ENECO ENERGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200301668R)
(the "**Company**")

MEMORANDUM OF UNDERSTANDING IN RELATION TO PROPOSED ACQUISITION OF FASTWELD ENGINEERING CONSTRUCTION PTE LTD

---

1. INTRODUCTION

1.1. The board of directors ("**Board**" or "**Directors**") of the Company wishes to announce that Eneco Singapore Pte. Ltd. (UEN 200516046H) (the "**Buyer**") a wholly-owned Singapore-incorporated subsidiary of the Company had on 30th January 2026 entered into a non-binding memorandum of understanding (the "**MOU**") with Union Engineering Pte. Ltd. (the "**Seller**") and Fastweld Engineering Construction Pte. Ltd. (the "**Target Company**") for the proposed acquisition by the Buyer of the entire issued and paid-up share capital of the Target Company (the "**Sale Shares**") from the Seller (the "**Proposed Acquisition**").

1.2. Pursuant to the MOU, the Buyer and the Seller (collectively, the "**Parties**", and each a "**Party**") have agreed to an exclusivity period of up to one hundred and eighty (180) days from the date of the MOU, which can be further extended by mutual consent of the Parties, to carry out their respective due diligence and to enter into a definitive sale and purchase agreement ("**SPA**") in respect of the Proposed Acquisition.

1.3. The MOU does not give rise to any legally binding obligations between the Buyer and the Seller in respect of the Proposed Acquisition, and the Proposed Acquisition is subject to further negotiation, satisfactory due diligence and the parties agreeing to the terms of and entering into the SPA.

2. INFORMATION RELATING TO THE BUYER, THE SELLER AND THE TARGET COMPANY

2.1. <u>The Buyer</u>

The Buyer is a company incorporated in Singapore with its registered address at 300 Tampines Avenue 5 #05-02, Income at Tampines Junction, Singapore 529653. The Buyer is engaged in the business of investment holding and wholesale activities conducted on a fee or commission basis.

The Buyer is a wholly owned subsidiary of the Company.

2.2. <u>The Seller</u>

The Seller is a company incorporated in Singapore with its registered address at 33 Pioneer Road North, Singapore 628474. As at the date of this announcement, the Seller is the legal and beneficial owner of the Sale Shares comprising 100% of the entire issued and paid-up share capital of the Target Company. The Seller is engaged in the business of investment holding and lease of investment properties.

The Seller is a wholly owned subsidiary of Union Steel Holdings Limited ("**Union Steel Holdings**"), which is a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Union Steel Holdings is in turn a major shareholder of the Company.

2.3. The Target Company

The Target Company is a company incorporated in Singapore with its registered address at 2 Kranji Link, Singapore 728648. The Target Company is an engineering procurement and maintenance contractor providing engineering, maintenance and construction services to clients in the marine, offshore and industrial sectors, including process plant maintenance, site-based execution works and project-based engineering activities.

2.4. The ultimate holding company

Union Steel Holdings is the legal and beneficial owner of the 100% equity interest in the issued and paid-up share capital of the Seller and is the ultimate holding company of the Target Company. Union Steel has been listed on the Mainboard of the SGX-ST since 15 August 2005. Union Steel is also a major shareholder of the Company. As at the date of this announcement, Union Steel holds 951,000,000 shares representing approximately 25.02 per cent of the total ordinary share capital of the Company.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Group's core operating business is currently conducted through Richland Logistics Services Pte. Ltd., which is principally engaged in logistics and supply chain services. While the logistics business remains a key pillar of the Group, the Board has been exploring opportunities to diversify the Group's business portfolio and revenue base in order to enhance long-term resilience and growth.

The Proposed Acquisition would allow the Group to acquire an established engineering and construction business through Fastweld Engineering Construction Pte. Ltd., which operates in project-based industrial engineering activities and maintenance works. This represents a strategic diversification into a related industrial sector and provides the Group with an additional operating platform beyond logistics.

The Board is of the view that the engineering and construction business serves a customer base and industry segment that is complementary to the Group's existing logistics operations, particularly in industrial and project-oriented environments. Subject to the completion of satisfactory due diligence and the finalisation of definitive agreements, the Proposed Acquisition is expected to broaden the Group's business profile and provide additional avenues for growth, while allowing the Group to manage diversification risks through phased evaluation and oversight.

The Board will continue to evaluate the Proposed Acquisition with due consideration to its strategic fit, commercial merits and the interests of the Company and its shareholders.

4. SALIENT TERMS OF THE MOU

The MOU is intended to set out the basis for further discussion in respect of the Proposed Acquisition and the main principles that will underlie the legally binding definitive SPA that the parties to the MOU will enter into concerning the Proposed Acquisition. Some of the salient terms are set out below:

4.1. Exclusivity and Validity

The Parties have agreed that they shall negotiate exclusively during the Exclusivity Period (as defined below) on the Proposed Acquisition. "**Exclusivity Period**" shall mean an exclusivity period of one hundred and eighty (180) days starting on the date of the MOU, which can be further extended by mutual consent of the Parties (the "**Extended Exclusivity Period**"), such consent not to be unreasonably withheld.

During the Exclusivity Period and the Extended Exclusivity Period (if applicable), the Seller and its representatives shall not discuss, negotiate or commit with any other person or entity to sell or dispose of the Sale Shares or to make any other investment in and/or acquire the Target Company or any of its material assets.

4.2. Representation and Warranties

The sale and purchase agreement will contain customary representations and warranties from the Seller including without limitation in relation to the (i) authority to enter into the sale and purchase agreement, (ii) title to the Sale Shares free from any mortgage, pledge or guarantee and any third party's recourse and (iii) the Target Company.

The MOU is not expressed to be legally binding in nature as between the parties other than the Exclusivity Period and the Extended Exclusivity Period (if applicable), confidentiality obligations between the parties, the governing law of the MOU and certain general provisions relating to counterpart signatures, non-variation and non-assignment. As the entry into the Proposed Acquisition is subject to the parties completing due diligence to their satisfaction and agreeing to the terms of and entering into the SPA, there is no certainty or assurance that any definitive agreements will be entered into or that the Proposed Acquisition will materialise.

5. INTERESTED PERSON TRANSACTION

5.1. The Proposed Acquisition would constitute:

a) an interested person transaction under Chapter 9 of the Mainboard Rules of the SGX Listing Manual (the "**Mainboard Rules**"); and

b) a significant transaction under Chapter 10 of the Mainboard Rules.

5.2. Accordingly, the Proposed Acquisition (if proceeded with) would be subject to and conditional upon the approval of the shareholders of the Company under the Mainboard Rules being an interested person transaction and a significant transaction under the Mainboard Rules.

6. RESPONSIBILITY STATEMENT

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 or the MOU, 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 this 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 this announcement in its proper form and context.

7. FURTHER ANNOUNCEMENTS

The Company will make the necessary announcement(s) in relation to the Proposed Acquisition as and when there are any material developments on the matter, including the signing of any definitive agreements.

8. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and should note that the entry into and completion of the Proposed Acquisition is subject to satisfactory due diligence and certain conditions precedent. Shareholders and potential investors of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests and to exercise caution when dealing in the securities of the Company. In the event of any doubt, the shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

BY ORDER OF THE BOARD

Ang Jun Long

Executive Director

2nd February 2026