	-	-
Issuance of new shares pursuant to exercise of compensation shares	-	-	5,037	929
Issuance of new shares from exercise of scrip dividend	-	-	2,990	532
Share issue expenses	-	(187)	-	(114)
End of financial period/year	299,908	84,662	208,988	55,856

On 28 May 2026, the Company allotted and issued an aggregate of 57,142,856 new ordinary shares in the capital of the Company at an issue price of S$0.35 per share pursuant to the terms of the SPA, as consideration for the acquisition of the remaining 49% of the issued and paid-up share capital of Asian Sealand Offshore and Marine Pte. Ltd.

On 10 March 2026, the Company allotted and issued an aggregate of 15,625,000 Placement Shares at an issue price of S$0.32 per Placement Share, raising gross proceeds of S$5,000,000.

On 25 June 2025, the Company issued and allotted 2,990,402 New Shares at an issue price of S$0.178 per New Share to Participating Shareholders in respect of the FY2024 dividend.

On 5 May 2025, the Company issued and allotted 5,036,665 Compensation Shares at an issue price of S$0.185 to the Relevant Employees in accordance with the Compensation Share Issuance.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026 and 31 December 2025.

Convertibles

The Company did not hold any outstanding convertibles as at 30 June 2026 and 30 June 2025.

Treasury Shares

The Company did not hold any treasury shares as at 30 June 2026 and 30 June 2025.

21. Share Capital (cont'd)

Warrants

On 20 August 2024, the Company obtained approval in-principle from Singapore Exchange Trading ("SGX-ST") for a bonus warrants issue of 3 warrants for every 10 existing shares at an exercise price of S$0.22 for each warrant into a new share. On 4 September 2024, a total of 59,763,110 bonus warrants were issued and listed by the Company. The bonus warrants' exercise period will commence on (and including) the date falling six (6) months from the date of listing of the Bonus Warrants and will expire at 5.00 p.m. on the date falling 36 months from the Warrants Listing Date, being 3 September 2027 given that 4 September 2027 is not a business day.

For the six months ended 30 June 2026, a total of 18,152,050 bonus warrants were converted into 18,152,050 new ordinary shares of the Company. (31 December 2025: 1,750,500)

As at 30 June 2026, there were 39,860,560 outstanding warrants for which ordinary shares may be issued (31 December 2025: 58,012,610).

Share options

Share options were granted to non-executive Directors and employees of the Group, who have contributed to the success and development of the Group under the Employee Share Option Scheme, which became operative on 21 July 2023.

On 8 September 2025, options to subscribe for 720,000 ordinary shares in the Company at an exercise price of S$0.342 per ordinary share were granted pursuant to the Scheme. The Options are exercisable from 8 September 2026 and expire on 7 September 2036.

Movements in the number of unissued ordinary shares under options and their exercise prices as at 30 June 2026 are as follows:

	Beginning of financial period	**Granted during financial period**	**End of financial period**	**Exercise price**	**Exercise period**
Group and Company					
2025 Options	720,000	-	720,000	$0.342	08.09.2026 - 07.09.2036

21.2 To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	The Group and the Company	
	30 June 2026	**31 December 2025**
Issued and fully paid	299,907,879	208,987,973

21.3 A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the current financial period reported on.

None

21.4 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not Applicable

22. Other reserves

	The Group		The Company	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	$'000	$'000	$'000	$'000
Currency translation reserve	(2,676)	(2,455)	-	-
Premium paid on acquisition of non-controlling interests	(45,659)	(18)	-	-
Share option reserve	77	31	77	31
	(48,258)	(2,442)	77	31

The increase in the premium paid on acquisition of non-controlling interests arose from the acquisition of the remaining 49% interest in ASOM, which was accounted for as an equity transaction with non-controlling interests in accordance with SFRS(I) 10.

Further details of the acquisition are disclosed in Note 23.

23. Acquisition of Remaining 49% Interest in Asian Sealand Offshore and Marine Pte. Ltd. ("ASOM")

On 29 May 2026, the Company completed the acquisition of the remaining 49% equity interest in Asian Sealand Offshore and Marine Pte. Ltd. ("ASOM"), increasing the Group's ownership interest from 51% to 100%.

