



明光集團
BENG KUANG GROUP

FY2025 Corporate Highlights

12 February 2026

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Transformative Turnaround

Driven by a performance-oriented and sustainability approach



Start of our asset-light strategy

FY2021

Revenue: S\$51.31m
Gross Profit: S\$11.90m
EBITDA: (S\$5.23m)

- Appointment of Chua Beng Yong as Executive Director on 10 May 2021 and re-designation to Executive Chairman on 03 January 2022
- Appointment of CEO Yong Jiunn Run on 02 June 2021
- Strategic review to transform the Group's business model to a service-centric and asset-light approach



Strengthening our business model with a service-centric focus

FY2022

Revenue: S\$59.13m
Gross Profit: S\$12.52m
EBITDA: (S\$13.55m)

- Re-focus on new opportunities within our core activities of Infrastructure Engineering and Corrosion Prevention to create more recurring income streams and enhance the Group's business sustainability
- Streamlining the Group's capex-heavy business activities
- Undertook a decisive action to cease our livestock carrier business



Turnaround that is powered by strong business drivers

FY2023

Revenue: S\$79.16m
Gross Profit: S\$24.91m
Profit before tax: S\$10.82m

- With an asset-light and service-oriented business model that is anchored by its two core business divisions, IE and CP, the Group continue to perform resiliently within the offshore and marine market
- Announced partial land sales and asset disposals with an aggregate consideration of approximately S\$22.5 million in cash as part of its monetisation and deleveraging initiatives
- Exiting our loss-making business operations



Firmly back on the track of profitability with dividend resumption

FY2024

Revenue: S\$111.88m
Gross Profit: S\$38.73m
Profit before tax: S\$25.40m

- Completed the second partial land sale of the Group's Batam waterfront yard
- Exited from SGX watch-list on 15 October 2024
- Completed bonus warrants issuance to create additional value to shareholders
- Successfully redeemed outstanding bonds of S\$3.5 million and issued new bonds of a smaller size of S\$3 million
- **Dividend of 0.6 SG cents per share**



Continue to advance towards BKM 2.0 for sustainable earnings

FY2025

Revenue: S\$98.16m
Gross Profit: S\$36.41m
Profit before tax: S\$16.46m

- Resilient profitability despite softer revenue due mainly to project timing delays
- Gross margin expansion reflects BKM 2.0 execution
- Strong cash generation with operating cash flow of S\$26.55m, supported by strong cash conversion and disciplined working capital management.
- Cash balance increased to S\$37.38m with net assets rising to S\$36.14m
- Strategic focus on FPSO lifecycle services, maintenance and aftermarket revenue
- **Proposed dividend of 0.6 SG cents per share**

Market Prospects

New opportunities from improving global access to energy

Positive FPSO outlook for new builds

- A new FPSO can cost between US\$1 billion and US\$3 billion.⁽¹⁾
- The market for floating production, storage, and offloading (FPSO) vessels will continue to snowball, with 66 planned FPSO projects between 2022 and 2027.⁽²⁾

Ageing FPSO fleet underpins long-term life-extension demand

- There are approximately more than 180 operating FPSOs, capable of staying on location for continuous operations upwards of 20 years.⁽³⁾
- More than half of the world's FPSOs are over 30 years old and a quarter are over 40-years-old⁽⁴⁾, where asset integrity, inspection, repair and corrosion mitigation become mandatory.

Maintenance and integrity spend remains resilient across cycles

- While project schedules may shift, required scope is deferred rather than cancelled, FPSOs and FSOs must operate with minimal downtime, regardless of oil price or new build cycles.
- Integrity works, inspection, maintenance and certification are mission-critical for safety, uptime and regulatory compliance.

Demand for corrosion prevention remains resilient across offshore marine assets

- Corrosion costs the maritime industry between \$50 billion and \$80 billion annually, not including indirect costs⁽⁵⁾
- Corrosion prevention works are essential to prevent structural deterioration of marine renewable energy assets (new or old).

