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## INVESTOR PRESENTATION

JANUARY 2022



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The contact person for the Sponsor is Ms. Tay Sim Yee, SAC Capital Private Limited at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210

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## AGENDA:

1. Kim Heng 2022 and beyond
2. Offshore Renewables Windfarm
3. Financial Highlights

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# 2022 & BEYOND

With over 50 years of experience, Kim Heng Ltd ("**Kim Heng**") and its subsidiaries (collectively, the "**Group**") is an established integrated offshore and marine value chain services provider. Strategically based in Singapore, the Group offers a one-stop comprehensive range of products and services that caters to different stages of marine infrastructure projects and offshore oil & gas projects from oil exploration to field development and oil production.

In keeping with the changing global energy scene towards cleaner energy forms, the Group has successfully ventured into the offshore renewable market. The Group will continue to broaden its service offerings to the clean energy and marine construction markets as part of its diversification away from the traditional oil and gas markets.

## 2021

**Changed the listed entity name from a dedicated offshore & marine service company to a holding company, Kim Heng Ltd.**

## 2022 & BEYOND

**In 2022 , the group organization structure will be re-organized into 5 main vertical pillars of growth with a diversified revenue from renewables, marine construction, shipbuilding, oilfield services & offshore vessel chartering**



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# KIM HENG GROUP
## BUSINESS SEGMENTS OVERVIEW



### Offshore Renewable Construction

- Horizontal Directional Drilling to connect power cables from sea to land
- Shallow water cable laying via cable laying barge
- Barge Transportation of Windfarm foundations & structures
- Offshore Heavy Lifting & Installation of Windfarm Structures via crane barges
- Pre-set mooring of catenary lines for floating wind farms using AHTS



### Marine Construction

- Tugs & Barges
- Offshore Accommodation Barge
- Offshore Crane Barge
- Reclamation & Dredging Works
- Salvage/Diving Services



### Offshore Oilfield Services

- Logistic/ Warehousing Service
- Rig Afloat Repair
- Stockiest of Tubulars
- Subsea & Surface Equipment Refurbishment
- Inspection and testing of bop and lower marine riser package



### Offshore Chartering, Towage & Transportation

- Chartering of Anchor Handling Tug & Anchor Handling Tug Supply
- Perform Towages of Extra Large & Heavy Cargo



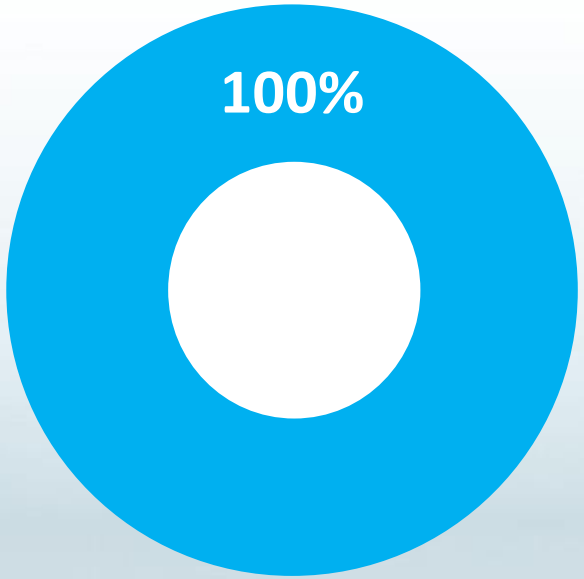
### Shipbuilding & Engineering

- Fabrication of Steel Structures/ Modules/Grillage
- Stevedoring, Assembling, Inspection & Maintenance of Equipment
- New Build Vessels & Vessels Repair
- Agency & Husbandry Services

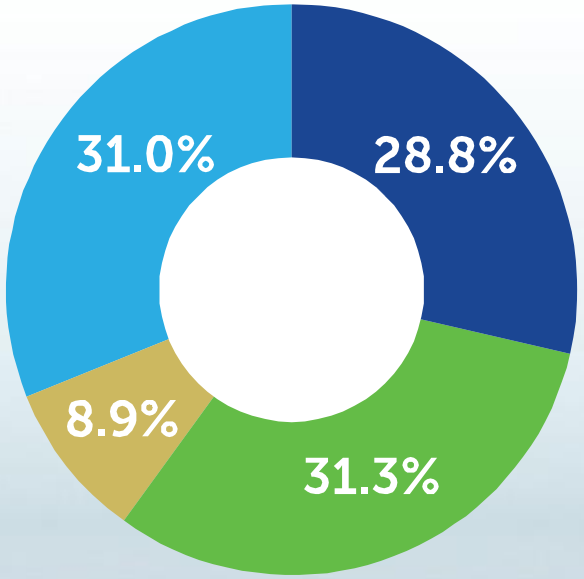
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# REVENUE BY SEGMENTS

