BENG KUANG MARINE LIMITED
Registration No. 199400196M

PROPOSED EXCHANGE OFFER

1 INTRODUCTION

The board of directors (the "**Directors**") of Beng Kuang Marine Limited (the "**Company**", together with its subsidiaries, "**Group**") refer to the Company's announcement dated 10 April 2019 in relation to the update on the convertible bonds in the principal amount of S$5,000,000 due 26 April 2019 (the "**Existing Bonds**"). The Directors wish to announce that certain holders of the Existing Bonds (the "**Participating Bondholders**") holding in aggregate S$4,000,000 of the Existing Bonds have agreed to exchange their holding of the Existing Bonds for the aggregate principal amount of S$4,000,000 9.0% bonds due 2022 (the "**2022 Bonds**") (the "**Proposed Exchange Offer**"), the details of which are set out in paragraph 2 below.

The 2022 Bonds will be issued to the Participating Bondholders on 26 April 2019.

2 SAILENT TERMS OF THE 2022 BONDS

The salient terms of the 2022 Bonds are set out below:

Principal Amount	:	S$4,000,000.
Exchange Price	:	100% of the principal amount of the 2022 Bonds.
Maturity Date	:	On the third anniversary of the date of issue of the 2022 Bonds (the "**Maturity Date**"). This is expected to be on or around 26 April 2022.
Interest	:	Subject to the terms and conditions of the 2022 Bonds (the "**Terms and Conditions**"), the 2022 Bonds bear interest from the date of issue of the 2022 Bonds (the "**Issue Date**") at the rate of 9.0% per annum of the principal amount outstanding of the 2022 Bonds. Interest is payable semi-annually in arrears on each date ("**Interest Payment Date**") which falls (i) six months after the preceding Interest Payment Date or, (ii) in the case of the first Interest Payment Date, on the Issue Date.
Form and Denomination	:	The 2022 Bonds are issued in registered form in the denomination of S$250,000 or integral multiples thereof.
Status of the Bonds	:	The 2022 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 2022 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 2022 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 2022 Bond may be transferred or exchanged by delivery of the bond certificate issued in respect of that 2022 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 2022 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 2022 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 Proposed Exchange Offer (other than their direct or indirect shareholdings in the Company).

4 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 transaction contemplated herein and the Group, 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.

BY ORDER OF THE BOARD
Chua Meng Hua
Managing Director & Chief Executive Officer
25 April 2019