The aggregate consideration of S$60.0 million comprised:
- the issuance of 57,142,856 new ordinary shares in the Company at an issue price of S$0.35 per share, amounting to S$20.0 million;
- cash consideration of S$20.0 million paid upon completion; and
- the deferred contingent consideration of up to S$20.0 million is contingent upon the achievement of agreed performance thresholds and is payable within 21 calendar days following the issuance of the audited financial statements for FY2026 and FY2027, respectively.

The deferred contingent consideration has been recognised within trade and other payables, based on management's assessment of the expected amount payable as at 30 June 2026. The liability has been classified as current or non-current based on the contractual payment terms.

As the Group already controlled and consolidated ASOM before the acquisition, the transaction was accounted for as an acquisition of non-controlling interests in accordance with SFRS(I) 10 Consolidated Financial Statements. Accordingly, no additional goodwill was recognised. The carrying amount of the non-controlling interests was derecognised, and the difference between the consideration transferred and the carrying amount of the non-controlling interests derecognised was recognised directly in equity attributable to equity holders of the Company.

23. Acquisition of Remaining 49% Interest in Asian Sealand Offshore and Marine Pte. Ltd. ("ASOM") (cont'd)

The impact of the transaction on equity is summarised as follows:

	$'000
Consideration transferred attributable to the acquisition	60,000
Less: Carrying amount of non-controlling interests acquired	(14,359)
Premium recognised directly in equity	45,641

The premium has been recognised within "Premium paid on acquisition of non-controlling interests" under Other Reserves.

This accounting treatment resulted in a reduction in the Group's equity and net asset value but did not, in itself, affect the Group's revenue, profit or EBITDA or operating cashflow, nor does it change the underlying commercial rationale or expected economic benefit of the acquisition.

Following completion of the acquisition, the Group holds 100% of the equity interest in ASOM and is entitled to 100% of ASOM's future earnings, distributable cash flows and net assets.

24. Subsequent Event

Subsequent to 30 June 2026, there have been no events that may have an effect on the consolidated condensed interim financial statements of the Company.

Other Information Required by Listing Rule

Appendix 7.2

OTHER INFORMATION

1. (a) Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed consolidated statements of financial position of Beng Kuang Marine Limited and its subsidiary corporations as at 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

(b) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

2. Review of performance of the Group

Condensed interim consolidated statement of profit or loss and other comprehensive income

(a) Revenue

	The Group		
	6 months ended 30 June 2026 S$'million	**6 months ended 30 June 2025 S$'million**	**+/(-) %**
Revenue			
Infrastructure Engineering ("IE")	47.34	41.17	15.0
Corrosion Prevention ("CP")	8.37	9.59	(12.7)
Others	-	0.03	(100.0)
	55.71	**50.79**	**9.7**

The Group recorded revenue of S$55.71 million for the six months ended 30 June 2026 ("1H2026"), representing an increase of 9.7% from S$50.79 million in the corresponding period.

Revenue from the Infrastructure Engineering ("IE") segment increased by 15.0% to S$47.34 million. The increase was driven mainly by higher engineering and shipbuilding activity in Asia, together with continued execution of offshore asset integrity, repair and lifecycle maintenance works across the Group's installed base of offshore production assets.

During the period, the Group continued to execute offshore lifecycle maintenance projects across its existing operating locations. However, the timing of certain offshore work scopes was affected by project mobilisation and access to offshore work fronts. In particular, the supporting floatel for a key offshore project at West Africa Basin was positioned only in June 2026, resulting in a later commencement of the relevant work scopes and a lower contribution from these activities during 1H2026.

Shipbuilding activities at the Group's Batam yard contributed more significantly during the period following the resumption of shipbuilding operations. These projects were predominantly in their earlier stages of execution. Revenue from deck equipment and marine cranes also increased but continued to be project-driven and dependent on fabrication progress and delivery milestones.

Revenue from the Corrosion Prevention ("CP") segment decreased by 12.7% to S$8.37 million. The decrease reflected the completion of certain projects during the period and uneven work volumes across designated shipyard locations due to the timing of vessel docking, maintenance schedules and work execution. The Group continued to pursue replacement and recurring maintenance work across its operating locations.

Overall, the Group's revenue remained dependent on project mobilisation, work-front availability, execution progress, customer certification and delivery schedules.

