BENG KUANG MARINE LIMITED
(Company Registration No. 199400196M)
(Incorporated in Singapore)

PROPOSED BONUS ISSUE OF THREE (3) WARRANTS FOR EVERY TEN (10) EXISTING SHARES AT AN EXERCISE PRICE OF S$0.22 FOR EACH WARRANT INTO A NEW SHARE

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1. INTRODUCTION

The board of directors ("**Board**") of Beng Kuang Marine Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") would like to announce that the Company is proposing a bonus issue ("**Proposed Bonus Warrants Issue**") of up to 59,763,121 warrants ("**Bonus Warrants**"), on the basis of three (3) Bonus Warrants for every ten (10) existing ordinary shares (each a "**Share**") in the capital of the Company held by the shareholders of the Company ("**Shareholders**") as at the record date to be determined by the Board for the purpose of determining the entitlements of the Shareholders ("**Record Date**"). Each Bonus Warrant shall carry the right to subscribe for one (1) new ordinary share in the capital of the Company (the "**New Share**") at the exercise price of S$0.22 for each New Share (the "**Exercise Price**").

Fractional entitlements arising from the Proposed Bonus Warrants Issue will be disregarded and dealt with in such manner as the directors of the Company ("**Directors**") may in their absolute discretion deem fit for the benefit of the Company.

In view of the exemption accorded under Regulation 31(1) of the Securities and Futures (Offer of Investments) (Securities and Securities-based Derivative Contracts) Regulations 2018, there will not be any prospectus, profile statement or offer information statement to be issued in relation to, and for the purpose of, the issue of the Bonus Warrants to the Shareholders.

2. RATIONALE AND PURPOSE OF THE PROPOSED BONUS WARRANTS ISSUE

The Proposed Bonus Warrants Issue is intended to reward Shareholders for their loyalty and support towards the Company by providing them an opportunity to participate in the future growth of the Company. Holders of the Bonus Warrants ("**Warrantholders**") are given an opportunity to increase their equity participation in the Company by subscribing for the New Shares at the Exercise Price, being a pre-determined price, through the exercise of their Bonus Warrants at any time during the Exercise Period (as defined below). The Proposed Bonus Warrants allows existing Shareholders of the Company to benefit from any potential appreciation of the price of the Shares and/or the Bonus Warrants. The Proposed Bonus Warrants Issue also potentially increases the share base of the Company (in the event some and/or all of the Bonus Warrants are exercised) and may facilitate trading liquidity of the Company's Shares, greater participation by investors and broadening the shareholder base of the Company.

In addition, the Proposed Bonus Warrants, in the event some and/or all of the Bonus Warrants are exercised, will also enable the Company to receive new funds and provide additional resources and working capital required to support business operation expansion and new business ventures upon exercise of the Bonus Warrants during the Exercise Period.

3. PRINCIPAL TERMS OF THE PROPOSED BONUS WARRANTS ISSUE

3.1. Terms of the Bonus Warrants

The following is a summary of the principal terms and conditions of the Bonus Warrants:

Form	:	The Bonus Warrants will be issued in registered form and will be constituted by a deed poll (the "**Deed Poll**") to be executed by the

Company. The Deed Poll will set out, among others, the terms and conditions of the Bonus Warrants and may from time to time be amended, supplemented or modified in accordance with its terms.

