BENG KUANG MARINE LIMITED
(Registration No: 199400196M)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF THE REMAINING 49% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ASIAN SEALAND OFFSHORE AND MARINE PTE. LTD.

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1. INTRODUCTION

1.1. The Board of Directors (the "**Board**" or the "**Directors**") of Beng Kuang Marine Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 26 February 2026 entered into a term sheet (the "**Term Sheet**") with ISUSTAINABILITY PTE. LTD. ("**Vendor 1**"), SPPG PTE. LTD. ("**Vendor 2**") (collectively the "**Vendors**"), Leonard Chia Choong Leng (Xie Junlong) ("**Warrantor 1**") and Ng Leng Soo (Huang Linshu) ("**Warrantor 2**") in relation to the proposed acquisition of the remaining 49% of the issued and paid-up share capital of Asian Sealand Offshore and Marine Pte. Ltd. (the "**Target**") (the "**Target Shares**") (the "**Proposed Acquisition**"). RHT Capital Pte. Ltd. is appointed as the financial adviser to the Company for the Proposed Acquisition.

1.2. The Proposed Acquisition remains subject to the negotiation, execution and completion of a definitive sale and purchase agreement (the "**SPA**").

1.3. The aggregate consideration for the Proposed Acquisition is approximately S$60,000,000 (the "**Aggregate Consideration**"), based on an internal assessment of approximately S$122,000,000 for the Target and its subsidiaries and associated company (the "**Target Group**"), representing a price to earnings ratio of approximately eight (8) times of FY2025 profit after tax (the "**PAT**"), which shall be supported by an independent valuation to be commissioned by the Company.

1.4. The Aggregate Consideration shall comprise:

1.4.1. S$20,000,000, to be satisfied by the issuance and allotment of 57,142,857 new ordinary shares in the Company (the "**Consideration Shares**") at an issue price of S$0.35 per share;

1.4.2. S$20,000,000 in cash, payable at completion; and

1.4.3. up to S$20,000,000 in aggregate, payable in cash as deferred and contingent consideration, subject to the Target's financial performance for FY2026 and FY2027 (the "**Deferred and Contingent Consideration**").

1.5. The issue price of the Consideration Shares shall be S$0.35 per share, representing a premium of approximately 12.8% to the volume weighted average price ("**VWAP**") of S$0.3104 for trades done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the shares of the Company ("**Shares**") on 23 February 2026, being the full market day on which the Shares were traded immediately preceding the date of the Term Sheet.

1.6. The Term Sheet sets out the principal terms and conditions agreed between the parties in respect of the Proposed Acquisition and is intended to form the basis of the definitive SPA to be entered into between the parties in due course.

2. BACKGROUND TO THE PROPOSED ACQUISITION

2.1. Information on the Target Group

2.1.1. The Target is a private company incorporated in Singapore in March 2007, which is engaged in provision of offshore repair and maintenance services.

2.1.2. As at the date of this announcement:

(a) The Company holds 51% of the issued and paid-up share capital of the Target;

(b) ISUSTAINABILITY PTE. LTD. holds 24.5% of the issued and paid-up share capital of the Target; and

(c) SPPG PTE. LTD. holds 24.5% of the issued and paid-up share capital of the Target.

2.1.3. As at the date of this announcement, the Target has three wholly owned subsidiaries and one 49% associated company, details of which are as follows:

Name	Principal Activities	Country of Business/In corporation	Interest Held by the Target
ASIC Engineering Sdn. Bhd.	Provision of infrastructure engineering and services	Malaysia	100%
PBT Engineering Resources Pte. Ltd.	Building and repairing of ships, tankers and other ocean-going vessels	Singapore	100%
Asian Sealand Offshore and Marine International Inc.	Investment holding	Guyana, South America	100%
Asian Sealand Offshore and Marine Inc.	Provision of onshore support services including workers' accommodation, land-based logistics and onshore technical and engineering services	Guyana, South America	49%

2.1.4. Upon completion of the Proposed Acquisition (the "**Completion**"), the Company will hold 100% of the issued and paid-up share capital of the Target.