1. <https://www.upstreamonline.com/exclusive/high-costs-and-financing-challenges-cloud-the-outlook-for-fpso-lease-and-operate-model/2-1-1724112>

2. <https://www.nesfircroft.com/resources/blog/notable-fpso-projects-in-2023-2027/>

3. <https://www.investopedia.com/terms/f/fpso-floating-production-storage-and-offloading.asp>

4. [https://splash247.com/more-than-half-of-the-worlds-fpsos-are-over-30-years-old/#:~:text=FPSO\)%20fleet%20is,More%20than%20half%20of%20the%20world's%20FPSOs%20are%20over%2030,range%20of%20FPSO%20safety%20issues.](https://splash247.com/more-than-half-of-the-worlds-fpsos-are-over-30-years-old/#:~:text=FPSO)%20fleet%20is,More%20than%20half%20of%20the%20world's%20FPSOs%20are%20over%2030,range%20of%20FPSO%20safety%20issues.)

5. <https://www.offshore-mag.com/vessels/article/14302211/coating-provides-long-term-protection-of-static-offshore-assets>

Asset-light, Service-centric Model

Positioned across the highest-value, longest-duration phases of the offshore asset lifecycle

Engineering and Onshore Support Services

- Project Management for New Build Projects
- Structural Fabrication, Turnkey Engineering project
- Topsides completion & commissioning support
- Service, Repair & Maintenance for Ocean-going Vessels
- Purpose-built deck equipment developed using our advanced design capabilities and proprietary software



Infrastructure Engineering (“IE”)



High switching costs driven by in-situ execution, regulatory familiarity and asset-specific knowledge



Corrosion Prevention (“CP”)



Recurring workload supported by resident contractor appointments and long-term customer relationships



Offshore Renewables Assets

- Project Management for New Build Projects
- Servicing & Maintenance
- Special Projects

Floating Production Storage and Offloading vessels (“FPSOs”) and Floating Storage and Offloading vessels (“FSOs”)

- New Build & Conversion Projects
- Carryover Work for Commissioning and Deployment
- Servicing & Maintenance
- Inspection & Certification
- Special Projects