## REVENUE BY SEGMENTS IN FY2014




## REVENUE BY SEGMENTS FY2020




- Renewable Energy
- Chartering of Vessels
- Heavy Lift Cranes & Equipment Rental
- Marine & Offshore Related Services

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# 9 PANDAN CRESCENT
# YARD FACILITIES

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# 48 PENJURU ROAD
# YARD FACILITIES

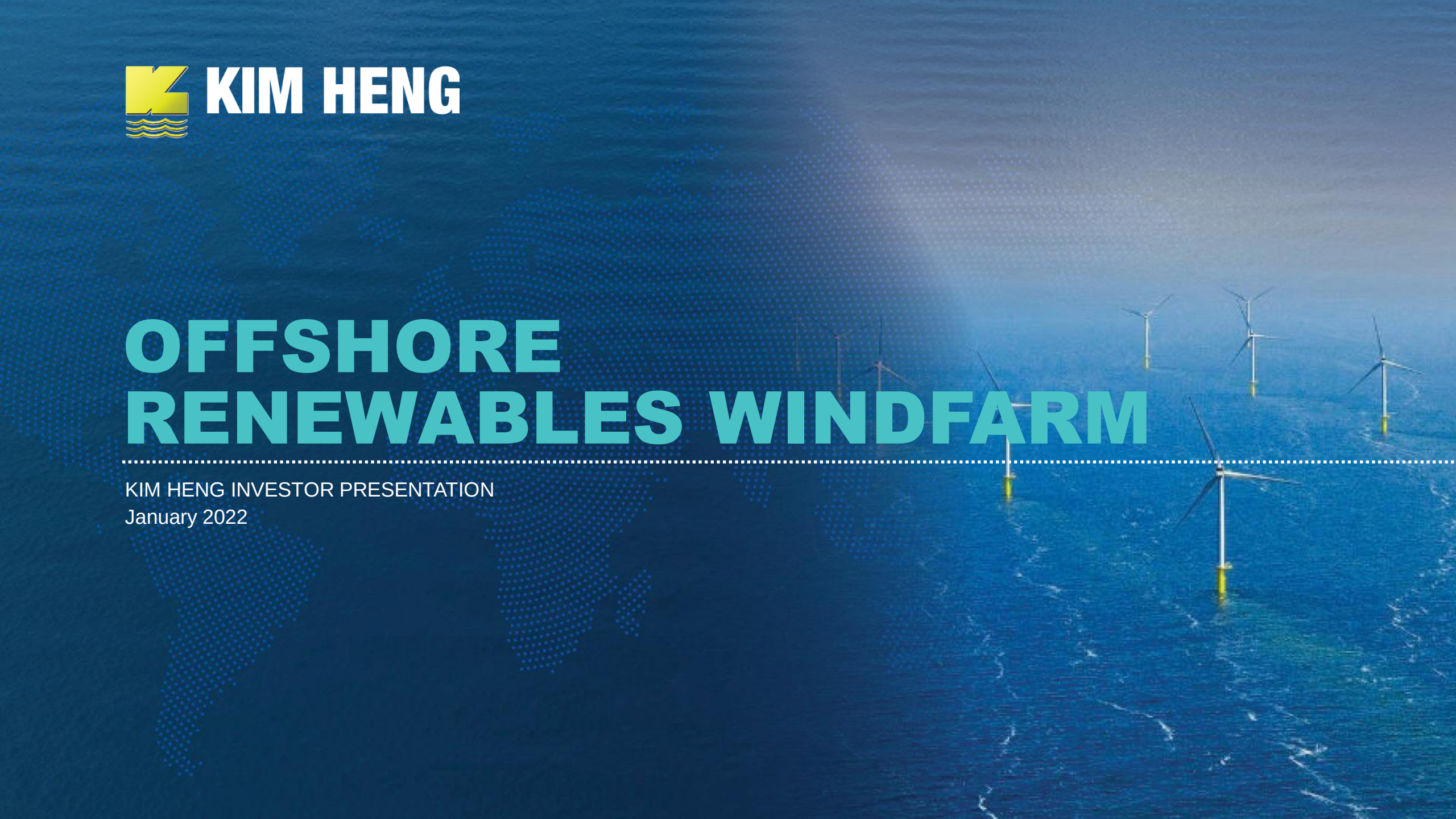


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# OFFSHORE RENEWABLES WINDFARM

