BENG KUANG MARINE LIMITED
Registration No.199400196M
(the "Company")

USE OF PROCEEDS FROM THE PLACEMENT OF 90,000,000 NEW ORDINARY SHARES ("PLACEMENT SHARES") IN THE CAPITAL OF THE COMPANY

Further to the announcements made on 16 August 2010, 20 August 2010 and 24 August 2010 in relation to the Placement Shares, the Board of Directors (the "Board") of the Company wishes to announce the usage of the proceeds received from the placement of 90,000,000 new ordinary shares at an issue price of S$0.21 for each placement share, which amounted to S$18,900,000, as follows:-

Gross Proceeds from	S$
90,000,000 new ordinary shares at S$0.21 per share	18,900,000
Less: Expenses	(400,000)
Net Proceeds	18,500,000
Use of Proceeds	
i) Capital expenditures for yard development/vessel	(6,500,000)
ii)Placement of time deposits	(8,000,000)
iii) General working capital	(4,000,000)
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Further announcement will be made at the appropriate time in relation to utilization of the balance of the issue proceeds currently placed in bank deposits.

By Order of the Board

Chua Meng Hua
Managing Director
24 December 2010