Resident Contractors for Shipyards for CP

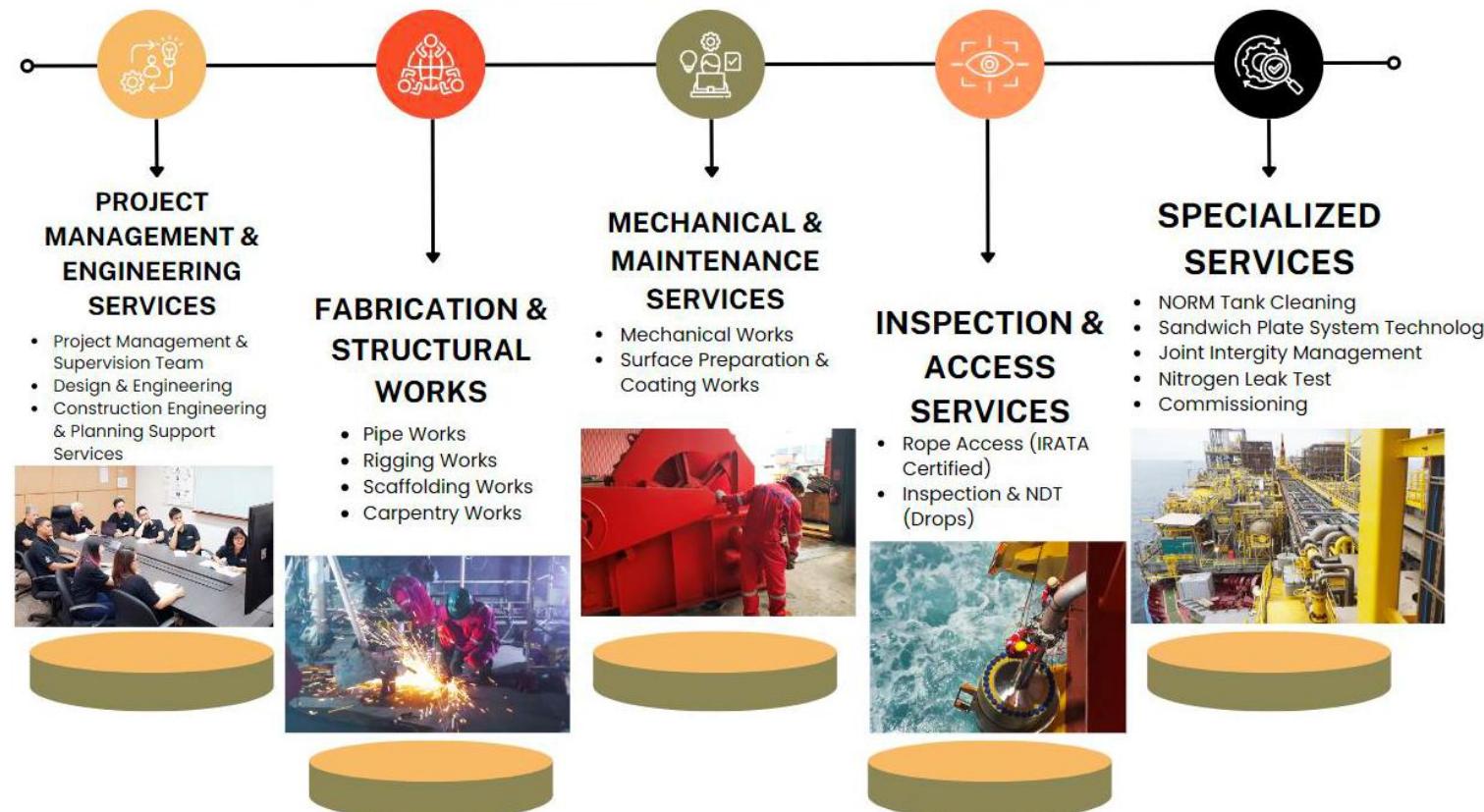
- Servicing & Maintenance
- Special Projects
- Corrosion Prevention

Infrastructure Engineering (“IE”)

High-value, in-situ services embedded across the operating life of offshore assets



In the last few years, we have gained tremendous capabilities and have established ourselves as a proficient and cost-efficient “one-stop” offshore in-situ turnkey repaire. We handle periodical maintenances, repairs as per class requirements, life extension, warranty repairs, major repairs, upgrades, and more in the following trades:



Support asset integrity and life-extension works with majority being repeat FPSOs / FSOs customers, complemented by new asset engagements

Infrastructure Engineering (“IE”)

High-value, in-situ services embedded across the operating life of offshore assets

Our Strategy

1

Scaling up our business presence within the FPSOs and FSOs market

- **Specialising in asset integrity, inspection, repair, maintenance and life-extension works** for operating floating assets, including FPSOs and FSOs, across offshore and onshore environments.
- **Deep operational, safety and regulatory expertise** to deliver in-situ execution on live assets
- **High switching costs** driven by asset-specific knowledge accumulated over long operating lives
- **Embedded execution on live assets** with strict safety, regulatory and classification requirements
- **Long-standing customer relationships** support repeat engagements across multiple work scopes

2

Creating new value propositions at every stage of the asset life cycle with a service-centric business model

- **To strengthen and expand its capabilities** within the offshore and marine industry, particularly in the new build sector with onshore support services.
- **Cement our lead market position** as a one-stop service provider and expand our track record globally.

Established presence in West Africa and Guyana, with recent geographical diversification into Brazil, supporting proximity to key offshore operating regions.

