BENG KUANG MARINE LIMITED
Registration No. 199400196M

PROPOSED ISSUE OF CONVERTIBLE BONDS

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement dated 25 March 2015 (the "**Announcement**").*

Further to the Announcement, the Board of Directors of Beng Kuang Marine Limited ("**Company**") wishes to announce that the SGX-ST has granted its in-principle approval for the listing and quotation of up to 23,809,523 Conversion Shares.

The SGX-ST's in-principle approval is subject to the following conditions:-

(a) Compliance with the SGX-ST's listing requirements;

(b) A written undertaking form the Company that all material features of the Bonds, including adjustment terms and redemption terms will be announced via SGXNET;

(c) Announcement of the intended use of proceeds from the Bonds on a percentage allocation basis (which could be expressed as a range if the exact allocation has not been determined);

(d) Announcement of confirmation that none of the Subscribers is holding the Bonds or Convertible Shares in trust or as a nominee;

(e) A written undertaking from the Company that it will comply with the Listing Rule 704(30) and Listing Rule 1207(20) in relation to the use of the proceeds from Bonds and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

(f) A written confirmation that the Company will not allot and issue the Convertible Shares so as to transfer a controlling interest in the Company without the prior approval of the Company's shareholders in a general meeting pursuant to Listing Rule 803;

(g) A written confirmation from the Company that it will not placed the Bonds or the Conversion Shares to persons prohibited under Listing Rule 812(1);

(h) A written undertaking from the Company that the terms of the Bonds comply with Listing Rule 829(1);

(i) A written undertaking form the Company to announce any adjustment made to terms of the Bonds pursuant to Listing Rule 830;

(j) A written undertaking from the Company that it will comply with Listing Rule 831;

(k) A written undertaking from the Company that it will comply with Listing Rule 829(2);

(l) A written undertaking from the Company to make disclosure by way of an announcement each time the Bonds are converted into Conversion Shares including details on the Conversion Price;

(m) A written undertaking from the Company to make disclosure by way of an announcement upon the redemption of the Bonds and the terms of redemption.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Proposed Issue, the Bonds, the Conversion Shares, the Company and/or its subsidiaries.

Further to the Announcement, the Board of Directors of the Company also wishes to announce the following additional information:-

(1) The Conversion Price of S$0.21 per share represents a premium of 13.51% over the volume weighted average price of the shares of the Company on 25th March 2015, being the date of signing of the Convertible Bond Agreement.

(2) In relation to the condition (c) above, the Company intends to utilise the Net Proceeds from the Proposed Issue in the following manners:-

No.	Use of Proceeds	Percentage Range
1.	To repay short term bank borrowings	10%-50%
2.	Working Capital	10%-50%
3.	Business expansion	0%-30%

(3) In relation to the condition (d) above, the Company confirms that none of the Subscribers is holding the Bonds or Convertible Shares in trust or as a nominee.

BY ORDER OF THE BOARD

Chua Meng Hua
Managing Director
17 April 2015