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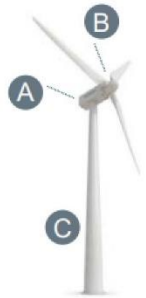


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# WINDFARM VALUE CHAIN

## An introduction to the hardware of *offshore windmills*

### 1 Turbine




A **Nacelle:** Houses the generator and gear box, which convert rotor movements to electricity.

B **Rotor:** Catch wind and create movement

C **Tower:** Supports the mass of the nacelle, hub, and blades.

### 2 Foundation and array cables

**Foundations:** Secure the tower and above-water turbine components to the sea floor. A variety of technologies are available:
- Fixed: Monopiles, jackets, gravity-based
- Floating

**Array Cables:** A network of array cables link the wind turbines together and deliver power from the turbines to the offshore substation.

### 3 Offshore substation



**Offshore substation:** Increases the voltage of the electicity genrated by the turbine to transmit power more efficently. The offshore substation collects and stabilizes the power generated by the turbines, preparing it for transmission to shore.

### 4 Export cable and onshore connection

**Export Cable:** The export cable is buried deep enough to avoid disturbing ocean users and wildlife, and it transmits power from the offshore substation to the onshore substation.

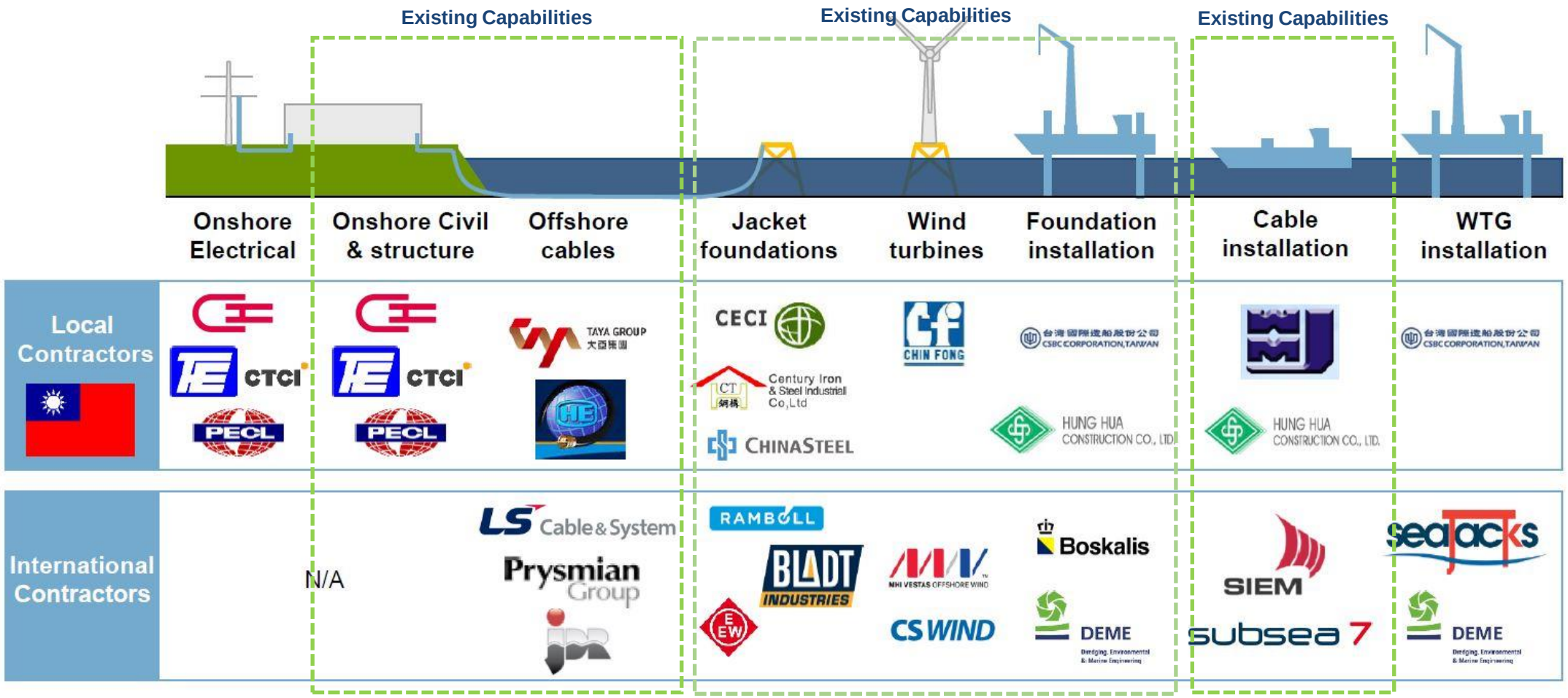
**Cable Landing:** Horizontal direction drilling, a common method for landing export transmission cables from offshore wind farms, minimizes environmental impacts and disruption to beaches and the shoreline.