Comprehensive Lifecycle Coverage

FPSOs and FSOs

- New Build & Conversion Projects
- Carryover Work for Commissioning and Deployment
- Servicing & Maintenance and special projects
- Brownfield upgrades and life-extension works

Engineering and Onshore Support Services

- Project management for new build projects
- Structural fabrication and turnkey engineering
- Topside completion and commissioning support
- Service, repair and maintenance for ocean-going vessels

Offshore Renewables Assets

- Project management for new build projects
- Servicing, maintenance and special projects

Corrosion Prevention (“CP”)

Recurring, essential services underpinning asset safety and longevity

1

One of the leading providers of corrosion prevention services in Singapore

2

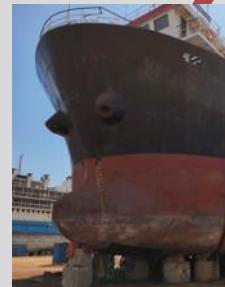
Blue-chip customers in the offshore and marine industry

- Ship corrosion continues to be a major hazard for the industry**
- Corrosion prevention is essential for prolonging the lifespan of marine assets, ensuring safety, and maintaining operational efficiency.**
- Long operating lives of marine assets require periodic and repeat treatments**

- With our established track record of more than 30 years, we are appointed as “Resident Contractor” to provide corrosion prevention services to several blue-chip customers in the offshore and marine customers.
- “Resident Contractor” appointment create high visibility workload and recurring engagement, with demand for our services continuing to remain resilient in Singapore and Batam yards.

External Vessel Hull Corrosion Prevention Process Delivered by our Experienced Teams Integrated into Yard and Vessel Operations

Vessel Docking



Marine Growth Removal



Surface Cleaning



Surface Preparation



Paint Application



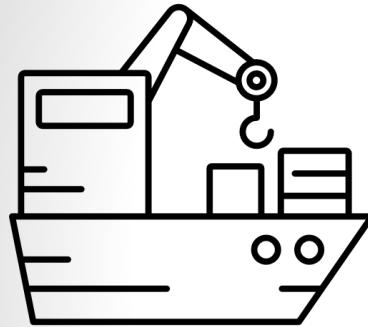
Completion & Handover



Expanding Growth Engines Through Adjacent Capabilities

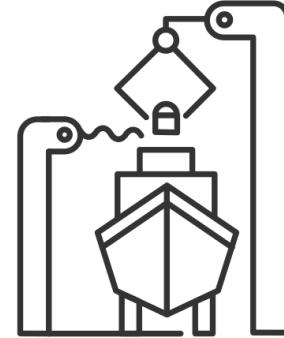
Diversify revenue streams with cross-selling synergies between our IE and CP business segments

Harness replacement demand, refurbishment work and selective newbuild opportunities



Deck Equipment
under IE business division

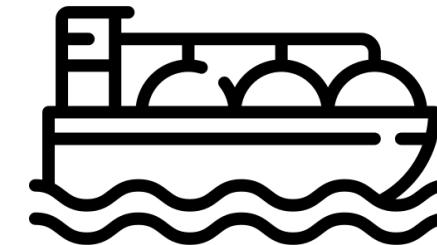
Secured new contracts of
S\$14.2 Million
in FY2025



Shipbuilding
under IE business division

Secured new contracts of
S\$7.8 Million
in FY2025

High-value service supporting offshore maintenance, life-extension and turnaround activities



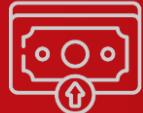
Specialised Industrial Chemical Cleaning
under IE business division

Focus on chemical cleaning and hot oil flushing services that is essential for pre-commissioning and maintenance processes of floating assets

Integrated service offering improves customer stickiness and wallet with opportunities to co-share resources and enhance efficiency

Key Financial Snapshot for FY2025

For the financial year ended 31 Dec 2025



Revenue  **S\$98.16m**
(FY2024 - S\$111.88m)



Gross Profit  **S\$36.41m**
(FY2024 - S\$38.73m)



Gross Profit Margin  **37.1%**
(FY2024 – 34.6%)



Profit before Tax  **S\$16.46m**
(FY2024 – S\$25.40m)



Generated net cash of S\$26.55m from operating activities

- Lower revenue performance mainly due to timing delays in offshore asset integrity projects within the IE division, which arose principally from external parties' revisions to project scope and work sequencing for optimisation and life-extension of floating assets.

