BENG KUANG MARINE LIMITED
Registration No. 199400196M

CLARIFICATION ON STRAITS TIMES ARTICLE DATED 21 SEPTEMBER 2011

Beng Kuang Marine Limited (the "Company") refers to The Straits Times article "Riot at S'pore-owned firm in Batam" (the "ST Article") dated 21 September 2011 and would like to provide further clarification in respect of the statements made in the ST Article:

1. The whole incident took place at the security guard house area which was approximately 250 meters away from the main office premises.

2. The incident was triggered when the workers were being stopped by the security officer from entering into the shipyard and a fight then broke out between them. The incident was caused by 10 to 20 workers. Thereafter, the local police arrived within an hour and they took control of the situation. All workers were requested to go home and the yard was closed for the day.

3. Save for a motorcycle that was torched and furniture in the security guard house and training room were being damaged, there were no damage to offices, warehouses and yard equipment in the yard.

4. The shipyard has resumed operation and workers were back to work today. The Company does not expect the incident to have any material adverse effect on the Group's operations and financial performance.

5. Meanwhile, the police is conducting investigation on the incident and the Company will make the necessary announcement as and when appropriate in due course.

BY ORDER OF THE BOARD

Chua Meng Hua
Director
21 September 2011