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

RESPONSE TO SGX QUERY ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors of Beng Kuang Marine Limited (the "Company") refers to the query raised by Singapore Exchange Securities Trading Limited ("SGX-ST") in respect of the Company's Annual Report for the financial year ended 31 December 2015 ("Annual Report") and wishes to respond as follows:-

SGX-ST's query:

As required under Listing Rule 710, please make disclosure as recommended in the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code guideline:-

Guideline 11.3 of the Code states, *inter alia,* that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems.

Company's response:

The Company refers to the disclosure as recommended in the Code; in particular, the effectiveness of the internal controls, including financial, operational (including information technology) and compliance risks and wishes to clarify that the second paragraph of page 21 of the Annual Report should read as follows (with the changes underlined below):-

"Based on the internal controls established and maintained by the Group, works performed by the internal and external auditors and reviews performed by management, various Board committees and the Board, the Board with concurrence of the AC, is of the view that, the system of internal control maintained by the Group provides reasonable assurance of the adequacy and effectiveness of the internal controls in addressing the financial, operational (including information technology) and compliance risks of the Group."

By Order of the Board

Chua Meng Hua
Managing Director
18 May 2016