While revenue recognition was deferred in FY2025, the underlying demand for asset integrity and life-extension solutions remains intact and is expected to be recognised in line with future project milestones.

- Gross profit declined at a slower rate than revenue that underscores the resiliency of the Group's business model.
- Reflects the resilience inherent to the Group's asset-light, service-oriented business model enabled gross profit margin to be sustained
- Absence of one-time gain of S\$5.51 million in FY2025.

To strengthen the talent pool selectively for its ongoing business initiatives and expansion plans, administrative expenses remained well-controlled.

Variable management remuneration was lowered and aligned with the Group's FY2025 operating and financial performance.

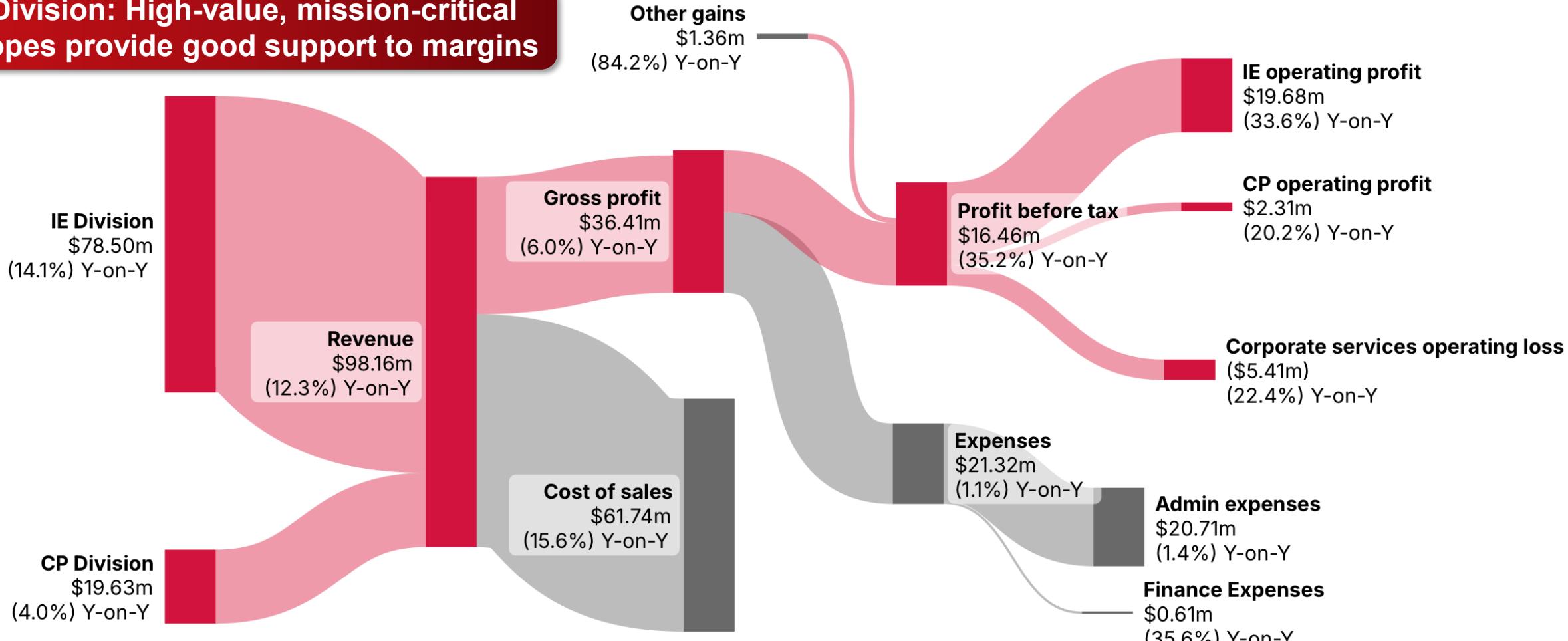
Extending our track record of profitability since our turnaround in FY2023.

