**BENG KUANG MARINE LIMITED**
Registration No. 199400196M

**DISPOSAL OF WHOLLY-OWNED SUBSIDIARY – PICCO ENTERPRISE PTE. LTD.**

## 1. Introduction

1.1 The Board of Directors of Beng Kuang Marine Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Nexus Sealand Trading Pte Ltd (the "**Seller**") has entered into a non-binding memorandum of understanding ("**MOU**") to dispose of its entire shareholding in its wholly-owned subsidiary, Picco Enterprise Pte. Ltd. ("**PICCO**") to an unrelated third party buyer, Swift Total Logistics Pte. Ltd. (the "**Buyer**" and such disposal the "**Disposal**").

1.2 Following the completion of the Disposal, the Seller will cease to have any interest in PICCO, and PICCO will cease to be a subsidiary of the Group.

## 2. Background and rationale

2.1 PICCO is engaged in the sale and distribution of bottled drinking water under the "SPLASH" brand in Singapore. As at the date of this announcement, PICCO has an issued and paid-up share capital of S$100,000 and has incurred operating losses for the past three financial years.

2.2 The Disposal is in line with the Group's strategy to move towards a capital asset-light business model and marks an opportunity for the Group to improve its financial position and free up cash for its other profitable business segments that are generating positive returns.

## 3. Consideration and value

3.1 The consideration for the Proposed Disposal shall be such amount equal to PICCO's net tangible asset value as set out in its unaudited financial statements at a cut-off date as may be agreed between the Buyer and the Seller. The consideration shall be satisfied in cash on completion and was arrived at after arm's length negotiations on a willing-buyer, willing-seller basis and after taking into consideration the net asset value of PICCO as stated in its audited financial statements for the year ended 31 December 2022 ("**FY2022**") and as stated in its unaudited financial statements for the six-month period ended 30 June 2023 ("**1H2023**"), as well as the fact that PICCO has incurred operating losses for the past three financial years .

3.2 Based on PICCO's audited financial statements for FY2022, the net tangible asset value of PICCO as at 31 December 2022 was S$238,446. Based on PICCO's unaudited financial statements for 1H2023, the net tangible asset value of PICCO was S$100,126 as at 30 June 2023.

**4. Information on the Buyer**

The Buyer is a company incorporated in Singapore that has been operating for more than 10 years as a logistics services provider, including crane services, transportation and marine-related services as well as freight water transport and related support services, operator and charter of vessels.

The Buyer is an independent third party and there is no relationship between the Buyer, its directors and shareholders on one hand and the Company, the Company's directors, or, to the best of the Company's knowledge, the Company's substantial shareholders on the other.

**5. Relative figures under Rule 1006 of the Listing Manual**

Assuming the consideration is S$100,126, being PICCO's net asset value as at 30 June 2023, each of the relative figures computed on the applicable bases as set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual (the "**Listing Manual**") is less than 5.0%, and, as such the Disposal is a "Non-discloseable Transaction" for the purposes of Chapter 10 of the Listing Manual.

**6. Financial impact on the Company**

The Disposal is not expected to have any material impact on the Company's consolidated net tangible assets or earnings per share for the current financial year.

**7. Interests of Directors and substantial shareholders**

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction other than through their shareholdings (if any) in the Company.

**BY ORDER OF THE BOARD**

Chua Beng Yong
Executive Chairman

28 July 2023