



BENG KUANG MARINE LIMITED
(Company Registration No. 199400196M)

INCORPORATION OF SUBSIDIARY IN SINGAPORE

The Board of Directors of Beng Kuang Marine Limited (the "Company") is pleased to announce that the Company has incorporated a subsidiary in Singapore on 28 December 2005, the details of which are as follows:-

Name of subsidiary	:	Venture Automation & Electrical Engineering Pte. Ltd. ("Venture Automation")
Authorised capital	:	S\$1,000,000 divided into 1,000,000 ordinary shares of S\$1.00 each
Issued and paid up capital	:	S\$2.00
Directors	:	Mr Chua Meng Hua and Mr Daniel Ong Beng Chong
Principal activities	:	To provide industrial and marine automation works as well as electrical engineering services for ship repair and shipbuilding projects. These activities are an expansion of the Company's existing range of services provided under its Infrastructure Engineering Division.

Increase in investment in subsidiary

The issued and paid up capital of Venture Automation will be increased to S\$200,000 through the subscription of an additional 101,998 ordinary shares of S\$1.00 each by the Company and the subscription of an additional 49,000 shares of S\$1.00 each by each of Mr Mok Seng Hang and Mr Daniel Ong Beng Chong. As a result, the Company will hold 51% and the two individual shareholders together will hold 49% of the issued and paid up share capital of Venture Automation.

Neither Mr Daniel Ong Beng Chong nor Mr Mok Seng Hang is related to any director, or substantial shareholder of the Company.

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

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above-mentioned transaction.