BENG KUANG MARINE LIMITED
Registration No. 199400196M

PROPOSED BONDS REDEMPTION AND OFFER

1 INTRODUCTION

The board of directors (the "**Directors**") of Beng Kuang Marine Limited (the "**Company**", together with its subsidiaries, "**Group**") wishes to announce that the Company has, on 28 October 2021, issued a notice of redemption to the holders of the bonds (the "**Bondholders**") in principal amount of S$4,000,000 due 26 April 2022 (the "**Existing Bonds**") to redeem the Existing Bonds (the "**Redemption**"). The date of Redemption shall be 5 November 2021 (the "**Redemption Date**").

In connection with the Redemption, the Company also proposes to issue up to S$4,000,000 in aggregate principal amount of nine per cent bonds due 2024 (the "**2024 Bonds**") (the "**2024 Bonds Issue**") to any accepting Bondholders (the "**Accepting Bondholders**") pursuant to an exempted offer under section 275 of the Securities and Futures Act, Chapter 289 of Singapore. The salient terms of the 2024 Bonds are set out in paragraph 2 below. Payment of the subscription price of the 2024 Bonds shall be way of set-off against the equivalent value of monies payable to the relevant Accepting Bondholder for the redemption of the principal amount of the Existing Bonds pursuant to the Redemption, save that such Bondholder shall only be entitled to subscribe for the 2024 Bonds in the principal amount of up to the principal amount of the Existing Bonds held by him as at the Redemption Date. Accordingly, any proceeds raised from the 2024 Bonds Issue will be for the purpose of refinancing the Existing Bonds.

2 SAILENT TERMS OF THE 2024 BONDS

The salient terms of the 2024 Bonds are set out below:

Principal Amount	:	Up to S$4,000,000.
Subscription Price	:	100% of the principal amount of the 2024 Bonds.
Maturity Date	:	On the third anniversary of the date of issue of the 2024 Bonds (the "**Maturity Date**"). This is expected to be on or around 5 November 2024.
Interest	:	Subject to the terms and conditions of the 2024 Bonds (the "**Terms and Conditions**"), the 2024 Bonds bear interest from the date of issue of the 2024 Bonds (the "**Issue Date**") at the rate of 9.0% per annum of the principal amount outstanding of the 2024 Bonds. Interest is payable semi-annually in arrears on each date ("**Interest Payment Date**") which falls six months after the preceding Interest Payment Date. The first Interest Payment Date shall fall six months after the Issue Date.
Form and Denomination	:	The 2024 Bonds are issued in registered form in the denomination of S$250,000 or integral multiples thereof.

Status of the Bonds	:	The 2024 Bonds constitute direct, unsubordinated and unconditional obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the 2024 Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and, at all times rank (i) in priority to loans to the Company by its directors and/or shareholders, if any; and (ii) at least equally with all of its other present and future direct, unsubordinated and unconditional obligations, other than subordinated obligations and priorities created by law.
Redemption on Maturity	:	Subject to the Terms and Conditions, unless previously redeemed, purchased and cancelled or extended as provided for in the Terms and Conditions, the Company will redeem each 2024 Bond at 100.0% of its principal amount, together with any accrued but unpaid interest thereon (calculated up to, but excluding, the date fixed for such redemption) on the Maturity Date.
Transfer	:	Subject to the consent of the Company and the Terms and Conditions, a 2024 Bond may be transferred or exchanged by delivery of the bond certificate issued in respect of that 2024 Bond, together with the form of transfer duly completed and signed under the hand of the bondholder or his/her attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the Company. No transfer of title to a 2024 Bond will be valid without the consent of the Company and unless and until entered on the Register.
Events of Default	:	A Bondholder may give notice to the Company that the 2024 Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount (together with any unpaid accrued interest) if any of the events of default (each an "**Event of Default**") specified in the Terms and Conditions has occurred. This is subject to the Company's right to challenge the validity and/or reasonableness of (i) the occurrence of the Event of Default; and/or (ii) the notice issued by the Bondholder.

3 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders has any interest, direct or indirect, in the Redemption and 2024 Bonds Issue (other than their direct or indirect shareholdings in the Company), save that CNPLaw LLP (of which Mr Low Wee Siong is a partner) has been engaged as legal adviser to the Company in relation to the 2024 Bonds Issue.

4 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the redemption and offer letter to the Bondholders will be available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 55 Shipyard Road, Singapore 628141.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 6266 0010 prior to making any visits to arrange for a suitable time slot for the inspection.

5 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors 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 regarding the Redemption and 2024 Bonds 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. 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.

6 FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are material developments on the Redemption and 2024 Bonds Issue.

7 CAUTIONARY STATEMENT

Shareholders, securityholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares or securities of the Company.

BY ORDER OF THE BOARD
Chua Beng Yong
Executive Director
28 October 2021