KIM HENG LTD.
(Company Registration Number: 201311482K)
(Incorporated in the Republic of Singapore on 29 April 2013)

ENTRY INTO MEMORANDUM OF AGREEMENTS FOR PURCHASE OF NINE VESSELS

The Board of Directors (the "**Board**") of Kim Heng Ltd. (the "**Company**") and its subsidiaries (collectively the "**Group**") wishes to announce that Ruhm Mazu Sdn Bhd, a 49% owned indirect subsidiary of the Company, has entered into various memorandum of agreements in relation to the purchase of nine vessels for a total consideration of approximately US$9.28 million ("**Consideration**") (the "**Acquisition**"). The nine vessels consist of one 400 pax accommodation barge, one special service offshore support vessel, four anchor handling tug supply vessels and three offshore support vessels (the "**Vessels**").

The Acquisition will further reiterate the Group's strategy in prudent acquisition of Vessels cheaply to enable the Group to refurbish them at the Group's two shipyards and on-sell to customers for profits and/or to charter out to generate charter revenue. Refurbishment of Vessels in our own shipyards enables the Group to maximize the utilization of the two shipyards.

With the Acquisition, the Group will be able to position and meet the growing demands from the marine and offshore and the renewables sector. The Consideration will be funded by a combination of internal resources and bank borrowings.

The vessel sales and newbuild and chartering and towage are the main businesses of the Group. With a very strong resource base, the Group will be able to draw from a wealth of expertise throughout the organization and develop a comprehensive range of service capabilities. The Group owns and operates a wide range of quality offshore fleet of vessels and cranes for both sale and rent, including crawler cranes, lorry cranes and mobile cranes to support all kinds of marine offshore services and windfarm facilities installation.

The Acquisition does not constitute a "transaction" for the purposes of Chapter 10 of the Listing Manual Section B: Rules of Catalist as it is considered the Group's ordinary course of business of Vessel Sales & Newbuild, *inter alia* purchase and refurbishment of vessels for on-selling.

As of the date of this announcement, save for their respective directorships and/or shareholdings in the Group, none of the Directors or controlling shareholders of the Company, has any interest, direct or indirect, in the Acquisition.

BY ORDER OF THE BOARD

Tan Keng Siong Thomas
Executive Chairman & CEO
24 February 2023

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