2.1.5. The key financial information of the Target Group for the past three (3) financial years is set out below:

S$'000	FY2025	FY2024	FY2023
Revenue	75,209	86,269	50,554
Gross profit	30,148	31,671	18,175
Profit after tax	14,936	19,331	10,042
Net asset value	32,638	27,700	16,370

2.2. **Information on the Vendors**

2.2.1. Vendor 1, ISUSTAINABILITY PTE. LTD., is a company incorporated in Singapore and holds 24.5% of the issued and paid-up share capital of the Target. It is legally and beneficially owned by Warrantor 1, Leonard Chia Choong Leng (Xie Junlong).

2.2.2. Vendor 2, SPPG PTE. LTD., is a company incorporated in Singapore and holds 24.5% of the issued and paid-up share capital of the Target. It is legally and beneficially owned by Warrantor 2 Ng Leng Soo (Huang Linshu).

2.2.3. Both Vendors are special purpose vehicles set up for the purpose of holding the respective shares in the Target by the Warrantors respectively.

2.3. **Rationale for the Proposed Acquisition**

2.3.1. The Target Group is a core operating subsidiary of the Group and has been a significant contributor to the Group's revenue and profitability in recent financial years. The Target Group accounts for a substantial portion of the Group's operating profit.

2.3.2. The Proposed Acquisition will allow the Company to increase its equity interest in the Target from 51% to 100%, thereby enabling the Group to fully consolidate the financial performance of the Target Group and enhance the Group's earnings attributable to the Shareholders.

2.3.3. The Vendors will become new substantial shareholders of the Company following Completion and the Warrantors will continue playing active management roles in the business operation of the Target Group, which ensures continuity in leadership, operational oversight and customer relationships.

2.3.4. Based on the above, the Board believes that the Proposed Acquisition will strengthen the Group's financial position and profitability, provide greater operational flexibility and allow the Group to capture the full upside of the Target Group's future growth and expansion plans.

2.4. **Valuation of the Target Group**

2.4.1. There is no open market value for the Target as its shares are not publicly traded. The Proposed Acquisition is based on an internal assessment of approximately S$122,000,000 for the entire Target Group, representing a price to earnings ratio (the "PER") of approximately eight (8) times of PAT for FY2025 which was approximately $15,000,000. The PER of approximately eight (8) times is within the range of comparable offshore lifecycle service providers, considering recurring revenue and cash generation.

2.4.2. The Company has appointed an independent valuer, AVA Associates Limited, to issue a valuation report in respect of the Target Group. Completion of the Proposed Acquisition is conditional upon the issuance of such valuation report and the valuation being acceptable to the Company.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1. Sale and Purchase of the Target Shares

3.1.1. Subject to the execution of the SPA and satisfaction of the conditions precedent therein, the Vendors shall sell and the Company shall purchase the Target Shares, free from all encumbrances and together with all rights attaching thereto as at Completion.

3.2. Aggregate Consideration

3.2.1. The Aggregate Consideration for the Target Shares of approximately S$60,000,000 shall comprise the following components:

(a) S$20,000,000, to be satisfied by the issuance and allotment of 57,142,857 Consideration Shares at the Issue Price of S$0.35 per share;

(b) S$20,000,000 in cash, payable at Completion; and

(c) up to S$20,000,000 in aggregate, payable in cash as Deferred and Contingent Consideration, subject to the Target's financial performance for FY2026 and FY2027.

3.2.2. The Consideration Shares represent approximately 27.3% of the Company's current issued and paid-up share capital and will represent approximately 21.5% of the Company's enlarged share capital immediately after Completion. The Issue Price represents a premium of approximately 12.8% to the VWAP of S$0.3104 for trades done on the SGX-ST for the Shares on 23 February 2026, being the full market day on which the Shares were traded immediately preceding the date of the Term Sheet.

3.2.3. The Consideration Shares, when allotted and issued, shall be credited as fully paid-up and shall rank pari passu with the then existing issued Shares of the Company and the Vendors shall be entitled to all dividends and distributions in accordance with the record date of which is after the date of issuance of such Consideration Shares.

3.2.4. The Aggregate Consideration was arrived at after arm's length negotiations and on a willing buyer, willing seller basis, taking into account, inter alia, the internal assessment of the Target Group, the financial performance and prospects of the Target Group, and the rationale for and benefits of the Proposed Acquisition which are expected to accrue to the Company.

3.2.5. The issuance of the Consideration Shares will not result in any person triggering an obligation to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**").

