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

ADOPTION OF BKM SCRIP DIVIDEND SCHEME

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1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Beng Kuang Marine Limited (the "**Company**") is pleased to announce the adoption of a scrip dividend scheme which will be named the BKM Scrip Dividend Scheme (the "**Scheme**").

Unless otherwise stated, all terms used herein shall bear the meanings ascribed thereto in the Scheme Statement, a copy of which is set out in the Appendix to this announcement.

2. RATIONALE AND PURPOSE OF THE SCHEME

The Scheme, if and when applied to any particular Dividend, will allow Shareholders to elect to receive Qualifying Dividends in the form of Shares, credited as fully paid-up, instead of cash. As Shareholders will be given the choice of receiving such Dividend payment in cash or new Shares, Shareholders will thus have greater flexibility in meeting their investment objectives. It will also enable Shareholders to participate in the equity capital of the Company without having to incur costs such as brokerage fees, transaction fees or other related costs.

The Company will benefit from the participation by Shareholders in the Scheme, to the extent that if Shareholders elect to receive a Qualifying Dividend in the form of Shares, the cash which would otherwise be payable in respect of a Dividend may be retained in the Company and used to strengthen its working capital base and/or to fund the growth and expansion of the Company.

3. SUMMARY OF TERMS OF THE SCHEME

The following is a summary of the main features of the Scheme, and should be read in conjunction with the full text of the Scheme Statement as set out in the Appendix to this announcement.

The Scheme provides Shareholders with the option to elect to receive fully paid Shares in lieu of all and not part only of the cash amount of a Dividend declared on their holding of Shares (after the deduction of applicable income tax, if any).

All Shareholders are eligible to participate in the Scheme subject to the restrictions on Foreign Shareholders, more particularly described in the Scheme Statement, and except that participation

in the Scheme shall not be available to such Shareholders or class of Shareholders as the Directors may in their absolute discretion determine, and further subject to the requirement that such participation by the Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or prescribed in the Constitution of the Company.

Shareholders may elect to participate in respect of all of their holding of Shares for any Qualifying Dividend and may also make a permanent election to participate in respect of all of their holding of Shares for all future Qualifying Dividends. Where a permanent election has been made, Shareholders may, by giving the appropriate notice in accordance with the Scheme, cancel their participation and withdraw from the Scheme at any time. However, the cancellation of a permanent election by a Shareholder will not preclude him from making a fresh permanent election, should he wish to do so, at a later time.

The Directors may, in their absolute discretion, determine that the Scheme will apply to any particular Dividend. An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day immediately following the Record Date in respect of that particular Dividend. Unless the Directors have determined that the Scheme will apply to any particular Dividend, the Dividend concerned will be paid in cash to the Shareholders in the usual manner.

New Shares allotted and issued under the Scheme will rank *pari passu* in all respect with the Shares then in issue save only as regards participation in the Qualifying Dividend which is subject of the election (including the right to make any election pursuant to the Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is subject of the election, unless the Directors shall otherwise specify.

Shareholders participating in the Scheme will receive, at or about each dividend payment date, statements setting out, *inter alia*, the number of Shares allotted to them under the Scheme.

The Directors shall have full power to make such provisions as they think fit where the number of Shares calculated in accordance with the above formula becomes attributable in fractions, including provisions as to rounding, or whereby fractional entitlements are otherwise dealt with in such manner as they may deem fit in the interests of the Company and which are acceptable to the SGX-ST.

4. HOW TO PARTICIPATE

Participation in the Scheme is optional and not transferable.

A Shareholder wishing to receive Shares in respect of any Qualifying Dividend or to make a permanent election to receive Shares in respect of all of his future Qualifying Dividends to which a Notice of Election received by him relates to, should complete the Notice of Election and return it to the Company at the address indicated on the Notice of Election or, if the Shareholder is a Depositor, to CDP.

A Shareholder receiving two (2) or more Notices of Election and wishing to receive Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares or to make a permanent election to receive Shares in respect of all future Qualifying Dividends, must complete all Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Company or, as the case may be, CDP, no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

Shareholders will receive the Qualifying Dividend in cash if they fail to elect to participate in the Scheme.

Shareholders do not need to take any action if they wish to receive their entitlement to the Qualifying Dividend in cash.

5. NOTE TO SHAREHOLDERS

5.1 *No known tax advantage for electing to participate in the Scheme*

The Company takes no responsibility for the taxation liabilities of Participating Shareholders or the tax consequences of any election made by Shareholders. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Shareholders if required.

Without prejudice to the foregoing paragraph, as a general indication, however, it is understood that as at the date hereof, under tax legislation in Singapore, a Shareholder's Singapore tax liability in relation to the Dividends received will not be altered, nor is there any tax advantage to be gained, by reason of having elected to participate in the Scheme.

5.2 *Participating Shareholders may receive odd lots*

The Shares are currently traded in board lots of 100 Shares. A Shareholder who elects to receive Shares in lieu of the whole cash amount of the Qualifying Dividend may receive such Shares in odd lots. Shareholders who receive odd lots of Shares and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market of the SGX-ST, which allows for trading of odd lots with a minimum of one share.

5.3 *Eligibility of Foreign Shareholder*

For practical reasons and to avoid any violation of securities laws applicable in countries outside Singapore where Shareholders may have their registered addresses, the Scheme will not be offered to Foreign Shareholders, unless the Directors determine otherwise. No Foreign Shareholder shall have any claims whatsoever against the Company, the Company's share registrar, CDP or any of their respective agents as a result of the Scheme not being offered to such Foreign Shareholder.