2. Review of performance of the Group (cont'd)

Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

(b) Cost of sales/Gross Profit Margin

Gross profit decreased by 24.8% to S$14.60 million for 1H2026, compared with S$19.42 million in the corresponding period. Gross profit margin decreased from 38.2% to 26.2%.

The decline in gross profit margin reflected a change in revenue mix and project execution stage. In 1H2026, a higher proportion of IE revenue was generated from shipbuilding, deck equipment and early-stage engineering projects, while higher-margin offshore lifecycle activities contributed a lower proportion of revenue compared with 1H2025.

The margin compression was mainly attributable to:

- lower contribution from mature offshore lifecycle work during the period;
- higher contribution from early-stage shipbuilding and engineering works with lower margin profiles; and
- mobilisation, material and subcontractor costs incurred ahead of later-stage execution and billing milestones.

In comparison, 1H2025 benefited from a higher proportion of mature and completion-phase offshore lifecycle work, which carried stronger margins.

(c) Other gains/(losses) – net

Other gains/(losses) comprise the following:

	The Group	
	6 months ended 30 June 2026 $'000	**6 months ended 30 June 2025 $'000**
Interest income	196	176
Government grants	149	191
Currency exchange gains/(losses), net	89	(1,190)
Gain on disposal of property, plant and equipment	470	14
Gain on disposal of disposal group, net	956	-
Loss allowance on trade receivables	(3)	(72)
Rental income from investment properties	-	725
Fair value loss on derivatives	(18)	-
Others	69	77
	1,908	(79)

The Group recorded other gains of S$1.91 million in 1H2026, compared with other losses of S$0.08 million in the corresponding period.

The increase arose mainly from:

- a gain of S$0.96 million from the disposal of a disposal group;
- a gain of S$0.47 million from the disposal of property, plant and equipment; and
- a net foreign exchange gain of S$0.09 million, compared with a net foreign exchange loss of S$1.19 million in 1H2025.

2. Review of performance of the Group (cont'd)

<u>Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)</u>

(c) Other gains/(losses) – net (cont'd)

These gains were partially offset by the absence of rental income from investment properties, which amounted to S$0.73 million in the corresponding period.

The disposal gains and favourable foreign exchange movement partially mitigated the lower gross profit recorded during 1H2026.

(d) Operating Expenses

Administrative expenses decreased by 12.1% to S$8.74 million, reflecting continued cost discipline across the Group.

Finance costs increased by 12.1% to S$0.37 million, mainly due to higher borrowings during the period.

(e) Profit attributable to Owners of the Company

Profit before income tax decreased by 19.6% to S$7.28 million for 1H2026, compared with S$9.06 million in the corresponding period.

The decrease in profit before income tax and net profit reflected the timing and mix of project execution during the period. While offshore lifecycle activities continued to contribute meaningfully to Group revenue and profit, they represented a lower proportion of the Group's revenue mix compared with 1H2025. This, together with a higher weighting of early-stage shipbuilding, deck equipment and other engineering works, resulted in lower gross margins during 1H2026.

Notwithstanding the decrease in Group net profit, profit attributable to equity holders of the Company increased by 20.8% to S$3.54 million, compared with S$2.93 million in 1H2025. This reflected a lower allocation of profit to non-controlling interests following completion of the acquisition of the remaining 49% interest in ASOM on 29 May 2026.

Basic earnings per share was 1.44 cents, compared with 1.46 cents in 1H2025, as the increase in profit attributable to equity holders was offset by the enlarged weighted average number of shares in issue.

2. Review of performance of the Group (cont'd)

Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

(f) EBITDA

	The Group	
	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000
Net profit	5,816	6,880
Add: Income tax expense	1,467	2,184
Add: Interest expense	370	330
Add: Depreciation of investment properties	-	88
Add: Depreciation of property, plant and equipment	1,894	1,705
EBITDA	9,547	11,187

The Group's EBITDA decreased by S$1.64 million to S$9.55 million for 1H2026, compared with S$11.19 million in the corresponding period.

The decrease was consistent with the reduction in gross profit and reflected the timing and mix of project execution during the period.

Notwithstanding the decrease, the Group continued to generate positive EBITDA, supported by its offshore lifecycle maintenance activities and improving cost discipline.