3.3. Deferred and Contingent Consideration

3.3.1. The Deferred and Contingent Consideration constitutes contingent earn-out consideration and is not guaranteed.

3.3.2. The earn-out shall be determined based on the audited PAT of the Target at the entity level, excluding one-off items, acquisition accounting adjustments and extraordinary items.

3.3.3. The reference performance threshold shall be PAT of S$15,000,000 per financial year for each of FY2026 and FY2027. The Deferred and Contingent Consideration is contingent and payable only upon the said performance thresholds being met and shall be paid within twenty-one (21) calendar days after the issuance of audited financial statements for FY2026 and FY2027 respectively.

3.3.4. The annual earn-out amount (if any) shall be calculated as follows:

PAT	Earn-Out Amount
≥ S$15,000,000	S$10,000,000
> S$5,000,000 but < S$15,000,000	PAT - S$5,000,000
≤ S$5,000,000	Nil

3.3.5. Where the Target does not achieve a PAT of S$15,000,000 in FY2026, but the aggregate PAT for FY2026 and FY2027 exceeds S$30,000,000, the earn-out shall be determined on a cumulative basis, subject to an aggregate cap of S$20,000,000.

3.3.6. The PAT shall be determined in accordance with the Singapore Financial Reporting Standards ("**SFRS**") or such other accounting standards as may be applicable to the Group, with the consistent accounting policies adopted in the prior financial years, and there shall be no changes to such accounting policies or practices, including but not limited to the revenue recognition policy or cost allocation methodology, that would materially affect the computation of the earn-out amount, unless required by the applicable law or mandatory changes to the applicable accounting standards.

3.4. **Conditions Precedent**

3.4.1. Subject to the SPA, the Company's obligation to proceed with the Completion is conditional upon the conditions precedent as set out in the Term Sheet (the "**Conditions Precedent**") having been satisfied (or waived by the Company), which includes but is not limited to the following:

(a) the issuance of a final valuation report by an independent valuer appointed by the Company indicating an appraised value of the Target Group that is acceptable to the Company;

(b) the approval of the Company's Shareholders for entering into the SPA and the allotment and issuance of the Consideration Shares; and

(c) the issuance by the SGX-ST of its in-principle approval for the listing and quotation of the Consideration Shares on the Main Board of the SGX-ST.

3.4.2. The parties to the Term Sheet agree to use their best endeavor to complete the Proposed Acquisition within seven (7) business days from fulfilment and/or written waiver of all Conditions Precedent set out in the SPA or by 30 June 2026, whichever is earlier, provided that such date may be extended by mutual written agreement of the Parties or as otherwise provided in the SPA.

3.5. **Pre-Completion Dividend**

The Parties acknowledge that the Target may declare and pay a dividend of up to S$8,000,000 in respect of FY2025 prior to Completion, which is in accordance with its historical dividend practice (the "**Permitted Dividend**").

The Purchaser confirms that the Permitted Dividend shall not constitute a breach of any pre-completion undertakings. The Aggregate Consideration has been agreed on the basis of the Target's earnings profile, i.e. approximately eight (8) times of FY2025 PAT, and shall not be subject to any adjustment arising from such Permitted Dividend.

Save for (a) the Permitted Dividend and (b) salaries and statutory contributions, no other leakage of value by the Target to the Vendors, the Warrantors or their respective affiliates shall be permitted prior to Completion.

3.6. **Source of Funds**

3.6.1. The Proposed Acquisition will be funded by a combination of (i) the allotment and issuance of the Consideration Shares, (ii) internal cash resources of the Group, and (iii) external financing including bank financing. The Deferred and Contingent Consideration is also expected to be supported by the Target Group's future earnings and operating cash flows.

3.7. **Tag-Along Right and Moratorium**

3.7.1. During the moratorium period provided in paragraph 3.6.2, in the event the Executive Chairman (Mr. Chua Beng Yong) and CEO (Mr. Yong Jiunn Run) of the Company sell all (and not part) of their respective Shares in the Company to a third party, the Vendors may choose to sell all (and

not part) of their respective Consideration Shares to the same buyer at the same price with the same terms (the "**Tag-Along Right**").

3.7.2. Save for the Tag-Along Right, the Consideration Shares shall be subject to a moratorium. Under the Term Sheet, each of the Vendors undertakes to the Company that they will observe a moratorium for a period of twenty-four (24) months from the date of issuance of the Consideration Shares, during which they shall not transfer, charge, assign, pledge, mortgage, encumber, or otherwise dispose of, the Consideration Shares, in whole or in part, unless the prior written consent of the Board has been obtained.

