BENG KUANG MARINE LIMITED
Registration No. 199400196M

EXECUTION OF MEMORANDUM OF UNDERSTANDING

The Board of Directors of Beng Kuang Marine Limited ("the Company", and together with its subsidiaries, the "Group") wishes to announce that the Company has entered into a legally binding memorandum of understanding ("MOU") with Quill Far East Pte Ltd ("Quill"), pursuant to which the parties will establish a joint venture company in Singapore, to be known as Quill Marine Pte Ltd (the "JVC").

The JVC will have an initial issued share capital of S$400,000 divided into 400,000 shares. The Company and Quill each will hold 50% equity interest in the JVC. The JVC will be engaged in the business of rental, sales, repair and maintenance of wet blasting machines and its related business.

The parties agree to enter into a definitive joint venture agreement relating to the JVC on such terms whereby the provisions contained in the MOU shall form the basis thereof within 60 days from the date of the MOU or such later date as the parties may mutually agree in writing.

The establishment of the JVC is not expected to have a material impact on the earnings per share and the net tangible assets per share of the Company for the financial year ending 31 December 2009.

None of the Directors has any interest, direct or indirect, in the JVC. As far as the Directors are aware, none of the controlling shareholders of the Company has any interest, direct or indirect, in the JVC.

Further announcements will be made by the Company as and when appropriate.

BY ORDER OF THE BOARD
Chua Meng Hua
Director
23 February 2009