Condensed interim consolidated cash flow statement

The Group recorded net cash used in operating activities of S$8.65 million for 1H2026, compared with net cash generated from operating activities of S$10.01 million in the corresponding period.

The operating cash outflow was mainly attributable to a S$13.85 million increase in contract assets and a S$3.38 million increase in trade and other receivables, as working capital was deployed to support increased project execution ahead of milestone certification, billing and collection.

The working capital build was materially higher than in the corresponding period and reflected the ramp-up of offshore, shipbuilding and engineering projects during 1H2026.

Management's priority in 2H2026 will be the progressive conversion of contract assets into certified billings, trade receivables and cash collections as the relevant projects advance through their execution milestones.

The Group recorded net cash used in investing activities of S$0.75 million, mainly due to:

- S$0.70 million invested in a joint venture; and
- additions to property, plant and equipment.

These outflows were partially offset by proceeds from the disposal of a disposal group and property, plant and equipment.

2. Review of performance of the Group (cont'd)

Condensed interim consolidated cash flow statement (cont'd)

Net cash used in financing activities amounted to S$1.68 million, arising mainly from:

- S$20.00 million of cash consideration paid for the acquisition of the remaining 49% interest in ASOM;
- repayment of borrowings, lease liabilities, interest payments; and
- dividends paid to non-controlling interests and equity shareholders.

These outflows were partially offset by proceeds from borrowings, issuance of ordinary shares and exercise of bonus warrants.

Cash and cash equivalents stood at S$26.30 million as at 30 June 2026.

Borrowings increased during the period to fund the acquisition consideration and project working capital requirements. The Group continues to manage its liquidity position closely and prioritises the conversion of contract assets and receivables into cash while maintaining sufficient liquidity to support ongoing project execution and operations.

Condensed interim consolidated statements of financial position

Non-current assets

The Group's non-current assets increased by S$0.21 million to S$16.12 million as at 30 June 2026, compared with S$15.92 million as at 31 December 2025.

The increase was mainly attributable to the recognition of the Group's investment in a joint venture and additions to property, plant and equipment during the period, partially offset by depreciation.

Current assets

Current assets increased by S$5.89 million to S$69.75 million, compared with S$63.86 million as at 31 December 2025.

The increase was mainly due to:

- an increase of S$13.85 million in contract assets; and
- an increase of S$3.38 million in trade and other receivables,

partially offset by a decrease in cash and cash equivalents of S$11.08 million.

The increase in contract assets and receivables reflected the progress of projects where costs and revenue had been recognised ahead of contractual certification, milestone billing or collection.

As at 30 June 2026, 88.8% of total net trade receivables were aged below 90 days, compared with 86.5% as at 31 December 2025.

Receivables aged above 150 days increased by S$0.20 million to S$1.08 million, mainly due to slower payment patterns from certain customers.

The Group continues to engage the relevant customers, monitor collection status and assess the adequacy of credit loss allowances. Credit loss allowances remained stable at S$0.23 million.

2. Review of performance of the Group (cont'd)

Condensed interim consolidated statements of financial position (cont'd)

Current liabilities

Current liabilities increased by S$18.01 million to S$53.82 million, compared with S$35.81 million as at 31 December 2025.

The increase was mainly attributable to:

- an increase of S$13.18 million in trade and other payables; and
- an increase of S$5.62 million in current borrowings,

partially offset by a decrease in current income tax liabilities and other smaller movements.

The increase in trade and other payables included transaction-related obligations arising from the acquisition of the remaining 49% interest in ASOM, as well as higher project-related accruals associated with the increased level of project execution during the period.

Management continues to monitor the Group's banking facilities, covenant requirements and liquidity headroom, and remains focused on maintaining adequate financial flexibility to support ongoing project execution.

Equity / Net asset value

A significant movement in the Group's equity during the period arose from the completion of the acquisition of the remaining 49% interest in ASOM.

As ASOM was already controlled and consolidated by the Group prior to the acquisition, the transaction was accounted for as an equity transaction with non-controlling interests in accordance with SFRS(I) 10 Consolidated Financial Statements.

Accordingly, the excess of the total consideration of S$60.00 million over the carrying amount of the non-controlling interests derecognised of S$14.36 million was recognised directly within equity, resulting in a reduction of S$45.64 million in other reserves attributable to equity holders of the Company.