Unless the Directors determine otherwise, Foreign Shareholders who receive or come to have in their possession the Scheme Statement and/or a Notice of Election may not treat the same as an

invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Scheme as may be applicable to them.

Foreign Shareholders who wish to be eligible to participate in the Scheme should provide an address in Singapore for the service of the notices and documents by notifying the Company or, if the Foreign Shareholder is a Depositor, the CDP, not later than five (5) Market Days prior to the Record Date. Depositors should note that all correspondence and notices will be sent to their last registered addresses with CDP.

5.4 ***Shareholders to note obligations under the Take-over Code***

The attention of Shareholders is drawn to Rule 14 of the Take-over Code. In particular, a Shareholder should note that he may be under an obligation to extend a mandatory take-over offer for the Company, if:

(a) he acquires, by participating in the Scheme in relation to any Qualifying Dividend, whether at one time or different times, Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or

(b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company and he, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights of the Company by participating in the Scheme in relation to any Qualifying Dividend or otherwise.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a mandatory offer under the Take-over Code as a result of any acquisition of Shares through their participation in the Scheme are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity.

6. APPROVALS FOR THE PURPOSES OF IMPLEMENTING THE SCHEME

6.1 ***Shareholders' approval for issue of new Shares***

The Constitution allows Shareholders to elect to receive Dividends in the form of new Shares, credited as fully paid-up, in lieu of cash.

Pursuant to Rule 862 of the Listing Manual: Rules of Mainboard of the SGX-ST (the "**Mainboard Rules**") an announcement must be made by an issuer if it wishes to implement a scrip scheme which enables Shareholders to elect to receive shares in lieu of the cash amount of any dividend. The Mainboard Rules do not require the adoption of the Scheme to be approved by Shareholders.

The allotment and issue of new Shares pursuant to the Scheme is subject to the approval of the Shareholders. The authority to issue new Shares under the Scheme may be in the form of specific

Shareholders' approval pursuant to Section 161 of the Companies Act 1967 (the "**Act**") or the Company may otherwise rely on a valid general mandate granted by the Shareholders to the Directors pursuant to Section 161 of the Act and Rule 806 of the Mainboard Rules.

6.2 ***Approval for listing and quotation of new Shares on the SGX-ST***

In compliance with Appendix 8.4.4 of the Mainboard Rules, the Company will from time to time submit an additional listing application to the SGX-ST for the admission to the Official List of the SGX-ST of such new Shares as may be issued by the Company for the purposes of, in connection with or where contemplated by the Scheme, and for the listing and quotation of such new Shares on the Mainboard, at such time(s) as may be appropriate and determined by the Company. It should be noted that the approval of the SGX-ST should not be taken as an indication of the merits of the Scheme, the new Shares, the Company and/or its subsidiaries. The Company will announce the outcome of any such application as may be appropriate in accordance with the Listing Manual.

It should be noted that the Company is unable to represent, warrant or give any assurance that the approval for the listing and quotation of the new Shares will be granted by the SGX-ST. In such event that new Shares cannot be issued by the Company or listed and quoted on the SGX-ST, appropriate steps will be taken by the Company for the relevant Shareholders to receive the Dividend in cash.

BY ORDER OF THE BOARD
Chua Beng Yong
Executive Chairman
19 February 2025

APPENDIX

BKM SCRIP DIVIDEND SCHEME STATEMENT

1. INTRODUCTION

This Scrip Dividend Scheme Statement (the "**Scheme Statement**") contains the terms and conditions of the BKM Scrip Dividend Scheme (the "**Scrip Dividend Scheme**") under which persons registered in the Register of Members of Beng Kuang Marine Limited (the "**Company**") or, as the case may be, the Depository Register (as defined below), as the holders of Shares (the "**Shareholders**") may elect to receive fully paid new Shares (the "**New Shares**") in lieu of the cash amount of any dividend (including any interim, final, special or other dividend) (the "**Dividend**") which is declared on the Shares held by them (after the deduction of applicable income tax). The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made in this Scheme Statement.

2. SUMMARY OF MAIN FEATURES

2.1 *Overview*

The Scrip Dividend Scheme provides Shareholders with the option to elect to receive New Shares in lieu of all, and not part only, of the cash amount of any Dividend declared on their holding of Shares, except in the case of a Shareholder who is a relevant intermediary, such relevant intermediary may, at the absolute discretion of the Directors, be allowed to make an election to participate in the Scrip Dividend Scheme in respect of part only of the Shares to which each Notice of Election issued to it relates.

2.2 *Eligibility*

All Shareholders are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Foreign Shareholders (as defined below), as more particularly described below and except that participation in the Scrip Dividend Scheme shall not be available to:

(a) such Shareholders or class of Shareholders, as the directors of the Company (the "**Directors**" or "**Board**") may in their absolute discretion determine; and

(b) such Shareholders whose participation in the Scrip Dividend Scheme or receipt of New Shares under the Scrip Dividend Scheme will result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or prescribed by the Constitution (as defined below).

2.3 *Election*

Shareholders may elect to participate in the Scrip Dividend Scheme in respect of all, and not part only, of their holding of Shares to which each Notice of Election (as defined below) relates in respect of any Qualifying Dividend (as defined below), except in the case of a Shareholder who is a relevant

intermediary, such relevant intermediary may, at the absolute discretion of the Directors, be allowed to make an election to participate in the Scrip Dividend Scheme in respect of part only of the Shares. Shareholders may also make a permanent election to participate in respect of all of their holding of Shares for any Qualifying Dividend and all future Qualifying Dividends.