3.7.3. Further, during such moratorium period, the Consideration Shares shall not be subject to, arranged with, encumbered by, or made the underlying asset of any derivatives transactions, hedging arrangements, or financial instruments of any nature whatsoever, including without limitation options, futures, swaps, contracts for difference, securities lending arrangements, or any other financial arrangement providing economic exposure to or hedging the risk associated with such Consideration Shares, in whole or in part, unless the prior written consent of the Board has been obtained.

3.7.4. During such moratorium period, in the event that the Executive Chairman (Mr. Chua Beng Yong) and CEO (Mr. Yong Jiunn Run) of the Company cease to be director of the Company, the Vendors shall be allowed to sell their respective Consideration Shares.

3.7.5. This moratorium does not apply to any sale, transfer or disposal to an offeror who, in consequence of accepting such transfer, sale or disposal, would be required to make a mandatory general offer (under the Code) for all of the Shares in the Company, nor accepting any existing general offer (under the Code) for, or scheme of arrangement of, the Shares in the Company.

4. ALLOTMENT AND ISSUANCE OF THE CONSIDERATION SHARES

4.1. Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 805 of the Listing Manual provide, among others, that an issuer must obtain prior approval of its Shareholders in general meeting for the issue of shares, unless such issue is covered under a general mandate obtained from Shareholders of the Company. Rule 806 of the Listing Manual states that any issue of shares, other than on a *pro rata* basis to existing Shareholders, made pursuant to a general mandate must be not more than 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings).

4.2. Accordingly, the Company will be seeking approval from Shareholders for the allotment and issuance of the 57,142,857 Consideration Shares to the Vendors pursuant to Section 161 of the Companies Act and Rules 805 and 806 of the Listing Manual.

4.3. The allotment and issuance of the Consideration Shares will not be undertaken pursuant to the general mandate obtained from Shareholders at the annual general meeting of the Company to be convened in April 2026 notice of which will be served in due course, as the number of Consideration Shares exceeds the limit permitted under the general mandate.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1. The financial effects of the Proposed Acquisition on the Group are set out below. The analysis is for illustrative purposes only and does not necessarily reflect the actual financial position and performance of the Group following Completion.

5.2. The financial effects have been prepared on a pro forma basis using the latest unaudited consolidated financial statements of the Group for the financial year ended 31 December 2025 (the **"FY2025 Financial Statements")** and based on the following assumptions:

5.2.1. The number of Shares is based on 208,987,973 Shares as at 31 December 2025, and adjusted for the allotment and issuance of 57,142,857 Consideration Shares to the Vendors as consideration for the Proposed Acquisition, resulting in an enlarged share capital of 266,130,830 Shares immediately following Completion.

5.2.2. The Proposed Acquisition and Permitted Dividend had been completed on 31 December 2025 for the purposes of computing the pro forma financial effects on the net tangible assets ("**NTA**") per Share of the Company.

5.2.3. The Proposed Acquisition and Permitted Dividend had been completed on 1 January 2025 for the purposes of computing the pro forma financial effects on the earnings per Share ("**EPS**") of the Company.

5.2.4. The costs and expenses incurred in connection with the Proposed Acquisition are disregarded.

5.2.5. The Proposed Acquisition is expected to be earnings accretive but may result in a reduction in NTA per Share due to goodwill arising from the acquisition accounting due to the Proposed Acquisition and does not reflect the deterioration in the underlying operating performance or cash-generating capability of the Group..

5.2.6. The Company expects goodwill to arise from the Proposed Acquisition, representing the value of future growth, workforce and synergies.

5.2.7. EPS is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

5.3. **NTA per Share**

5.3.1. The effects of the Proposed Acquisition on the NTA/(NTL) per Share of the Company for FY2025 are set out as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA/(NTL) of the Group attributable to Shareholders (S$'000)	26,425	(1,772)
Number of Shares	208,987,973	266,130,830
NTA/(NTL) per Share (cents)	12.64	(0.67)

