BENG KUANG MARINE LIMITED
Registration No. 199400196M

DISCONTINUATION OF THE GROUP'S CATTLE LINE BUSINESS
- **WINDING UP OF CATTLE LINE TWO PTE LTD AND APPOINTMENT OF LIQUIDATOR**
- **NOTICE OF EVENT OF DEFAULT**

The Board of Directors (the "**Board**") refers to Beng Kuang Marine Limited (the "**Company**", and together with its subsidiaries, the "**Group**")'s announcements dated 5 October 2022, 3 November 2022 and 27 November 2022.

As previously disclosed:

1. the Board intends to discontinue the Group's cattle line business, which is held by the Group's subsidiary, Cattle Line Two Pte Ltd ("**CL2**"), which would, among others, involve the disposal of the Group's livestock vessel assets held by CL2 and its subsidiary, Cattle Line One Pte. Ltd ("**CLO**") (the "**Proposed Discontinuation**"). As part of the Board's plans for the Proposed Discontinuation, the Group had intended to commence voluntary winding up proceedings for CL2 and CLO;

2. on 2 November 2022, the Group received notice that KPI OceanConnect Pte. Ltd. ("**KPIOC**") had filed a winding up application with the High Court of Singapore to wind up CL2 following a statutory demand for the Group's payment of outstanding sums (the "**KPIOC Winding Up Application**"). The hearing date for the KPIOC Winding Up Application was fixed on 25 November 2022; and

3. on 25 November 2022, the Court adjourned the case for CL2 to file an application to court for permission to commence voluntary winding up.

The Board wishes to update shareholders that the Group ultimately did not object to the KPIOC Winding Up Application, and, the Court had, on 17 January 2023, ordered for CL2 to be wound up under section 125 of Part 8 of the Insolvency, Restructuring and Dissolution Act 2018 and for the appointment of Tan Wei Cheong and Lim Loo Khoon as joint and several liquidators of CL2.

In addition, the Board refers to certain facility agreements (the "**Facility Agreements**") dated 24 May 2011, 29 October 2012 and 18 December 2014, between the Group and United Overseas Bank Limited ("**UOB**").

As security for the Group's borrowings under the Facility Agreements, CLO and CL2 had entered into certain security arrangements in favour of UOB as lender (the "**Security Agreements**") including, among others, the creation of mortgages over certain vessels comprising the cattle line assets (the "**Secured Asset**").

The Board wishes to update shareholders that further to the winding up of CL2, both of CL2 and CLO had on 20 January 2023 each received a Notice of Event of Default (the "**Notice**") from UOB pursuant to the terms of the Facility Agreements. In the Notice, UOB has, among others, reserved all its rights, including but not limited to UOB's right to take any action it is entitled to under the Security Agreements, including steps to preserve or enforce any security (including the Secured Asset). The Group will continue to engage with UOB on the settlement of the outstanding amounts, including the disposal of the Secured Assets by the receivers to be appointed.

The Company will continue to update shareholders as and when material developments occur. In the meantime, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Chua Beng Yong
Executive Chairman
21 January 2023