BENG KUANG MARINE LIMITED
Registration No. 199400196M

DISPOSAL OF INTEREST IN NEWEARTH PTE. LTD.

1. INTRODUCTION

The Board of Directors of Beng Kuang Marine Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that Water and Environmental Technologies (WET) Pte Ltd ("WET"), a 51% owned subsidiary of the Company had on 2 March 2013 entered into a sale and purchase agreement (the "SPA") with Tuas Power Ltd (the "Purchaser") to dispose its entire interest of 176,170 ordinary shares ("Sale Shares") in the capital of NewEarth Pte. Ltd. ("NewEarth") ("Proposed Disposal").

2. INFORMATION ON NEWEARTH PTE. LTD.

NewEarth is a company incorporated in the Republic of Singapore on 10 July 2003. As at the date of the announcement, the paid-up capital of NewEarth is S$10,111,841 divided into 440,427 ordinary shares. NewEarth is an investment holding company having an interest of approximately 46.52% in the share capital of NewEarth Singapore Pte. Ltd. ("NES") as at 31 December 2012. NES' principal activities are those relating to the treatment and recycling of industrial and other wastes.

The Sale Shares represent approximately 40% of the entire issued and paid-up share capital of NewEarth. The remaining 60% of the entire issued and paid-up share capital of NewEarth is held by the Purchaser.

3. RATIONALE FOR THE DISPOSAL

NewEarth is a joint venture between WET and the Purchaser.

Pursuant to NewEarth's intended disposal of its entire interest in NES on 5 March 2013 (refer to announcement released by the Company on 1 March 2013), NewEarth will cease to be active. Under the circumstances, WET decided to exit from the joint venture by disposing of its entire interest to the Purchaser.

4. DISPOSAL CONSIDERATION AND OTHER KEY TERMS

The cash consideration for the Proposed Disposal is S$988,577.96 ("Disposal Consideration"). The Disposal Consideration was arrived based on the projected net tangible assets of NewEarth of approximately S$2.47 million after NewEarth's disposal of its entire interest in NES.

The Disposal Consideration shall be paid in full by the Purchaser on the completion date.

The completion of the Proposed Disposal shall take place on 5 March 2013 or such other date as the parties may mutually agree in writing.

5. VALUE OF THE SHARES BEING DISPOSED

No valuation report was commissioned by the Company in respect of the Sale Shares. The unaudited book value of the Sale Shares as at 31 December 2012 is approximately S$0.99 million.

6. USE OF PROCEEDS

The Group will utilise the Disposal Consideration for the purpose of working capital for WET.

7. NET PROFIT ATTRIBUTABLE TO SHARES SOLD

Based on the unaudited financial statements of NewEarth as at 31 December 2012, the net loss attributable to the Sale Shares is approximately S$0.74 million.

8. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The Proposed Disposal is governed by the rules of Chapter 10 of the Listing Manual. The relative figures computed on the bases set out in Rule 1006 of the Listing Manual based on the unaudited financial statements of the Group for the financial year ended 31 December 2012 are as follows:

(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	The net asset value of the Sale Shares being disposed of being approximately S$0.99 million represents approximately 1.27% of the Group's net asset value of approximately S$78.1 million.
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	The net loss attributable to the Sale Shares being disposed of was approximately S$0.74 million which represents approximately 13.19% of the Group's net loss of approximately S$5.61 million for the year ended 31 December 2012.
(c)	The aggregate value of the consideration given or received, compared with the group's market capitalisation	The Disposal Consideration of approximately S$0.99 million represents 1.5% of the Company's market capitalisation of approximately S$64.8 million as at 1 March 2013 (the market day proceeding the date the SPA is executed).
(d)	The number of equity securities issued by the group as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable.

9. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The Proposed Disposal is not expected to have any material impact on the financial performance of the Company and its subsidiaries for the current financial year. Based on the Company's unaudited consolidated financial statements for the financial year ended 31

December 2012, the financial effect on the Group's earnings and net tangible assets per share will not be material as the Group has provided for the impairment of this investment in 3Q FY 2012.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

11. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection at the Company's registered office at 55 Shipyard Road, Singapore 628141 for three months from the date of this announcement.

BY ORDER OF THE BOARD

Chua Meng Hua
Managing Director
4 March 2013