5.3.2 The NTA of the Group after the Proposed Acquisition (as set out in 5.3.1 above) excludes the goodwill of approximately S$48,197,000 assuming the full payment of the Aggregate Consideration was made in FY2025. The reduction in NTA per Share is primarily due to the goodwill arising from the acquisition accounting in relation to the Proposed Acquisition and does not reflect deterioration in underlying asset value. The NAV of the Group before and after the Proposed Acquisition (including the goodwill) are set out as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NAV of the Group attributable to Shareholders (S$'000)	26,425	46,425
Number of Shares	208,987,973	266,130,830
NAV per Share (cents)	12.64	17.44

5.4. **EPS**

5.4.1. The effects of the Proposed Acquisition on the EPS of the Company for FY2025 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to Shareholders (S$'000)	5,334	12,548
Weighted Average Number of Shares	204,296,778	261,439,636
EPS (cents)	2.61	4.80

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

6.1. Based on the FY2025 Financial Statements and the available financial information of the Target, the relative figures of the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

	Relative Figure
Rule 1006(a) The NAV of the assets to be disposed of, compared with the Group's NAV.	Not applicable
Rule 1006(b) The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	57.6% (1)
Rule 1006(c) The aggregate value of the consideration given or received, compared with the market capitalisation of the Company based on the total number of issued shares excluding treasury shares.	89.0 (2)
Rule 1006(d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	27.3% (3)
Rule 1006(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) For the purposes of Rule 1006(b), "net profits" means profit or loss after income tax and before non-controlling interests. The net profits attributable to 49% of the Target are S$7,214,000 compared with the Group's net profits of S$12,530,000 based on the FY2025 Financial Statements.

(2) Pursuant to Rule 1003(3), where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the NAV represented by such shares, whichever is higher. In this instance, (i) the market value of the Consideration Shares is S$0.3104, based on the VWAP of S$0.3104 on 23 February 2026, being the last traded full market day

immediately preceding the signing of the Term Sheet on 26 February 2026; and (ii) the NAV of the Consideration Shares is approximately S$7,230,000, based on the FY2025 Financial Statements, wherein the NAV per Share represented by such Shares as at 31 December 2025 was approximately S$0.1264.

(3) The Consideration Shares represent approximately 27.3% of the Company's existing issued share capital of 208,987,973 Shares (excluding treasury shares and subsidiary holdings) as at 31 December 2025.

6.2. Therefore, based on the relative figures calculated pursuant to Rules 1006(b), (c) and (d), the Proposed Acquisition is a "major transaction" under Chapter 10 of the Listing Manual and is subject to the approval of the Shareholders.

7. OTHER MATTERS IN RELATION TO THE PROPOSED ACQUISITION

7.1. Service Contracts and Lock-in Undertakings

7.1.1. The Warrantors shall enter into service agreements with the Target upon Completion for a minimum lock-in period of two (2) years.

7.1.2. Termination for cause or voluntary resignation during the lock-in period shall result in forfeiture or reduction of any outstanding earn-out entitlement, as to be agreed in the relevant service agreements.

7.1.3. The Warrantors shall also be subject to non-compete and non-solicitation restrictions during their employment with the Target and for two (2) years thereafter, covering ASEAN and such other countries as may be agreed in the relevant service agreements.

7.2. Interests of Directors and Controlling Shareholders

7.2.1. None of the Directors and/or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

8. EXTRAORDINARY GENERAL MEETING

8.1. The Company will be seeking Shareholders' approval at an extraordinary general meeting for the Proposed Acquisition and the allotment and issuance of the Consideration Shares.

9. DOCUMENTS AVAILABLE FOR INSPECTION

9.1. A copy of the Term Sheet will be available for inspection by Shareholders during normal business hours at the Company's registered address at 2 Venture Drive, #14-15, Vision Exchange, Singapore 608526, for a period of three months from the date of this announcement. Shareholders who wish to inspect these documents are required to send a written request via email to the Company at william@bkmgroup.com.sg prior to making any visits, to arrange for a suitable time slot for the inspection.

10. DIRECTORS' RESPONSIBILITY STATEMENT

10.1. The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in its proper form and context.

11. FURTHER ANNOUNCEMENTS

11.1. The Company will make further announcements in compliance with the requirements of the Listing Manual as and when there are material developments in respect of the Proposed Acquisition.

12. CAUTION IN TRADING

12.1. Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance that the Proposed Acquisition will be completed. The Company will make the necessary announcements as and when there are further developments on the Proposed Acquisition.

12.2. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, accountants, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Chua Beng Yong
Executive Chairman
26 February 2026