

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

**ADDITIONAL INFORMATION FOR THE FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

The Board of Directors of Beng Kuang Marine Limited (the "Company", together with its subsidiaries, the "Group") wish to provide additional information in relation to its Financial Statements and Dividend Announcement for the financial year ended 31 December 2011 which was released on 24 February 2012.

The information is provided in response to SGX's query as follows:

Question

As at 31 December 2011, the Group has negative working capital of S\$35,000. In addition, cash and cash equivalents amount to S\$13.2 million as at 31 December 2011 and net operating cash flows amount to S\$5.2 million for FY2011. As at 31 December 2011, short-term borrowings amount to S\$59.1 million. Please advise whether the Group is able to meet its short-term obligations as and when they fall due, and the basis for the view.

Answer

During FY2011, we had utilised a portion of the short-term bank borrowings to temporarily finance the construction of our investment in five pairs of tugboats and cargo barges to expand our Shipping Division's business. As at the end of 31 December 2011, these vessels were all chartered out. Arising from the financing of these long-term assets through short-term liabilities, the Group recorded a marginal negative working capital of about S\$35,000 as at 31 December 2011.

The Group already recognises the need to address this marginal negative working capital and are currently in active discussions with our bankers to structure long-term financing for these new vessels. Upon receiving the long-term facilities, we will pay down the short-term borrowings, thereby resulting in a positive working capital position.

The directors are of the opinion that, after taking into consideration the Group's existing cash and cash equivalents, and the available bank facilities, the Group is able to meet its short-term obligations as and when they fall due.

By Order of the Board

Chua Meng Hua
Managing Director
5 March 2012