Exercise Period	:	The Bonus Warrants are exercisable during the period commencing on and including the date falling six (6) months from the date of listing of the Warrants on the Official List of the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and expiring at 5.00 p.m. on the date falling thirty-six (36) months from the date of listing of the Warrants on the Official List of the Main Board of the SGX-ST ("**Exercise Period**"). Any Bonus Warrant remaining unexercised upon the expiry of the Exercise Period shall lapse and cease to be valid for all purposes. The Company shall, not later than one (1) month before the expiry of the Exercise Period (the "**Expiry Date**"), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall, not later than one (1) month before the Expiry Date, take reasonable steps to notify all Warrantholders in writing of the Expiry Date, and such notice shall be delivered by post to the address of the Shareholders.
Exercise Price	:	Each Bonus Warrant will, subject to the terms and conditions in the Deed Poll, entitle the Warrantholder to subscribe for one (1) New Share at the Exercise Price of S$0.22. The Exercise Price is at a discount of approximately 12.4% to the volume weighted average price of S$0.251 per Share and at a discount of approximately 10.2% to and closing price of S$0.245 per Share for Shares traded on the SGX-ST on 2 August 2024, being the last full market day immediately preceding the date of this announcement on which Shares were traded on SGX-ST.
Issue Size	:	Please see Section 3.4 of this Announcement.
Listing	:	An application will be made by the Company to obtain the SGX-ST's approval for the dealing in, listing of, and quotation for, the Bonus Warrants and the New Shares on the Official List of the SGX-ST. An announcement on the outcome of the application will be made in due course. In the event that there are adjustments to the number of Bonus Warrants which would require additional Bonus Warrants and/or New Shares (as the case may be) to be issued, the Company will seek the approval of the SGX-ST for the dealing in, listing of, and quotation for, such additional Warrants and/or New Shares on the Official List of the SGX-ST at the relevant time.
Trading	:	Each board lot of Bonus Warrants will consist of 100 Bonus Warrants. Shareholders should note that in the event of an insufficient spread of holdings for the Bonus Warrants to provide for an orderly market in the trading of the Bonus Warrants, the Bonus Warrants may not be listed and quoted on the Official List of the SGX-ST. Upon the listing of and quotation for the Bonus Warrants and the New Shares on the Official List of the SGX-ST, the Bonus Warrants and the New Shares, when issued, will be traded on the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Bonus Warrants and the New Shares effected through the SGX-ST and/or The Central Depository (Pte) Limited ("**CDP**") shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and (in the case of the Bonus Warrants) the "Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Warrants", as the same may be amended from time to time.

Status of the New Shares : The New Shares, when issued and allotted, upon the exercise of the Bonus Warrants shall rank *pari passu* in all respects with the then existing Shares of the Company and with each other, except that the New Shares will not be entitled to any dividends, rights, allotments or other distributions on the record date which falls before the date of completion of the allotment and issue of the New Shares.

For the purpose herein, a "record date" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company, the Company's share registrar, B.A.C.S Private Limited ("**Share Registrar**") or the CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

Adjustments : The Exercise Price and/or the number of Bonus Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Deed Poll. Subject to the terms and conditions of the Deed Poll, such circumstances include:

(a) any consolidation or subdivision of the Shares;

(b) capitalisation of profits or reserves;

(c) capital distribution;

(d) rights issues of Shares; and

(e) an issue of Shares (other than (i) a rights issue requiring an adjustment under sub-paragraph (d) above and (ii) an issue of Shares to members of the Company who had an option to take cash or other dividend in lieu of the relevant Shares) if the total effective consideration for each Share is less than 90 per cent. of the average of the last dealt prices on the five (5) market days immediately preceding the date of this Announcement (calculated as provided in the Deed Poll).

Any additional Bonus Warrants issued pursuant to such adjustment shall rank *pari passu* with the Bonus Warrants and will for all purposes form part of the same series of Bonus Warrants constituted by the Deed Poll. Any such adjustments will be announced by the Company via an announcement on SGXNET in compliance with the listing manual of the SGX-ST.

Winding up : If a resolution is passed for a members' voluntary winding-up of the Company, then

(a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some person designated by them for such purpose by Extraordinary Resolution (as defined in the Deed Poll), shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrantholders.

(b) if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warrantholder shall be entitled, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his Warrant Certificate(s) (as defined in the Deed Poll) to the Company with the Exercise

Notice(s) (as defined in the Deed Poll) duly completed, together with all relevant payments payable and other items required under the terms and conditions of the Deed Poll, to elect to be treated as if he had prior to the commencement of such winding-up exercised the Bonus Warrants to the extent of the number of Bonus Warrants specified in the Exercise Notice and had on such date been the holder of the New Shares. The New Shares will be allotted to such Warrantholder as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting.

