BENG KUANG MARINE LIMITED

(Company Registration No. 199400196M)

INCORPORATION OF NEW SUBSIDIARY BY SUBSIDIARY COMPANY

The Board of Directors of Beng Kuang Marine Limited (the "Company") is pleased to announce that its subsidiary, Nexus Sealand Trading Pte. Ltd. ("NST") has incorporated a company called Superior Towing Services Pte. Ltd. ("New Subsidiary") in Singapore on 31 August 2005.

The authorised share capital of the New Subsidiary is S$1,000,000.00 divided into 1,000,000 ordinary shares of S$1.00 each. The issued and paid up capital is S$5.00 comprising 5 ordinary shares of S$1.00 each. NST and another individual shareholder, Mr Lee Soo Hong, respectively hold 80% and 20% of the issued and paid up capital of the New Subsidiary. The directors of the New Subsidiary are Mr Chua Meng Hua, Mr Lee Soo Hong and Mr Lee Choon Hwee.

The New Subsidiary shall conduct is business operations in Singapore and its principal activity shall be the provision of towing services.

The incorporation of the New Subsidiary is funded by internal resources and is not expected to have any material impact on the earnings per share and the net tangible assets of the Company for the financial year ending 31 December 2005.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above transaction. Mr Lee Soo Hong is not related to any director, chief executive officer or controlling shareholder of the Company.