**Onshore Connection:** Electricity is transferred to the existing transmission network.

*Source: Rystad Energy Research & Analysis; Equinor/ SSE*

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# TAIWAN OFFSHORE WINDFARM CONTRACTORS




**Kim Heng is involved as a subcontractor in Onshore civil construction (HDD) and Cable installation in Taiwan**

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# COMPANY TRACK RECORDS



Project Name: Yunlin Offshore Windfarm
Location: Yunlin County, Taiwan



Project Name: Changfang & Xidao (CFXD) Windfarm
Location: Changhua County, Taiwan



Project Name: HOA BÌNH 5 ONSHORE WINDFARM
Location: HOA BÌNH district, BAC LIEU province

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# YUNLIN OFFSHORE WINDFARM, TAIWAN



HDD works and cable pulling from offshore to land substation in Yunlin, Taiwan



HDD Work Barge

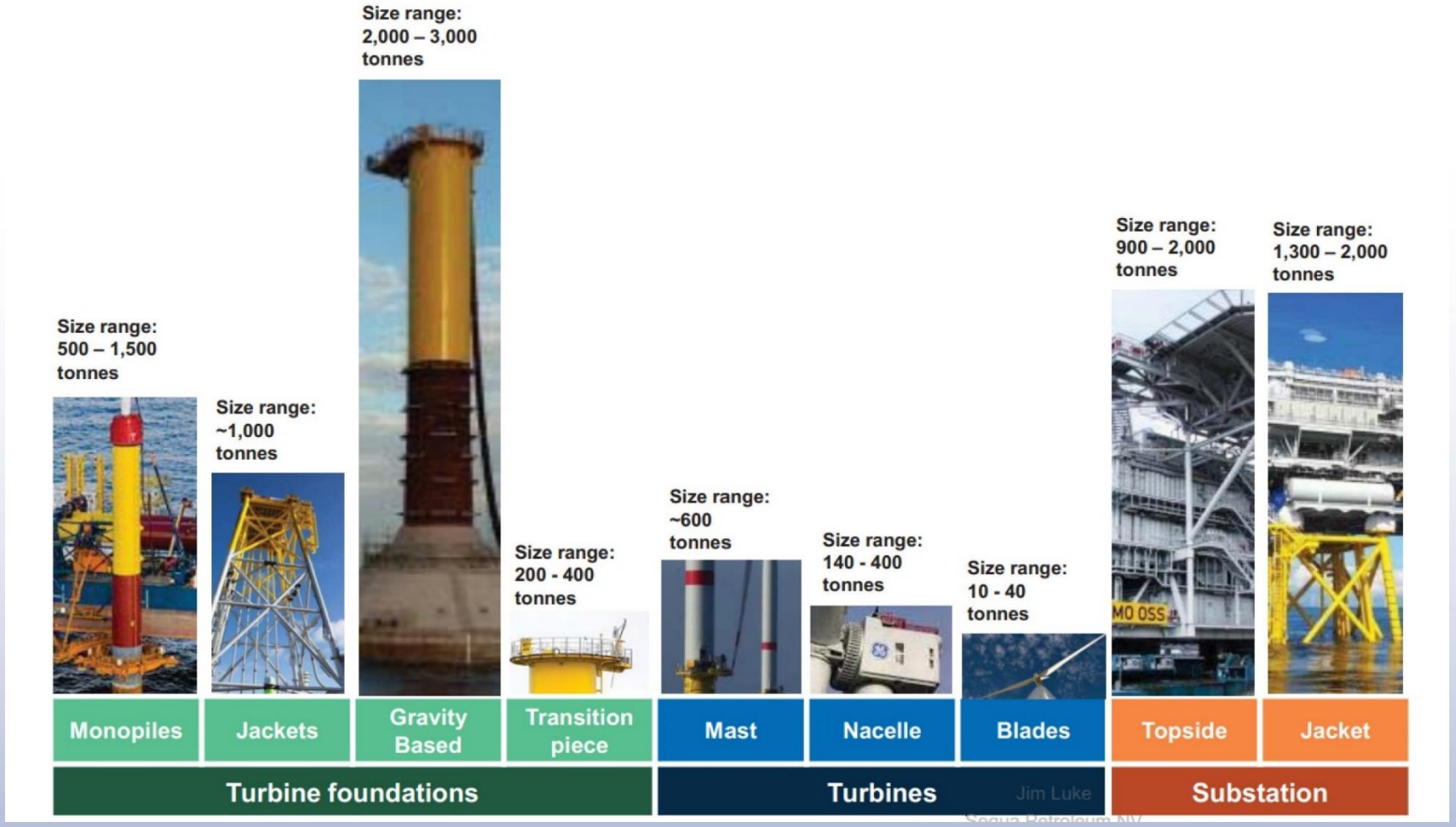
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# CHANGFANG XIDAO OFFSHORE WINDFARM, TAIWAN