Shareholders issued with more than one Notice of Election may elect to participate in respect of their holding of Shares to which one Notice of Election relates and elect not to participate in respect of their holding of Shares to which any other Notice of Election relates. Where a permanent election has been made, Participating Shareholders (as defined below) may cancel their participation and withdraw from the Scrip Dividend Scheme at any time, subject to their giving the appropriate notice in accordance with paragraph 4.14 of this Scheme Statement. The cancellation of a permanent election by a Shareholder would not preclude him from making a fresh permanent election, should he wish to do so at a later date.

2.4 ***Application***

The Directors may, in their absolute discretion, determine that the Scrip Dividend Scheme will apply to any particular Dividend. An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day (as defined below) immediately following the Record Date (as defined below) in respect of that particular Dividend. Unless the Directors have determined in their absolute discretion that the Scrip Dividend Scheme will apply to any particular Dividend, such Dividend will be paid in cash to the Shareholders.

2.5 ***Terms of Allotment***

New Shares which are to be allotted and issued under the Scrip Dividend Scheme to Participating Shareholders will, upon allotment and issue, rank pari passu in all respects with the existing Shares then in issue, save that the New Shares will not rank for any dividend, right, allotment or other distributions for which the record date (as defined in the Mainboard Rules) falls before or is contemporaneous with the date of allotment of the New Shares, unless the Directors shall otherwise specify.

Shareholders participating in the Scrip Dividend Scheme will receive, at or about each Qualifying Dividend payment date, notifications relating to, inter alia, the number of New Shares allotted to them under the Scrip Dividend Scheme

2.6 ***Costs to Participant***

Under Singapore laws as at the date of this Scheme Statement, there are no brokerage, stamp duty or other transaction costs payable on New Shares allotted under the Scrip Dividend Scheme.

3. HOW TO PARTICIPATE

Participation in the Scrip Dividend Scheme is optional and is not transferable.

A Shareholder wishing to make an election to receive New Shares in respect of any Qualifying Dividend or to make a permanent election to receive New Shares in respect of any Qualifying

Dividend and all future Qualifying Dividends to which a Notice of Election issued to him relates should complete such Notice of Election and submit it to the Company or, if the Shareholder is a Depositor (as defined below), to CDP (as defined below), in the manner described in the Notice of Election. A Shareholder issued with more than one Notice of Election and wishing to make an election to receive New Shares in respect of all, and not part only, of his entitlement to the Qualifying Dividend in respect of all of his holding of Shares or to make a permanent election to receive New Shares in respect of any Qualifying Dividend and all future Qualifying Dividends must complete all Notices of Election issued to him and submit the completed Notices of Election to the Company and/or CDP, as the case may be, in the manner described in each such Notice of Election.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Company or (in the case of a Depositor) CDP no later than the date and time to be specified by the Directors in respect of such Qualifying Dividend.

4. TERMS AND CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The following are the terms and conditions ("**Terms and Conditions**"), which expression shall include any amendment or supplement thereto, of the Scrip Dividend Scheme.

4.1 *Establishment*

The Scrip Dividend Scheme has been established by the Directors.

4.2 *Definitions*

In these Terms and Conditions, in addition to the other defined terms set out in this Scheme Statement, the following definitions apply throughout, unless the context otherwise requires or unless otherwise stated:

"**Companies Act**" shall mean the Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time;

"**Company**" means Beng Kuang Marine Limited;

"**CDP**" shall mean The Central Depository (Pte) Limited, including any successor entity thereto;

"**Constitution**" shall mean the constitution of the Company, as may be amended, modified or supplemented from time to time;

"**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the respective meanings ascribed to them in Section 81SF of the SFA;

"**Foreign Shareholders**" shall mean Shareholders with registered mailing addresses outside Singapore and who have not provided to the Company or (where the Shareholder is a Depositor) CDP, not later than five (5) Market Days prior to the Record Date (or such other cut-off date as the Directors may determine), mailing addresses in Singapore for the service of notices and documents;

"**Mainboard**" shall mean the Mainboard Board of the SGX-ST;

"**Mainboard Rules**" shall mean the SGX-ST Listing Manual: Rules of the Mainboard, as may be amended, modified or supplemented from time to time;

"**Market Day**" shall mean a day on which the SGX-ST is open for trading in securities;

"**New Shares**" has the meaning ascribed to it in paragraph 1 of this Scheme Statement;

"**Notice of Election**" has the meaning ascribed to it in paragraph 4.7 of this Scheme Statement;

"**Participating Shareholder**" has the meaning ascribed to it in paragraph 4.5 of this Scheme Statement;

"**Qualifying Dividend**" shall mean any Dividend to which the Scrip Dividend Scheme applies (as determined by the Directors in their absolute discretion);

"**Record Date**" shall mean the date and time to be determined by the Directors for the purposes of determining the entitlements of Shareholders to a Qualifying Dividend;

"**relevant intermediary**" has the meaning ascribed to it in the Companies Act;

"**Scrip Dividend Scheme**" has the meaning ascribed to it in paragraph 1 of this Scheme Statement;

"**Securities Accounts**" means the securities accounts maintained by Depositors or Depository Agents with CDP, but not including securities accounts maintained with a Depository Agent;

"**SFA**" shall mean the Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time;

"**Shareholders**" or "**Shareholder**" has the meaning ascribed to it in paragraph 1 of this Scheme Statement;

"**Shares**" shall mean fully paid ordinary shares in the capital of the Company;

"**Scheme Statement**" has the meaning ascribed to it in paragraph 1 of this Scheme Statement;

"**S$**" means Singapore dollars; and

"**Take-over Code**" shall mean The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time.

