BENG KUANG MARINE LIMITED
Registration No. 199400196M
(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF UP TO 90,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF BENG KUANG MARINE LIMITED AT A PLACEMENT PRICE OF S$0.21 PER SHARE

The Board of Directors of Beng Kuang Marine Limited (the "Company") wishes to announce that the Company has entered into a placement agreement dated 16 August 2010 (the "Placement Agreement") with DMG & Partners Securities Pte Ltd as placement agent (the "Placement Agent").

Pursuant to the Placement Agreement, the Company has agreed to issue up to 90,000,000 new ordinary shares (the "Placement Shares") in the capital of the Company at a placement price of S$0.21 (the "Placement Price") for each Placement Share (the "Placement") and the Placement Agent has agreed to procure the subscription and payment for, the Placement Shares at the Placement Price for each Placement Share on a best endeavours basis. A placement commission of 2% of the gross proceeds raised pursuant to the Placement Agreement, is payable by the Company to the Placement Agent pursuant to the Placement Agreement. The Placement is non-underwritten.

The Placement Shares will be placed by the Placement Agent to institutional investors pursuant to Section 274 of the Securities and Futures Act (Cap 289) of Singapore, or accredited investors pursuant to Section 275 of the Securities and Futures Act (Cap 289) of Singapore.

The Company will be making an application to the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST. The Placement is conditional upon, *inter-alia*, the approval of the SGX-ST for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST.

The Placement Shares are intended to be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 23 April 2010 which authorises the Directors of the Company pursuant to Rule 806 of the SGX-ST Listing Manual, to allot and issue new shares not exceeding 20% of the Company's issued share capital in the case where shares are issued other than on a pro-rata basis to existing shareholders. Assuming that the Placement is fully subscribed, the Placement Shares will represent approximately 20.0% of the Company's existing issued and paid up share capital of 450,041,625 ordinary shares as at the date of this announcement. The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares of the Company.

The Placement Price of S$0.21 for each Placement Share represents a discount of approximately 8.22% to the weighted average price of S$0.2288 for trades done on the Company's Shares on the SGX-ST for the full market day on 13 August 2010 (being the market day preceding the signing of the Placement Agreement). The Company has effected a trading halt of its Shares on 16 August 2010.

Upon completion of the Placement, the issued and paid up share capital of the Company will increase to 540,041,625 ordinary shares and the Placement Shares will represent approximately 16.67% of the Company's enlarged share capital after completion of the Placement.

The effects of the Placement on the net asset value per share and earnings per share of the Company and its subsidiaries for the financial year ended 31 December 2009 are set out in the table below.

	Before the Placement [(1)]	**After the Placement** [(2)]	**After the Placement and assuming the exercise of the remaining Options** [(3)(4)]

Effects of the Placement on the net asset value per share	12.83 cents	14.14 cents	14.63 cents
Effects of the Placement on the earnings per share	2.14 cents	1.61 cents	1.54 cents

Notes:

(1) Based on 441,041,625 shares as at 31 December 2009.
(2) Based on 531,041,625 shares after the issuance of the 90,000,000 Placement Shares.
(3) Based on 556,041,625 shares after the issuance of the 90,000,000 Placement Shares and 25,000,000 shares pursuant to the exercise of the Options.
(4) Pursuant to the Call Option Agreement dated 7 September 2009, the subscribers were granted an Option to subscribe to 38,000,000 shares in the Company at an exercise price of $0.25 per share. This Option is exercisable at the sole discretion of the subscribers within the period of 3 years from the date of the Call Option Agreement. As at 31 December 2009, 13,000,000 Options have been exercised with 25,000,000 Options to be carried forward.

Assuming that the Placement is fully subscribed, the estimated net proceeds from the Placement, after deducting estimated expenses pertaining to the Placement of approximately S$400,000 will be approximately S$18,500,000. The net proceeds will be used for the purpose of funding existing and future projects as well as for general working capital in the following estimated proportions:

Use of Proceeds	**Allocation (%)**
Funding capital expenditures	10 - 60
Potential business expansion	10 - 60
General working capital	10 - 30

Pending the deployment of the net proceeds from the Placement, the net proceeds may be deposited with banks and/or financial institutions as the Directors may deem appropriate in the interests of the Group.

None of the Placement Shares will be placed to persons within the categories as set out in Rule 812(1) of the Listing Manual of the SGX-ST.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement.

By Order of the Board

Chua Meng Hua
Executive Director
16 August 2010