- Supported by strong cash conversion and disciplined working capital management

Key Segmental Presentation for FY2025

Testament to the resilience of our asset-light, service-centric business model

IE Division: High-value, mission-critical scopes provide good support to margins



CP Division: Stable, recurring profit base

Key Financial Highlights for FY2025

(S\$ million)	FY2024	FY2025	Change (%)
Revenue	111.88	98.16	(12.3)
Gross Profit	38.73	36.41	(6.0)
Gross Profit Margin	34.6%	37.1%	+2.5 percentage points
Profit before Tax	25.40 ¹	16.46	(35.2)
EBITDA	29.25 ¹	20.63	(29.5)
Net Gearing Ratio²	Net cash	Net cash	Not meaningful
Generated Net Cash from Operating Activities		26.55	

**Proposed Dividend
of 0.6 SG cents
per share
for FY2025**

Commenting on the FY2025 results, Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said:

"FY2025 marks another year of resilient performance for the Group, notwithstanding the temporary revenue impact within our Infrastructure Engineering division arising from project timing and scope re-sequencing, which were largely driven by external factors.

While project schedules may fluctuate, the structural demand for asset integrity and life-extension solutions remains intact. Our continued focus on high-value, mission-critical services — spanning asset life extension, regulatory compliance and operational reliability — reinforces the strategic relevance of our capabilities across market cycles.

A significant proportion of the Group's work continues to be derived from repeat engagements on operating offshore assets, reflecting long-standing customer relationships and high switching costs. To date, the Group has supported asset integrity and life-extension works across more than 20 offshore floating assets globally, underscoring the recurring and essential nature of our services.

Through disciplined execution and a clear strategic focus, the Group sustained healthy gross profit margins and generated strong operating cash flows during the year. We also continued to strengthen our balance sheet, including the full redemption of our corporate bonds as part of our ongoing deleveraging efforts.

At the same time, we are building momentum in adjacent, capex-light growth areas such as deck equipment, shipbuilding and specialised industrial chemical cleaning, which complement and extend our core capabilities.

Looking ahead, our BKM 2.0 strategy provides a clear roadmap to position the Group as a more resilient, asset-light and service-centric platform, supporting sustainable value creation over the longer term."