Unless the context otherwise requires, words importing the singular shall include the plural and vice versa, and words importing a specific gender shall include the other genders (male, female or neuter). References to "person" shall include an individual, corporation, company, partnership, firm, trustee, trust, executor, administrator or other legal personal representative, unincorporated association, joint venture, syndicate or other business enterprise, any governmental, administrative or regulatory authority or agency (notwithstanding that "person" may be sometimes used herein in conjunction with some of such words), and their respective successors, legal personal

representatives and assigns, as the case may be, and pronouns shall have a similarly extended meaning.

Any provision in these Terms and Conditions requiring any notice, form or other document to be completed by a Shareholder may be satisfied by the signing of such notice, form or other document by the Shareholder, or by way of a telephone or electronic communication involving the execution of any act, procedure or routine (electronic or otherwise) designated by the Company to signify the Shareholder's intention to be bound by such communication. A Shareholder is deemed to have agreed that he shall have no claim whatsoever against the Company for any delay, failure or inaccuracy in the recording, storage, transmission or delivery of data (in each case whether or not within the control of the Company) or for any compensation, loss or damages in connection therewith or in relation thereto.

4.3 ***Eligibility***

All Shareholders are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Foreign Shareholders, as more particularly described in paragraph 4.4 below, and except that participation in the Scrip Dividend Scheme shall not be available to:

(a) such Shareholders or class of Shareholders, as the Directors may in their absolute discretion determine; and

(b) such Shareholders whose participation in the Scrip Dividend Scheme or receipt of New Shares under the Scrip Dividend Scheme will result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or prescribed by the Constitution.

4.4 ***Foreign Shareholders***

The circulation of this Scheme Statement and the distribution of New Shares under the Scrip Dividend Scheme may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Shareholders may have their registered mailing addresses, the Scrip Dividend Scheme may, at the absolute discretion of the Board, not be offered to Foreign Shareholders. No Foreign Shareholder shall have any claim whatsoever against the Company, the Company's Share Registrar, CDP or any of their respective agents as a result of the Scrip Dividend Scheme not being offered to such Foreign Shareholder.

If the Board has decided not to offer the Scrip Dividend Scheme to Foreign Shareholders, such Foreign Shareholders who receive or come to have in their possession a Notice of Election or any other document in connection with the Scrip Dividend Scheme may not treat the same as an invitation or offer of any securities to them, and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Scrip Dividend Scheme.

Without prejudice to the foregoing, the receipt of a Notice of Election or any other document in connection with the Scrip Dividend Scheme, the crediting of New Shares to any securities account and/or the receipt of New Shares howsoever by a Foreign Shareholder, will not constitute an offer or sale of Shares in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdiction or be restricted or prohibited.

The Company reserves the right, but shall not be obliged, in its absolute discretion, to treat as invalid any Notice of Election which appears to the Company or its agents to have been submitted in violation of any applicable legislation of any jurisdiction, and further reserves the right, in its absolute discretion, to reject the submission of any Notice of Election where it believes, or has reason to believe, that such submission may violate any applicable legislation of any jurisdiction.

Foreign Shareholders who wish to change their registered mailing address maintained with the Company, or in the case of Foreign Shareholders who are Depositors, their registered mailing address maintained with CDP, to a Singapore mailing address in substitution thereof, may do so by sending a notice in writing to the Company c/o the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896 (or such other address as may be announced by the Company), or, if the Foreign Shareholder is a Depositor, to CDP via email at asksgx@sgx.com or via telephone at +65 6535 7511 (or such other email address or telephone number as may be announced by the Company), at least five (5) Market Days prior to the Record Date (or such other period as the Board may determine in its absolute discretion). Such Foreign Shareholders should note that all correspondence, notices and documents will be sent to their last registered mailing address in Singapore maintained with the Company or, in the case of such Foreign Shareholders who are Depositors, their last registered mailing address in Singapore maintained with CDP.

Foreign Shareholders should note that where they are requested by the Company, the Company's Share Registrar or, as the case may be, CDP, to provide any supporting documents in connection with the provision of a mailing address in Singapore for the service of notices and documents, such Foreign Shareholders will not be treated as having provided a Singapore mailing address for these purposes until such time as the supporting documents have been received by the Company, the Company's Share Registrar or, as the case may be, CDP.

THE DISTRIBUTION OF NEW SHARES UNDER THE SCRIP DIVIDEND SCHEME TO FOREIGN SHAREHOLDERS MAY BE SUBJECT TO LAWS OF JURISDICTIONS OUTSIDE SINGAPORE. FOREIGN SHAREHOLDERS RESIDING OR LOCATED IN A JURISDICTION OTHER THAN SINGAPORE ARE REQUIRED TO INFORM THEMSELVES OF AND SHOULD OBSERVE ALL LEGAL AND REGULATORY REQUIREMENTS APPLICABLE TO THEM. IT IS THE RESPONSIBILITY OF THE FOREIGN SHAREHOLDERS IN SUCH JURISDICTIONS TO SATISFY THEMSELVES AS TO THE FULL OBSERVANCE OF THE LAWS OF THE RELEVANT JURISDICTIONS APPLICABLE TO THEM IN CONNECTION WITH THEIR PARTICIPATION IN THE SCRIP DIVIDEND SCHEME, INCLUDING OBTAINING OF ANY GOVERNMENTAL, EXCHANGE CONTROL OR OTHER CONSENTS WHICH MAY BE REQUIRED, OR COMPLIANCE WITH ANY OTHER NECESSARY FORMALITIES AND PAYMENT OF ANY ISSUE, TRANSFER OR OTHER TAXES DUE IN SUCH JURISDICTION.