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## Gravity based foundations largest average component weight at 2,000-3,000 tonnes

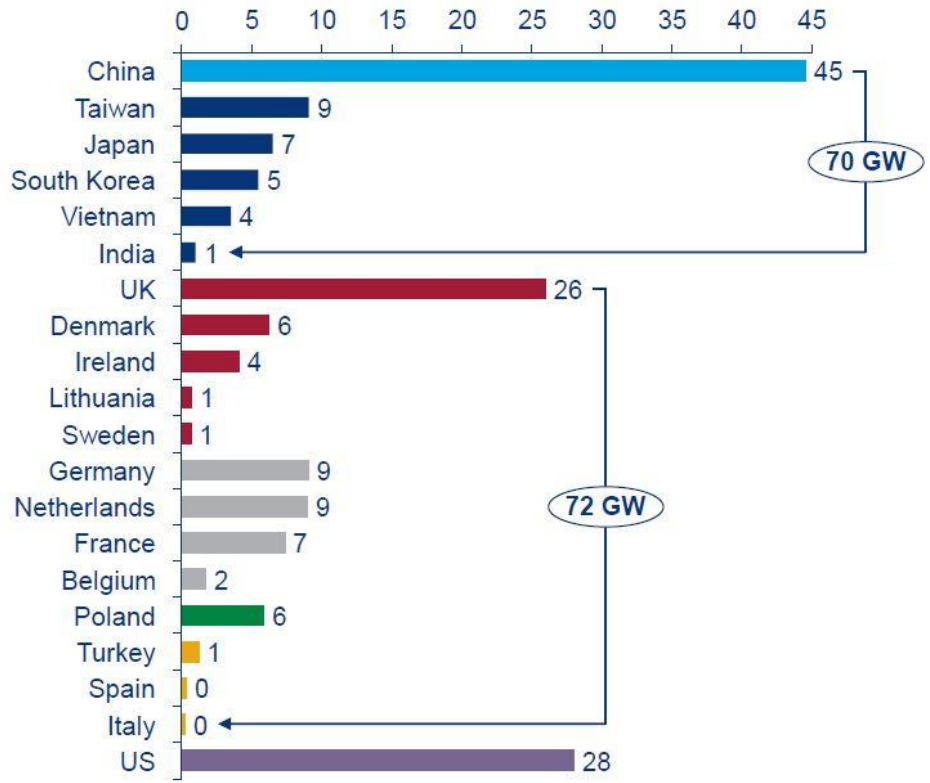



*Source: Rystad Energy Research & Analysis; Equinor/ SSE*

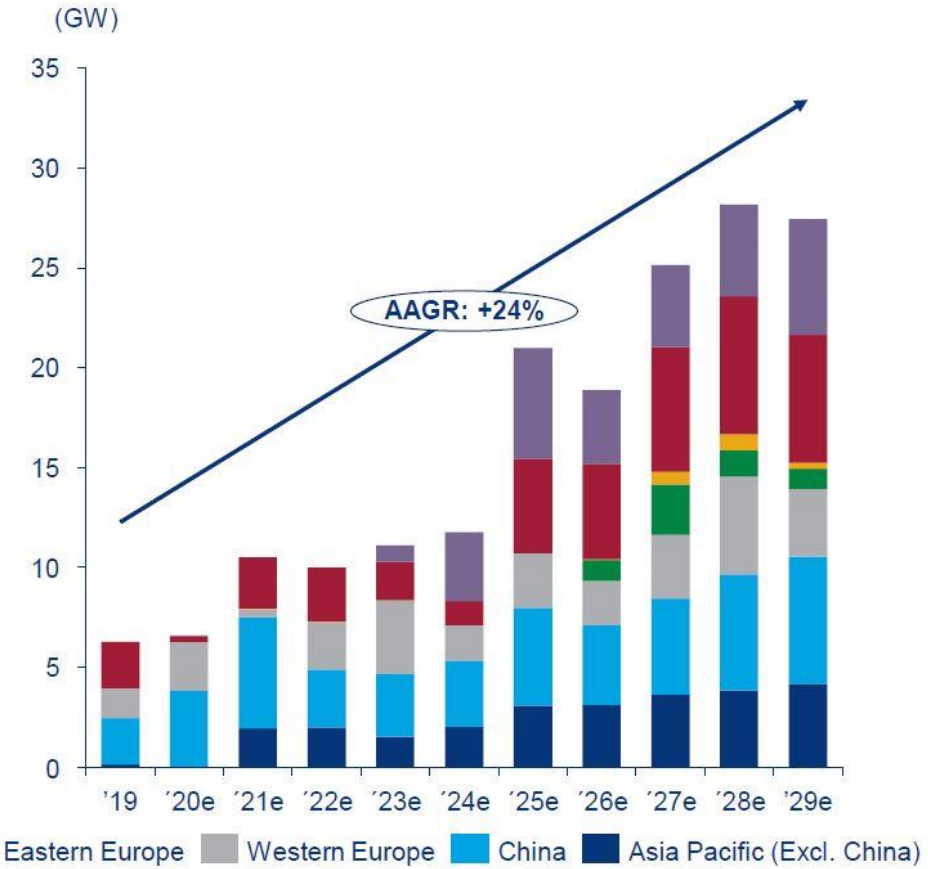
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# At least 70GW of new offshore capacity will be added in APAC over next decade

