BENG KUANG MARINE LIMITED
Registration No. 199400196M

PROPOSED DISPOSAL OF PROPERTY

The Board of Directors of Beng Kuang Marine Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that Picco Enterprise Pte Ltd, a wholly-owned subsidiary of the Company has recently accepted a non-binding letter of interest (the "Letter of Interest") issued by a prospective purchaser (the "Purchaser") for the proposed sale and leaseback of a leasehold property known as 38 Tuas View Square Singapore 637770 (the "Property") for a proposed cash consideration of S$14.5 million (the "Proposed Disposal"), which shall be subject to terms and conditions to be specified in the definitive agreement.

The Property is currently used by the Group for warehousing facilities for its Supply and Distribution Division, which supplies mainly hardware equipment and tools to the marine and offshore oil and gas industries, and as foreign workers' dormitory for its Corrosion Prevention Division, which provide vessels' painting and blasting services to shipyards.

Under the terms of the Letter of Interest, the parties are required to act in good faith to negotiate, finalise and execute definitive sale and purchase agreement and master lease agreement reflecting the commercial terms contained in the Letter of Interest (the "Definitive Agreements") within 6 months from the date of acceptance of the Letter of Interest. The Proposed Disposal is subject to further satisfactory due diligence investigations to be conducted by the Purchaser on the Property, negotiations on and the entry of the Definitive Agreements between the Company and the Purchaser or its nominee.

The Company will make appropriate announcements where there is further material developments regarding the Proposed Disposal in compliance with the relevant provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Board wishes to highlight that there is no certainty or assurance that (i) the Definitive Agreements will be entered into; (ii) the final terms of the Proposed Disposal will not change from that in the Letter of Interest; and (iii) the Proposed Disposal will be proceeded with. As such, Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Chua Meng Hua
Managing Director
18 January 2013