FOREIGN SHAREHOLDERS WHO ARE SUBJECT TO THE LAWS AND REGULATIONS OF JURISDICTIONS OUTSIDE SINGAPORE SHALL, BY PARTICIPATING IN THE SCRIP

DIVIDEND SCHEME, BE DEEMED TO HAVE COMPLIED WITH ALL APPLICABLE LEGAL AND REGULATORY REQUIREMENTS OF THE RELEVANT JURISDICTIONS.

4.5 ***Level of participation***

Participation in the Scrip Dividend Scheme is optional and is not transferable.

A Shareholder may elect to participate in the Scrip Dividend Scheme (the "**Participating Shareholder**") in respect of all, and not part only, of his holding of Shares as at each Record Date to which each Notice of Election issued to him relates for a Qualifying Dividend (the "**Participating Shares**"), except in the case of a Shareholder who is a relevant intermediary, such relevant intermediary may, at the absolute discretion of the Directors, be allowed to make an election to participate in the Scrip Dividend Scheme in respect of part only of the Shares to which each Notice of Election issued to it relates.

4.6 ***Permanent election***

Any permanent election to participate in the Scrip Dividend Scheme is personal to the Participating Shareholder.

A Shareholder may make a permanent election in the manner set out below for participation in respect of all, and not part only, of his holdings of Shares to which each Notice of Election relates for any Qualifying Dividend and all future Qualifying Dividends. Where a permanent election in respect of all of his holding of Shares to which a Notice of Election relates has been made, then unless and until a notice of cancellation (in such form and through such medium as the Directors may approve) (the "**Notice of Cancellation**") in relation to such Notice of Election is received by the Company or (as the case may be) CDP as provided below or his permanent election otherwise ceases to have effect under these Terms and Conditions, the permanent election shall be effective for all future Qualifying Dividends in respect of such Notice of Election. A notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by the Company or (as the case may be) CDP. The cancellation of a permanent election by a Shareholder will not preclude him from making a fresh permanent election, should he wish to do so, at a later date.

4.7 ***Notice of election to participate***

4.7.1 *Notice of election*

The Company will, at its absolute discretion, provide to each eligible Shareholder one or more notices of election (in such form and through such medium as the Directors may approve) (the "**Notice of Election**"), unless a permanent election to participate in the Scrip Dividend Scheme has already been made.

4.7.2 *Submission of notice of election*

To be effective in respect of any Qualifying Dividend (unless a permanent election has already been made), a duly completed Notice of Election must be submitted to, and received by, the Company or, in the case of a Notice of Election being submitted by a Shareholder who is a Depositor, by CDP, by the date and time to be specified by the Directors in respect of that Qualifying Dividend, in the manner prescribed in the Notice of Election. A Shareholder issued with more than one Notice of

Election and wishing to receive New Shares in respect of all, and not part only, of his entitlement to the Qualifying Dividend in respect of all of his holding of Shares must complete and submit all of such Notices of Election issued to him to the Company and/or CDP, as the case may be, in the manner prescribed in each such Notice of Election. A Notice of Election to participate in the Scrip Dividend Scheme in any other form will not be accepted by the Company or (as the case may be) CDP.

If a Notice of Election in relation to a permanent election is received after the date and time specified by the Directors for any particular Qualifying Dividend, the Notice of Election shall not, unless otherwise determined by the Directors in their absolute discretion, be effective for that Qualifying Dividend, or for any future Qualifying Dividends in respect of such Notice of Election.

4.7.3 *Withdrawal or cancellation*

A Notice of Election (other than in relation to a permanent election) in respect of any Qualifying Dividend shall not, upon its receipt by the Company or (as the case may be) CDP, be withdrawn or cancelled. A permanent election made in the Notice of Election will remain in force until cancelled in the manner provided below or until it becomes ineffective as provided in these Terms and Conditions.

4.7.4 *Indemnity*

The Company and/or CDP is under no obligation whatsoever to correct invalid Notices of Election on behalf of any Shareholder or to provide any reason for rejecting any Notice of Election. A Notice of Election submitted to, and received by, the Company or, in the case of a Shareholder who is a Depositor, CDP, shall be conclusive evidence in favour of the Company and/or CDP, as the case may be, of the right, title, power and authority of the person(s) submitting it to deal in the same. The Company and/or CDP shall be entitled to assume the accuracy of any information and/or documents submitted together with any Notice of Election, and is under no obligation whatsoever to verify or question the validity of the same.

Neither the Company, the Company's Share Registrar nor CDP shall be liable for any act or omission in respect of any Notice of Election received by it, and any information and/or documents submitted therewith. A Shareholder who submits a Notice of Election (or on whose behalf a Notice of Election is submitted) shall indemnify and hold harmless from, and, at their respective request defend, the Company, the Company's Share Registrar and CDP and their respective directors, officers, employees, agents and related corporations ("**Indemnified Parties**") against (a) any claim, demand, action or proceeding made or initiated against, and (b) all losses, damages, costs and expenses (including all legal costs and expenses) suffered or incurred by, any of the Indemnified Parties as a result of or in relation to that Notice of Election and any information and/or documents submitted therewith.