## Offshore top 20 markets: New capacity '20e-'29e




## *Offshore market forecasts: 2019-2029e*

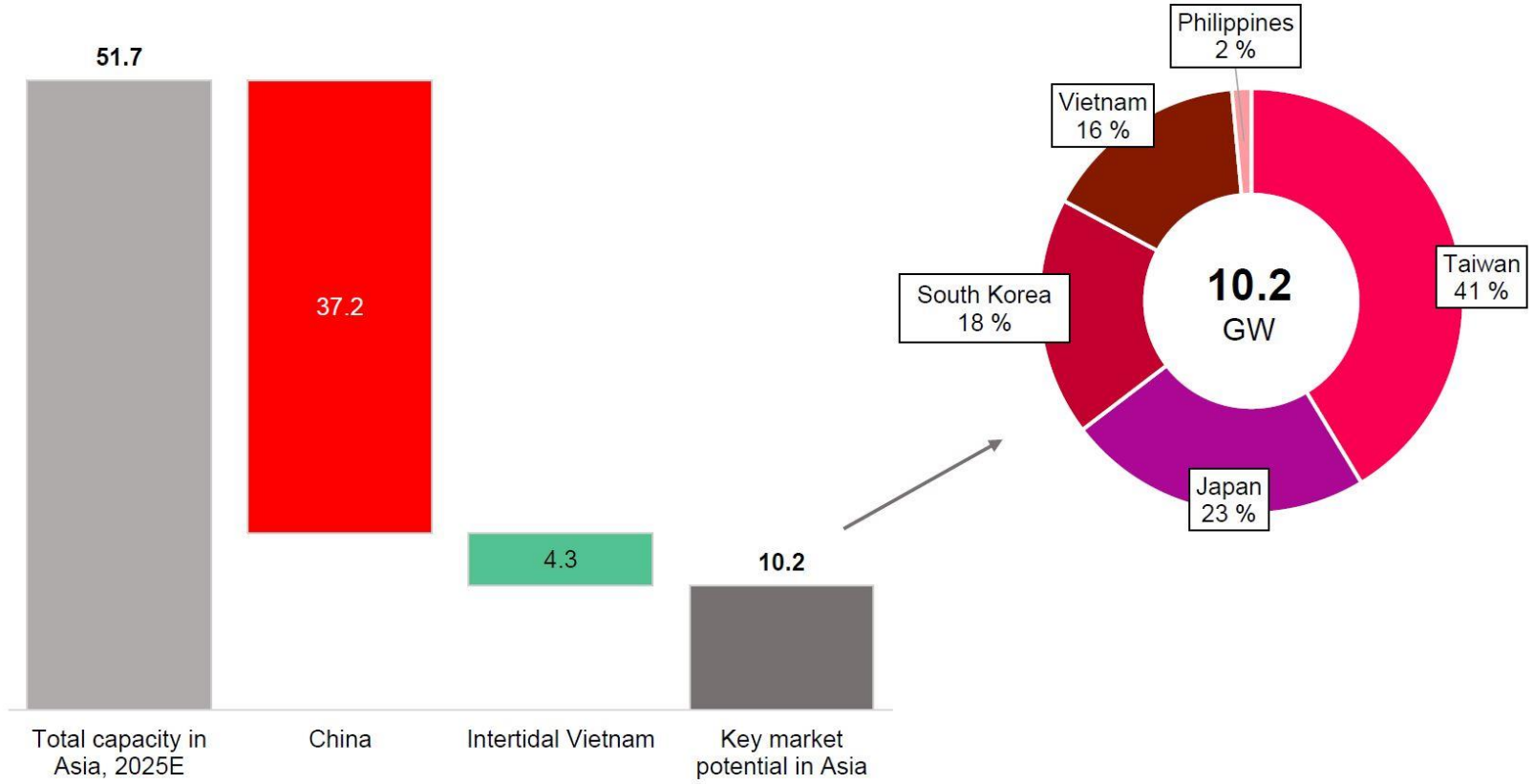



Source: Wood Mackenzie