The Company shall give notice to the Warrantholders in accordance with the terms and conditions of the Deed Poll, with respect to the passing of any such resolution within seven (7) Business Days after the passing thereof.

Subject to the foregoing, if the Company is wound-up for any reason, all Bonus Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Bonus Warrants shall cease to be valid for any purpose.

Notice of Expiry	:	The Company shall, no later than one (1) month before the expiry of the Exercise Period, (a) give notice to the Warrantholders of the expiry of the Exercise Period in accordance with the terms and conditions of the Deed Poll and make an announcement of the same to the SGX-ST and (b) take reasonable steps to notify all Warrantholders in writing of the Expiry Date, and such notice shall be delivered by post to the address of the Shareholders.
Alteration to Terms	:	Notwithstanding any other provisions as set out in the Deed Poll, any material alteration to the terms and/or conditions of the Bonus Warrants after the issue thereof to the advantage of the Warrantholders must be approved by the Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Bonus Warrants. The final terms and conditions of the Bonus Warrants will be set out in the Deed Poll.
Governing Law	:	The terms of the Bonus Warrants are governed by the laws of Singapore.

3.2. Trading of Odd Lots

All fractional entitlements to the Bonus Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders (as defined below) and will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Shareholders should note that subject to the requirements of the SGX-ST, the Bonus Warrants are quoted on the Main Board in board lot sizes of 100 warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company. Following the Proposed Bonus Warrants Issue, Shareholders who hold odd lots of the Bonus Warrants (*i.e.* less than 100 Bonus Warrants) and who wish to trade in odd lots on the Main Board should note that they are able to do so on the Unit Share Market of the SGX-ST.

3.3. Eligibility

The Bonus Warrants to be issued pursuant to the Proposed Bonus Warrants Issue shall be credited and allotted to:

(a) Shareholders with Shares entered against their names in the depository register maintained by the CDP as at the Record Date and whose registered addresses with the CDP are in Singapore as at the Record Date or who have, at least three (3) market days

prior to the Record Date, provided the CDP with addresses in Singapore for the service of notices and documents; and

(b) Shareholders with Shares registered in their names in the register of members of the Company as at the Record Date.

(the Shareholders referred to in (a), and (b), above collectively, the "**Entitled Shareholders**").

For practical reasons and in order to avoid any violation of securities laws applicable in countries other than Singapore, the Bonus Warrants will **NOT** be offered to Shareholders whose registered addresses are outside Singapore as at the Record Date and who have not, at least three (3) market days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**").

If practicable, the Bonus Warrants which would otherwise have been allotted to Foreign Shareholders will be sold by the Company at its sole discretion on the Main Board of the SGX-ST. The net proceeds from such sales, after deduction of all expenses, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or the number of Shares standing to the credit of their respective Securities Accounts as at the Record Date, as the case may be, and sent to them at their own risk by ordinary post or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than an amount to be determined by the Company, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company, and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith. Where such Bonus Warrants are sold on the Main Board of the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Share Registrar or CDP in respect of such sale.

If such Bonus Warrants cannot be or are not sold on the Main Board of the SGX-ST for any reason, the Bonus Warrants shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Share Registrar or CDP and their respective officers in connection therewith.

3.4. Size of the Proposed Bonus Warrants Issue

Based on the existing share capital of the Company of 199,210,406 Shares, up to 59,763,121 Bonus Warrants will be issued by the Company pursuant to the Proposed Bonus Warrants Issue. Assuming that up to 59,763,121 Bonus Warrants are fully exercised and converted into New Shares, the Company will allot and issue 59,763,121 New Shares, representing 30.0% of the existing share capital of 199,210,406 Shares and 23.1% of the enlarged share capital of 258,973,527 Shares.