4.8 ***Acknowledgements by Participating Shareholder***

By electing to participate in the Scrip Dividend Scheme, the Participating Shareholder unconditionally:

(a) warrants to the Company that it has the legal right and full power and authority to participate in the Scrip Dividend Scheme and that its participation in the Scrip Dividend Scheme will not result in a breach of any statute, law or regulation by which it is bound;

(b) acknowledges that the Company may at any time determine that the Participating Shareholder's Notice of Election or any Notice of Cancellation or other form (collectively, "**Forms**" and each, a "**Form**") is valid, even if the relevant Form or part thereof is incomplete, illegible, contains errors or is otherwise defective;

(c) acknowledges that the Company may reject any Form without providing any reason for such rejection;

(d) acknowledges that the Company has not provided the Participating Shareholder with investment or other advice and that it does not have any obligation to provide any advice in connection with the Scrip Dividend Scheme; and

(e) agrees to these Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the Scrip Dividend Scheme, in each case, at all times until termination of the Scrip Dividend Scheme or of the Participating Shareholder's participation in the Scrip Dividend Scheme.

4.9 ***Extent of application of Scrip Dividend Scheme to each Dividend***

The Directors may, in their absolute discretion, in respect of any Dividend, determine whether the Scrip Dividend Scheme shall apply to such Dividend. If, in their absolute discretion, the Directors have not determined that the Scrip Dividend Scheme is to apply to a Dividend, such Dividend shall be paid in cash to Shareholders notwithstanding their elections under the Scrip Dividend Scheme.

4.10 ***Share entitlement***

By electing to participate in the Scrip Dividend Scheme in respect of any Notice of Election received by him, a Shareholder elects, in respect of any Qualifying Dividend to which such Notice of Election relates, to receive New Shares in lieu of all, and not part only, of the cash amount of the Qualifying Dividend.

In respect of any Qualifying Dividend, the number of New Shares to be allotted and issued to the Participating Shareholder electing to receive New Shares in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D}{V}$$

Where:

(a) N is the number of New Shares to be allotted and issued as fully paid to the Participating Shareholder in respect of such Notice of Election.

(b) S is the number of Participating Shares held by the Participating Shareholder as at the Record Date to which such Notice of Election relates.

(c) D is the amount of the Qualifying Dividend to which such Notice of Election relates, expressed in S$ in cents and fractions of a cent per Participating Share.

(d) V is the issue price of a New Share, which shall for the purpose of calculating the number of New Shares to be allotted and issued as fully paid to Participating Shareholders, pursuant to the Scrip Dividend Scheme, be an amount in S$ determined by the Company (the "**Relevant Amount**"), which Relevant Amount shall not be set at more than 10% discount (or such other discount as may be permitted by the Mainboard Rules) to, nor shall it exceed, the average of the volume weighted average prices per Share traded on the Mainboard of the SGX-ST for each of the Market Days during the period commencing on the day on which the Shares are first quoted ex-dividend on the Mainboard of the SGX-ST after the announcement of the Qualifying Dividend and ending on the Record Date in respect of such Qualifying Dividend or such other period as may be determined by the Directors in their absolute discretion ("**Price Determination Period**"). In the event that there is no trading in the Shares during the Price Determination Period, the Relevant Amount shall not exceed the average of the volume weighted average prices of a Share traded on the Mainboard of the SGX-ST for each of the Market Days during a period, to be determined by the Directors in their absolute discretion, prior to the announcement of the application of the Scrip Dividend Scheme to such Qualifying Dividend.

The Directors shall, in their absolute discretion, make such provisions as they deem fit where the number of New Shares calculated in accordance with the above formula becomes attributable in fractions, including provisions whereby fractional entitlements are rounded down to the nearest whole number or otherwise dealt with in such manner as they may deem fit in the interests of the Company and which is/are acceptable to the SGX-ST. Shareholders who elect to receive New Shares in lieu of cash for any Qualifying Dividend should take note that they may receive odd lots under the formula set out above.

4.11 ***Terms of allotment***

All New Shares allotted to Participating Shareholders under the Scrip Dividend Scheme will be allotted as fully paid. All such New Shares shall, upon allotment and issue, rank pari passu in all respects with all existing Shares then in issue, save that the New Shares will not rank for any dividend, right, allotment or other distributions for which the record date (as defined in the Mainboard Rules) falls before or is contemporaneous with the date of allotment of the New Shares, unless the Directors shall otherwise specify.

Participating Shareholders who are Depositors and who have submitted the Notice of Election from CDP will have the New Shares credited to their Securities Accounts. In other cases, certificates for the New Shares will be despatched to Participating Shareholders, at their own risk, to their registered mailing addresses in Singapore maintained with the Company.

4.12 ***Notification to participating shareholders***

The Company or (if the Participating Shareholder is a Depositor) CDP will send to each Participating Shareholder on or about the payment date for a Qualifying Dividend which shall be a date not more than thirty-five (35) Market Days after the Record Date for that Dividend, or such other date as the Directors may decide, a notification setting out, inter alia:

(a) the number of the Participating Shares held by the Participating Shareholder as at the relevant Record Date in respect of which the Participating Shareholder has elected to participate in the Scrip Dividend Scheme; and

(b) the number of New Shares to be allotted, or as the case may be, credited to the Participating Shareholder under the Scrip Dividend Scheme.

4.13 ***Costs to participants***

Under Singapore laws as at the date of this Scheme Statement, there are no brokerage, stamp duty or other transaction costs payable on New Shares allotted under the Scrip Dividend Scheme.