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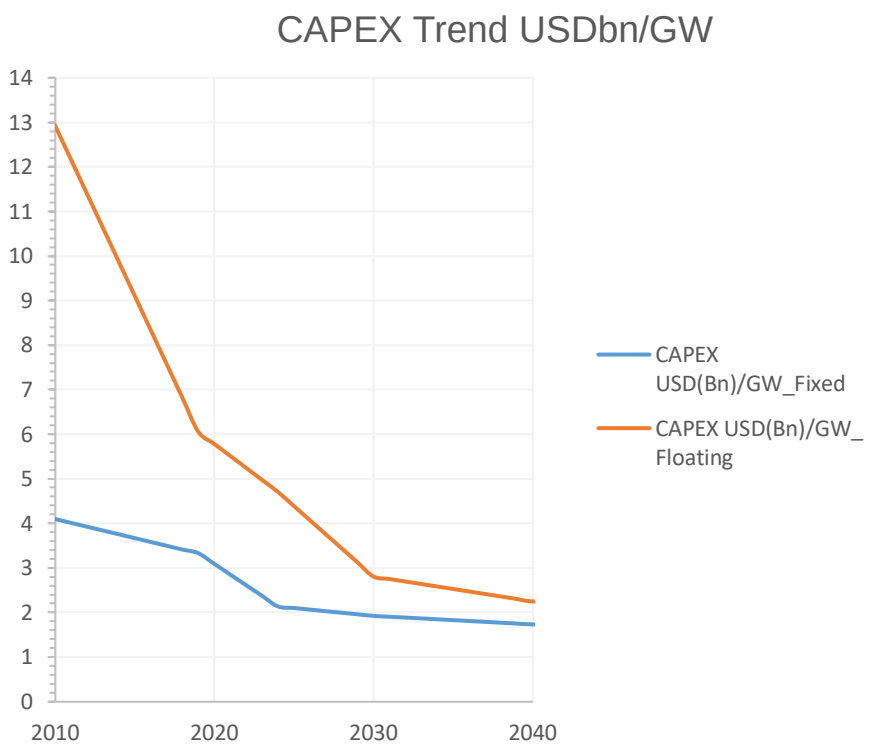
Key business opportunities expected to be in Taiwan, Japan, South Korea and Vietnam

