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, 24 August 2010 and 24 December 2010 in relation to the Placement Shares, the Board of Directors (the "Board") of the Company would like to provide an update that it has fully utilised the remaining net proceeds of S$8,000,000 for the following purposes:-

1. Approximately S$3.5 million to fund the capital expenditures in the acquisition of vessels, yard development; and

2. Approximately S$4.5 million for working capital purposes of the Group.

By Order of the Board

Chua Meng Hua
Managing Director
1 March 2011