BENG KUANG MARINE LIMITED
Registration No. 199400196M

INCORPORATION OF A SUBSIDIARY COMPANY

The Board of Directors of Beng Kuang Marine Limited ("the Company", and together with its subsidiaries, the "Group") is pleased to announce that it has incorporated a wholly-owned subsidiary company in Indonesia, named PT Nexelite CP Indonesia ("Nexelite").

Nexelite has an initial authorised and paid up capital of US$200,000/- divided into 200,000 shares of US$1/- each and will be principally engaged in the business relating to shipyard industry.

The incorporation of Nexelite was funded internally and is not expected to have any material impact on the net tangible assets per share and earning per share of the Group for the current financial year ending 31 December 2008.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in Nexelite.

BY ORDER OF THE BOARD

Chua Meng Hua
Executive Director
28 August 2008