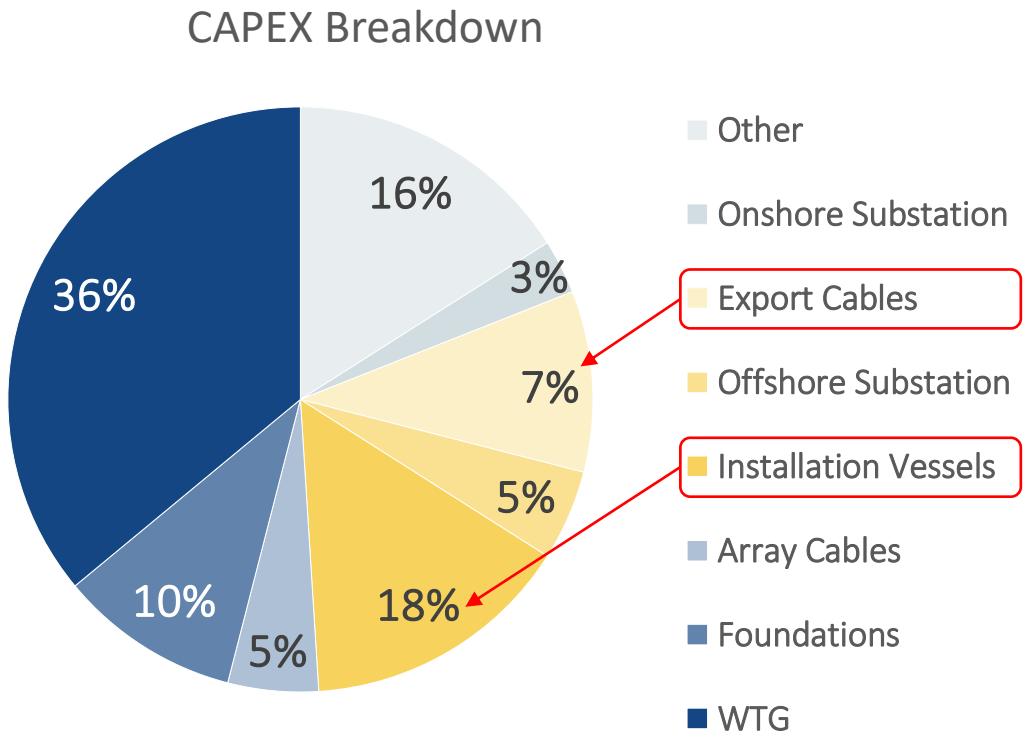
**Breakdown of Asian offshore wind capacity by 2025E**
Gigawatts




Source: Rystad Energy Offshore Wind Dashboard; Rystad Energy research and analysis

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***Assumptions:***

- *Each GW of offshore wind power installed requires an average CAPEX of US$1.8bn*
- *Adira Renewable's addressable market is 25% of the total CAPEX required.*

*Source: https://www.nesfircroft.com/blog/2020/11/10-wind-power-projects-creating-jobs-in-southeast-asia*

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# FINANCIAL HIGHLIGHTS

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# FINANCIAL HIGHLIGHTS

## OPERATING RESULTS

| (S$'000) | FY2020 | FY2019 | FY2018 |
|---|---|---|---|
| Revenue | 37,643 | 58,080 | 38,060 |
| Gross profit | 7,426 | 15,598 | 5,372 |
| EBITDA Gain/(Loss) | 2,756* | 7,407 | (4,269) |
| Net Cash generated from/(used in) Operating Activities | 3,605 | 4,937 | (4,828) |
| Net Loss | (5,044)* | (3,840) | (13,508) |

## FINANCIAL POSITION

| (S$'000) | FY2020 | FY2019 | FY2018 |
|---|---|---|---|
| Total Assets | 122,420 | 115,832 | 121,737 |
| Current Assets | 24,733 | 44,968 | 19,192 |
| Total Liabilities | 63,022 | 53,952 | 52,783 |
| Current Liabilities | 27,351 | 37,003 | 27,031 |
| Total Equity | 59,398 | 61,880 | 68,954 |
| Cash & Cash Equivalents, net of bank overdraft | 5,050 | 3,063 | 1,967 |
| Debt to Equity Ratio ** | 0.75 | 0.52 | 0.55 |

** Excluding one-off non-cash impairment of S$2.1 million for the reclassification of property at 48 Penjuru Road due to change in measurement basis of assets held-for-sale and other equipment.*

*** Defined as the sum of indebtedness to financial institutions divided by total equity.*

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# THANK YOU


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