1. Exclude the one-off gain of S\$5.51 million from partial disposal of Batam property respectively in FY2024

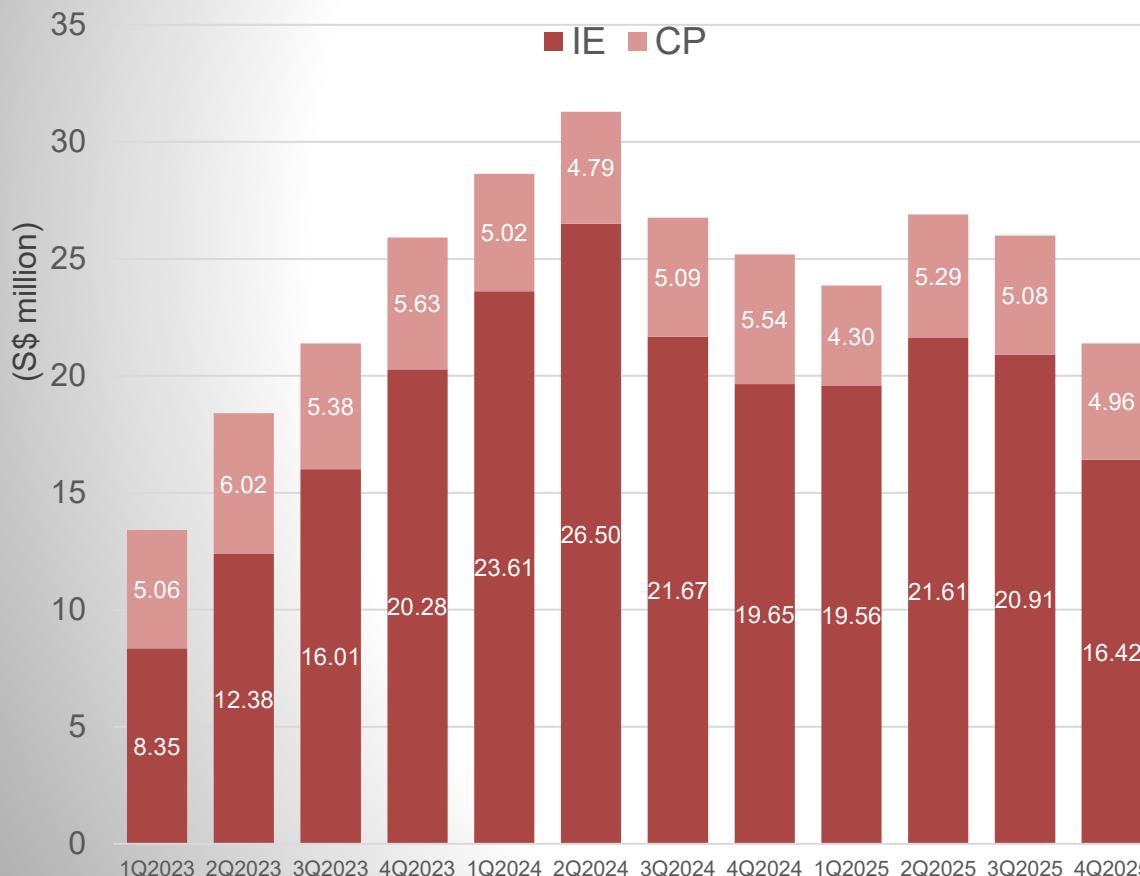
2. Net borrowings less cash at bank / tangible net assets as at 31 December 2024 and 2025.

Quarterly Highlights

Testament to the resilience of our asset-light, service-centric business model

Quarterly revenue reflects normal project phasing in IE, while CP provides a stable, recurring baseline. Revenue variability is timing-driven, not demand-driven.

Revenue Contribution



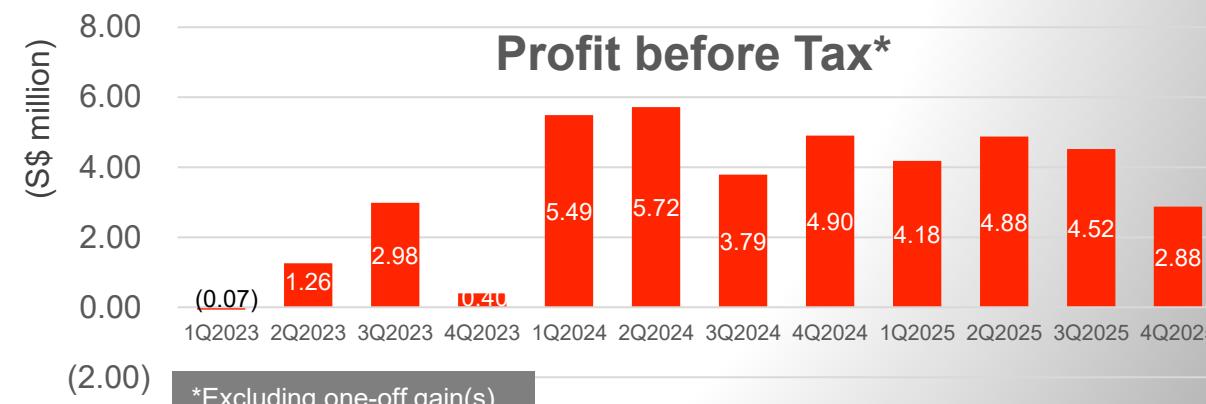
Gross profit remained consistently positive across all quarters, demonstrating margin resilience and disciplined execution with focus on higher-value service scopes.

