
Signing of Memorandum of Understanding with Hung Hua Construction Co. and Thaitan Drilling Co. Ltd

SINGAPORE, 18 June, 2019 Kim Heng Offshore & Marine Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”), an established integrated offshore and marine value chain services provider, is pleased to announce that its wholly owned subsidiary Kim Heng Marine & Oilfield Pte Ltd (“KHMO”) had signed a Memorandum of Understanding (“MOU”) with Hung Hua Construction Co. (“HHC”) and Thaitan Drilling Co. Ltd (“Thaitan”) to establish a long term business cooperation.

HHC is a marine construction company participating in dredging and maritime construction projects. For more than 30 years, HHC has been engaging in dredging of waterways, navigation channels, constructing of dykes, foundation piles, breakwaters, projects of large reclamation and port construction.

Thaitan is a company specialising in the provision of leading Horizontal Directional Drilling (“HDD”) services.

The MOU is in relation to the operations between KHMO, HHC and Thaitan relating to HDD projects and marine construction projects.

Pursuant to the MOU:

- i) KHMO and Thaitan will, as a consortium or joint venture, provide design, engineering, drilling equipment and project technical support to HHC’s HDD projects onshore and offshore.
- ii) KHMO and Thaitan will support HHC technically and operationally as a preferred sub-contractor for its future projects in Taiwan.
- iii) HHC will tender for future HDD projects and marine construction projects in Taiwan on behalf of KHMO and Thaitan.
- iv) HHC, KHMO and Thaitan will explore forming a joint venture through a subsidiary registered in Taiwan for future HDD projects and marine construction projects.

KHMO, HHC and Thaitan will work towards signing a formal contractual agreement and charter party agreements.

The MOU will remain in force for a period of one year, and renewable as mutually agreed by the parties. The MOU is not expected to have a material financial impact on the Group’s net tangible assets per share and earnings per share for the financial year ending 31 December 2019.

The MOU is subject to, amongst other things, the execution of the definitive agreements in relation to the above and there is no certainty or assurance that the definitive agreements will be



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entered into. The Company will make further announcements when there are material updates to the MOU and related matters contained in this press release.

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the abovementioned MOU, save for their shareholdings in the Company (if any).

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About Kim Heng Offshore & Marine Holdings Limited (Bloomberg Ticker: KHOM SP)

www.kimheng.com.sg

With 50 years of experience and listed on the Catalist Board of the Singapore Exchange Securities on the 22nd of January 2014, Kim Heng Offshore & Marine Holdings Limited (“**Kim Heng**” or the “**Group**”) is an established integrated offshore and marine value chain services provider, engages in different stages of offshore oil and gas projects from oil exploration to field development and oil production.

Kim Heng has built its brand over the years and currently caters to world renowned customers from over 25 countries in the regions of Southeast Asia, USA, Latin America, Australasia, Middle East and Europe.

The Group’s operations are strategically located in Singapore, with two shipyards at 9 Pandan Crescent and 48 Penjuru Road. The shipyards, consists of a combined waterfront of 205 metres, enable the Group to carry out afloat repairs, fabrication, newbuild, painting and blasting works.

Kim Heng’s three main business segments.

Offshore Rig Services & Supply Chain Management

Offshore Rig Services

- Construction and fabrication works of sections or components of drilling rigs & drillships
- Installation of offshore production modules and systems
- Afloat repairs, maintenance and refurbishment of offshore rigs, platforms & vessels
- Supply of offshore drilling and production equipment
- 24/7 Oil spill response and salvage operations
- Owner and Operator of Offshore Support Vessels

Supply Chain Management

- Provision of offshore supply vessels and heavy-lift equipment
- Provision of logistics, general shipping and crew management

Heavy-lift Equipment

- Provision of heavy equipment both for sale and rent
- Import and export of heavy equipment
- These include crawler cranes, lorry cranes and mobile cranes

Vessel Sales & Newbuild

- Purchase and refurbishment of vessels for onselling
- Newbuilding of vessels



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This press release has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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