Accordingly, the Bonus Warrants Issue will be undertaken pursuant to the general share issue mandate approved by the Shareholders at the annual general meeting of the Company held on 26 April 2024.

4. USE OF PROCEEDS ARISING FROM EXERCISE OF BONUS WARRANTS

As the Bonus Warrants are issued free to Shareholders, there will be no proceeds raised directly from the Proposed Bonus Warrants Issue.

Based on the assumption that the maximum number of Bonus Warrants, being 59,763,121 Bonus Warrants, is issued by the Company and such Bonus Warrants are fully exercised into New Shares during the Exercise Period, the gross proceeds arising from the exercise of such Bonus Warrants will amount to approximately S$13.15 million. The estimated net proceeds from the exercise of the Bonus Warrants, after deducting estimated expenses and related expenses

of approximately S$0.13 million, will amount to approximately S$13.02 million ("**Net Proceeds**"). As the actual amount of Net Proceeds received by the Company from the exercise of the Bonus Warrants will depend on when and the extent to which such Warrants are exercised, the percentage allocation for the intended use cannot be determined as at the date of this announcement.

The Company will make the necessary announcements on the utilisation of the Net Proceeds when such proceeds are materially disbursed and whether the use of Net Proceeds is in accordance with the stated use. The Company will also provide a status report on the use of such Net Proceeds in the Company's interim and full year financial statements and annual report(s). Where the Net Proceeds have been used for general working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds for general working capital in the announcements and annual report(s). Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit.

5. APPROVALS

The Proposed Bonus Warrants Issue is subject to*, inter alia*, the following:-

(a) the receipt of approval-in-principle from the SGX-ST (and such approval not having been withdrawn or revoked), for the dealing in, listing and quotation of the Bonus Warrants and the New Shares on the Main Board of the SGX-ST, being obtained; and

(b) there being an adequate spread of holdings of the Bonus Warrants to provide for an orderly market in the trading of the Bonus Warrants.

An application will be made by the Company to the SGX-ST for permission to deal in, and the listing and quotation of all the Bonus Warrants and the New Shares on the Main Board and an appropriate announcement on the outcome of the application will be made in due course.

The Company has appointed SAC Capital Private Limited as the financial advisor in connection with the Proposed Bonus Warrants Issue.

6. TAKEOVER IMPLICATION

The Singapore Code on Take-overs and Mergers (the "**Code**") regulates the acquisition of shares of, inter alia, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council, where:

(a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting in concert with him) carry 30.0 per cent. or more of the voting rights of the company; or

(b) any person who, together with parties acting in concert with him, holds not less than 30.0 per cent. but not more than 50.0 per cent. of the voting rights of the company and such person, or any party acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0 per cent. of the voting rights of the company,

such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In general, the acquisition of instruments convertible into, rights to subscribe for and options in respect of new shares which carry voting rights (such as the Bonus Warrants) does not give rise to an obligation to make a mandatory take-over offer under the Code. However, the exercise of any conversion or subscription rights or options will be considered to be an acquisition of voting rights for the purposes of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of and exercise of the Bonus Warrants into New Shares should consult the Securities Industry Council and/or their professional advisers.

7. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

The Bonus Warrants and New Shares issued or to be issued in connection with the Proposed Bonus Warrants Issue are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 and "Excluded Investment Products" (as defined in the Monetary Authority of Singapore ("**MAS**") Notice SFA 04-N12: Notice of Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)).

8. RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Bonus Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading in any material respect. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial shareholder(s) of the Company has any interest, direct or indirect, in the Proposed Bonus Warrants Issue other than through their respective shareholdings in the Company.

10. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Bonus Warrants Issue is subject to the relevant approvals being obtained by the Company as mentioned in this Announcement and, where applicable, not having been withdrawn, and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Chua Beng Yong
Executive Chairman

Date: 5 August 2024