4.14 ***Cancellation of participation***

A Participating Shareholder may at any time cancel his permanent election to participate in the Scrip Dividend Scheme in relation to any Notice of Election by completing and submitting to the Company or (as the case may be) CDP, a Notice of Cancellation in such form and through such medium as the Directors may approve (a notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by the Company, or as the case may be, CDP) in relation to such Notice of Election.

To be effective in respect of any Qualifying Dividend, the duly completed Notice of Cancellation must be submitted to, and received by, the Company or (as the case may be) CDP, by the date and time to be specified by the Directors for that Qualifying Dividend, failing which the Notice of Cancellation will not, unless otherwise determined by the Directors in their absolute discretion, be effective for that Qualifying Dividend in respect of such Notice of Election. The Notice of Cancellation will however be effective for all future Qualifying Dividends. In particular, a Participating Shareholder should take note that a Notice of Cancellation which may be issued by the Company as part of the Forms for any Qualifying Dividend will not, unless otherwise determined by the Directors in their absolute discretion, be effective for that Qualifying Dividend if such completed Notice of Cancellation is received by the Company or, as the case may be, CDP after the date and time to be specified by the Directors in the Notice of Cancellation.

If a Participating Shareholder gives notice to the Company or, if the Participating Shareholder is a Depositor, to CDP, of a change of his registered mailing address for the service of notices and documents from an address within Singapore to an address outside Singapore, he shall, unless otherwise determined by the Directors in their absolute discretion, thereupon be considered a Foreign Shareholder and shall not be eligible to participate in the Scrip Dividend Scheme, notwithstanding any permanent election to participate in the Scrip Dividend Scheme, unless he provides a mailing address in Singapore for the service of notices and documents by notifying the Company, or if he is a Depositor, CDP, at least five (5) Market Days prior to the Record Date (or such other period as the Directors may determine in their absolute discretion). If such Participating Shareholder fails to provide a mailing address in Singapore as aforesaid, any permanent election to participate in the Scrip Dividend Scheme made by such Participating Shareholder shall, unless otherwise determined by the Directors in their absolute discretion, be deemed to have been cancelled by him upon receipt by the Company or, as the case may be, CDP, of such change of address notification and the Notice of Cancellation, and the Company shall be authorised and entitled (if he is a Depositor) to make arrangements with CDP to cancel such permanent election.

If a Participating Shareholder, who is an individual, dies, any subsisting permanent election to participate in the Scrip Dividend Scheme made previously by that Participating Shareholder will cease immediately upon receipt by the Company or, if the Participating Shareholder is a Depositor, by CDP, of notice of the death supported by such documentary evidence thereof acceptable to the Company or, as the case may be, CDP together with (if applicable) such other documentation as may be required by the Company or, as the case may be, CDP, or at such later date as the Directors in their absolute discretion, upon request from the legal personal representative(s) of the deceased Participating Shareholder, may determine. If the legal personal representative(s) of the deceased Participating Shareholder wishes to participate in the Scrip Dividend Scheme in respect or any Qualifying Dividend or in respect of all future Qualifying Dividends in relation to the Shares forming part of the estate of the deceased Participating Shareholder(s), the relevant Notices of Election must be submitted by such personal representative(s) in accordance with these Terms and Conditions together with (if applicable) such other documentation as may be required by the Company, or, as the case may be, CDP.

If a Participating Shareholder becomes bankrupt or, in the case where the Participating Shareholder is a company, is wound up, any permanent election to participate in the Scrip Dividend Scheme by that Participating Shareholder will cease upon receipt by the Company or, if the Shareholder is a Depositor, by CDP of a notice of the bankruptcy or, as the case may be, the winding up, supported by such documentary evidence thereof acceptable to the Company or, as the case may be, CDP and (if applicable) together with such other documentation as may be required by the Company, or, as the case may be, CDP.

4.15 ***Cancellation of application of the Scrip Dividend Scheme***

Notwithstanding any provision in these Terms and Conditions, if at any time after the Directors have determined in their absolute discretion that the Scrip Dividend Scheme shall apply to any particular Dividend and before the allotment and issue of New Shares in respect of the Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of the Dividend, the Directors may, at their absolute discretion and as they may deem fit in the interest of the Company and without assigning any reason therefor, cancel the application of the Scrip Dividend Scheme to the Dividend. In such event of a cancellation, the Dividend shall be paid in cash to Shareholders.

4.16 ***Modification and termination of the Scrip Dividend Scheme***

The Scrip Dividend Scheme may be modified or terminated at any time and in any manner by the Directors as they may, in their absolute discretion, deem fit. Such modification or termination shall be announced by the Company.

In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Participating Shareholder who has made a permanent election under the Scrip Dividend Scheme unless and until the Company or, if the Participating Shareholder is a Depositor, CDP, receives from the Participating Shareholder a duly completed Notice of Cancellation in respect of a Notice of Election submitted by such Participating Shareholder in accordance with these Terms and Conditions or such permanent election otherwise ceases to have effect under these Terms and Conditions, whichever is earlier.