Gross Profit



Sustained quarterly profitability following its turnaround in FY2023 with FY2024 benefiting from one-off gains, while FY2025 reflects normalised, recurring earnings.

Profit before Tax*



*Excluding one-off gain(s)

Key Balance Sheet Highlights

Strengthened balance sheet with increased liquidity position and reduced borrowings

(S\$ million)	As at 31 Dec 2024	As at 31 Dec 2025
Current Assets	61.65	63.86
Non-Current Assets	12.46	15.91
Total Assets	74.11	79.77
Current Liabilities	40.21	35.81
Non-Current Liabilities	5.44	7.82
Total Liabilities	45.64	43.63
Total Equity	28.47	36.14

✓ Improved Financial Position

- Net cash position supported by cash and cash equivalents of S\$37.38 million, alongside reduced borrowings.
- Total equity increased to S\$36.14 million, reflecting sustained profitability since the Group's turnaround in FY2023.
- Overall balance sheet strength enhanced through disciplined capital and risk management.

✓ Disciplined Working Capital Management

- Trade and contract receivables primarily relate to certified work and milestone-based billings on operating offshore assets, with cash collection aligned to project progression.
- Contract assets of S\$9.17 million reflect work completed but not yet billed in accordance with project milestones.
- Strong working capital discipline underpinned operating cash inflow of S\$26.55 million in FY2025.

✓ Prudent Capital Structure

- Borrowings remained modest and well-managed, supporting operational flexibility.
- Liquidity position provides capacity to support ongoing projects, selective growth initiatives and risk buffers.

A stronger balance sheet with high liquidity, disciplined working capital approach and sustained profitability positions the Group well for the next phase of growth under BKM 2.0

Advancing Towards BKM 2.0

Building sustainable growth within the global offshore and marine industry

Anchored by our Two Core Business Units



Key Business Pillars

1. Strategic Market Positioning
2. Value-led Transformation
3. Financial Resiliency
4. Robust Risk Management
5. Talent Optimisation
6. ESG Integration



Key Focus Areas

- Enhance Core Capabilities & Entrenching Lead Market Position
- Building Fresh Capabilities & New Revenue Streams
- Develop and Incubate New Business & Ventures
- Strategic Partnerships
- Capex-light and Service-centric Model
- Talent Acquisition
- Improve Cost & Operating Efficiency



Our Progress Towards BKM 2.0

From turnaround to a stronger service-centric platform



Asset-light, Service-centric Model

Re-focused on asset integrity, life-extension and corrosion prevention



Core Profit Engines Entrenched

IE and CP established as primary earnings drivers

Higher exposure to non-discretionary, recurring demand within the global energy market



Margin & Earnings Quality

Disciplined project selection and execution

Resilient profitability with repeat engagements despite project timing fluctuations



Financial Resiliency

Strengthened balance sheet with disciplined working capital management

Sustained margin resilience and improved earnings quality



Platform for Adjacent Growth

Momentum built in deck equipment, shipbuilding and specialised chemical cleaning

Profitable track record extended since FY2023 turnaround with a net cash position, reduced gearing and strong operating cash flow generation



Talent Optimisation

Targeted talent development and recruitment to support key growth areas

Capex-light optionality aligned with core capabilities



Scalable execution that are performance-linked for sustainable growth

Transformed the Group into a structurally stronger, service-centric platform for sustainable earnings



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