The reduction in equity arose solely from the accounting treatment prescribed under SFRS(I) 10 and did not arise from the Group's operating performance.

The accounting treatment did not, in itself, affect on the Group's revenue, profit or EBITDA. The initial cash consideration of S$20.0 million paid during the period is reflected as a financing cash outflow in the consolidated statement of cash flows. The deferred contingent consideration was recognised within trade and other payables and will be settled in accordance with the terms of the Sale and Purchase Agreement.

Following the acquisition, the Group holds a 100% equity interest in ASOM and 100% of ASOM's future earnings and net assets will be attributable to equity holders of the Company, with no further attribution to non-controlling interests.

The decrease in the Group's net asset value per ordinary share was primarily due to the reduction in equity arising from the accounting treatment prescribed under SFRS(I) 10. The increase in the number of ordinary shares following the issuance of consideration shares also contributed to the reduction in net asset value per ordinary share.

2. **Review of performance of the Group (cont'd)**

Condensed interim consolidated statements of financial position (cont'd)

Net current assets

The Group reported net current assets of S$15.92 million as at 30 June 2026, compared with S$28.05 million as at 31 December 2025.

The decrease arose mainly from higher current trade and other payables and borrowings, partially offset by the increase in project-related contract assets and receivables.

The Group continues to monitor its liquidity, working capital requirements, billing milestones and cash collections closely.

Non-current liabilities

Non-current liabilities increased from S$7.82 million to S$27.33 million as at 30 June 2026.

The increase was mainly due to higher non-current borrowings and non-current trade and other payables, including deferred contingent consideration associated with the acquisition of the remaining interest in ASOM.

The Group continues to manage its capital structure and liquidity position to support ongoing operations and project execution.

3. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement has been previously disclosed to shareholders.

4. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

Demand for offshore production asset integrity, maintenance and lifecycle services continues to be supported by sustained investment in offshore oil and gas production, particularly in established producing basins where operators are focused on extending asset life, maintaining production reliability and improving operational efficiency.

Industry activity remains underpinned by a growing population of ageing offshore production assets requiring recurring inspection, maintenance, repair and upgrading works. At the same time, the continued development of new offshore production facilities is expected to support demand for engineering, fabrication and offshore services across the asset lifecycle.

Within the shipbuilding sector, competitive conditions remain challenging due to pricing pressure, particularly for standard marine fabrication projects. Accordingly, the Group continues to focus on disciplined project selection, operational execution and margin management.

Labour availability, project mobilisation schedules, customer work-front readiness and execution timing continue to influence the pace of revenue recognition across both offshore engineering and corrosion prevention activities.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

None.

5b. Corresponding Period of the Immediate Preceding Financial Period

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No interim dividend has been declared or recommended for the period under review as the Board considers it prudent to retain the Group's financial resources to support ongoing project execution, working capital, debt and liquidity management, and growth and operational requirements.

7. Interested person transactions

Other than the related party transactions disclosed in Note 6.2 to the condensed interim consolidated financial statements, there were no other interested person transactions requiring disclosure during the period.

The Group has not obtained a general mandate from shareholders for interested person transactions.

8. Use of Proceeds

As at 30 June 2026, a total of 19,902,550 bonus warrants had been converted into 19,902,550 new ordinary shares of the Company at the exercise price of S$0.22 per warrant, raising gross proceeds of S$4.38 million.

After deducting share issue expenses of S$4,950 (2025: S$473), the net proceeds from the exercise of warrants amounted to S$3.99 million (2025: S$0.38 million).

The Group utilised the net cash proceeds received from the conversion of warrants as follows:

	$'000
Net proceeds from exercise of warrants	4,373
Suppliers and Service contractors	(3,959)
Wages and salaries	(414)
Balance as at 30 June 2026	-

The use of the net proceeds from warrants is in accordance with the intended use as previously disclosed in the Company's announcements.

9. Negative confirmation pursuant to Rule 705(5)

We, Chua Meng Hua and Chua Beng Yong, being Directors of Beng Kuang Marine Limited (the "Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the six months ended 30 June 2026 to be false or misleading in any material aspect.

10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

BY ORDER OF THE BOARD

Chua Beng Yong
Executive Chairman

Chua Meng Hua
Executive Director

Singapore
7 August 2026