4.17 ***General administration of the Scrip Dividend Scheme***

The Directors may implement the Scrip Dividend Scheme in any manner they deem fit. The Directors have the power and full discretion to:

(a) determine procedures, rules and regulations for administration of the Scrip Dividend Scheme consistent with these Terms and Conditions;

(b) settle in such manner as they deem fit any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Scrip Dividend Scheme) which may arise in connection with the Scrip Dividend Scheme, whether generally or in relation to any Participating Shareholder or any New Shares to be allotted under the Scrip Dividend Scheme, and the determination of the Directors will be conclusive and binding on all Shareholders and other persons to whom the determination relates;

(c) delegate to any one or more persons, for such period and on such conditions as the Directors may determine, the exercise of any of their powers or discretions under or in respect of the Scrip Dividend Scheme, and references to a decision, opinion or determination of the Directors include a reference to the decision, opinion or determination of the person or persons to whom the Directors have delegated their authority for the purposes of administering the Scrip Dividend Scheme; and

(d) waive strict compliance by the Company or any Shareholder with any of these Terms and Conditions unless such waiver results or gives rise or may result or may give rise to breach of any statute, law or regulation in force in Singapore or any other relevant jurisdiction or the Constitution.

4.18 ***Governing law and jurisdiction***

This Scheme Statement, the Scrip Dividend Scheme and these Terms and Conditions shall be governed by, and construed in accordance with, the laws of Singapore and each Shareholder submits to the exclusive jurisdiction of the Singapore courts.

4.19 ***Exclusion of third party rights***

A person who is not a party to these Terms and Conditions has no right under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce against the Company any of these Terms and Conditions.

4.20 ***Notices and correspondence***

Unless otherwise provided in these Terms and Conditions, any notices, documents and correspondence required to be given or sent by the Company to a Participating Shareholder shall be given or sent in accordance with the applicable provisions of the Constitution.

4.21 ***Collection, use and disclosure of personal data***

For the purposes of implementing and administering the Scrip Dividend Scheme, responding to instructions or enquiries made or purportedly made by a Shareholder, and enforcing rights or

fulfilling obligations under any applicable laws, listing rules, regulations or guidelines or these Terms and Conditions, the Company, the Company's Share Registrar and/or CDP will collect, use and disclose the personal data of Shareholders who are individuals, as contained in each submitted Notice of Election or other Form, or which is otherwise collected from Shareholders (or their authorised representatives) and public sources. Each Shareholder consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company, the Company's Share Registrar, CDP and/or third parties who provide services to the Company, the Company's Share Registrar and/or CDP, and to the collection, use and further disclosure by such parties for such purposes.

5. APPLICATION FOR LISTING ON THE SGX-ST

The Company shall make the necessary application(s) for the listing of the New Shares to be issued for the purposes of, in connection with or where contemplated by, the Scrip Dividend Scheme. Any approval in-principle of the SGX-ST for the listing of such New Shares is not to be taken as an indication of the merits of the Scrip Dividend Scheme, the New Shares, the Company or its subsidiaries.

6. TAKE-OVER IMPLICATIONS

The attention of Shareholders is drawn to Rule 14 of the Take-over Code. In particular, a Shareholder should note that he may be under an obligation to extend a take-over for the Company if:

(a) by participating in the Scrip Dividend Scheme in relation to any Qualifying Dividend, he acquires whether by a series of transactions over a period of time or otherwise, New Shares which (together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or

(b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company, and he or any person acting in concert with him, by participating in the Scrip Dividend Scheme in relation to any Qualifying Dividend, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights of the Company.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any acquisition of New Shares through their participation in the Scrip Dividend Scheme are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity

7. TAXATION

The Company takes no responsibility for the taxation liabilities of Participating Shareholders or the tax consequences of any election made by Shareholders. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Shareholders if they are in doubt or if they otherwise require.

The Company takes no responsibility for the correctness or accuracy of any information as to the taxation liability set out in this Scheme Statement.

As a general indication, however, it is understood that as at the date of this Scheme Statement, under tax legislation in Singapore, a Shareholder's Singapore tax liability in relation to the Dividends received will not be altered, nor is there any tax advantage to be gained by a Shareholder, by reason of such Shareholder having elected to participate in the Scrip Dividend Scheme.

Where required, the Company will deduct all income tax required to be deducted from the Qualifying Dividend in accordance with applicable law.

8. OTHER TERMS

The New Shares are offered on the Terms and Conditions set out in this Scheme Statement and in the applicable provisions of the Constitution. There are no other terms other than those implied by law or set out in publicly registered documents.

9. LIABILITY OF THE COMPANY

Notwithstanding anything in this Scheme Statement or in any of the documents to be issued by the Company and/or CDP in connection with the Scrip Dividend Scheme, neither the Company nor any officer, agent or representative of the Company shall under any circumstances be liable or responsible to any Shareholder or Participating Shareholder for any liability, loss, damage, cost or expense (collectively, "**Loss**") or alleged Loss in connection with or as a result, directly or indirectly, of the establishment or operation of the Scrip Dividend Scheme or his participation in the Scrip Dividend Scheme or in relation to any matter in connection with the Scrip Dividend Scheme, including without limitation any delay in allotting or issuing any New Shares or applying for the listing of and quotation for any New Shares. No representation or warranty is given in respect of any Shares, any New Shares, the Company or its subsidiaries or associated companies, or that any listing approval for the New Shares will be obtained.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Scheme Statement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Scheme Statement constitutes full and true disclosure of all material facts about the Scrip Dividend Scheme, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Scheme Statement misleading.

Where information in this Scheme Statement 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 this Scheme Statement in its proper form and context.

11. ENQUIRIES

Enquiries about any aspect of the Scrip Dividend Scheme should be directed to the Company:

Beng Kuang Marine Limited
2 Venture Drive
#14-15 Vision Exchange
Singapore 608526

or such other entity and/or address as may be announced by the Company from time to time.