



**KIM HENG OFFSHORE & MARINE HOLDINGS LIMITED**  
(Company Registration Number: 201311482K)  
(Incorporated in the Republic of Singapore on 29 April 2013)

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## REALLOCATION OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

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The Board of Directors (the “**Board**”) of Kim Heng Offshore & Marine Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the Company’s offer document in connection with its initial public offering (“**IPO**”), the Company’s announcements on 20 October 2016, 12 June 2017 and 11 July 2017 in relation to the use and reallocation of proceeds raised from the IPO (the “**IPO Proceeds**”) and wishes to provide and update on the use of the IPO Proceeds.

The Board has reviewed and carefully deliberated on the allocation of the IPO Proceeds and has concluded, in the best interest of the Company and its shareholders, to reallocate the S\$7.0 million, initially allocated to expansion of business scope via investments, acquisitions and strategic alliances (“**M&A**”), to fund the general working capital requirements of the Company, which include the purchase of materials for trading purposes and for operating expenses.

The following table sets out the breakdown of the use and reallocation of the IPO proceeds as at the date of announcement:

<b>Intended Usage in accordance with the Offer Document</b>	<b>Allocation (S\$'000)</b>	<b>Re-allocation (S\$000)</b>	<b>Revised Allocation (S\$'000)</b>	<b>Amount utilised (\$'000)</b>	<b>Amount unutilised (\$'000)</b>
Capital expenditure for enhancement of yard facilities and fleet expansion	20,000	(5,000) <sup>(1)</sup>	15,000	(15,000) <sup>(2)</sup>	-
Expansion of business scope via investments, acquisitions and strategic alliances (“M&A”)	7,000	(7,000)	-	-	-
General working capital	9,400	12,110	21,510	(14,510) <sup>(3)</sup>	7,000
IPO Expenses	3,600	(110) <sup>(1)</sup>	3,490	(3,490)	-
<b>Total</b>	<b>40,000</b>	<b>-</b>	<b>40,000</b>	<b>(33,000)</b>	<b>7,000</b>

Notes:

- (1) On 20 October 2016, the Company re-allocated the IPO Proceeds pursuant to which S\$5 million initially allocated to capital expenditure for enhancement of yard facilities and fleet expansion; and S\$0.11 million initially allocated to IPO expenses were together reallocated to fund the general working capital requirements of the Company.
- (2) Amount used to partially fund the building construction cost and renovation cost for the plot of land located at 48 Penjuru Road, and used for the purchase of vessels.
- (3) Amount mainly used for the purchase of materials for trading purposes and operating expenses, including but not limited to office overhead expenses and general administration expenses.

The Company will make further periodic announcements via SGXNET on the utilisation of the IPO Proceeds as and when they are materially disbursed.

**BY ORDER OF THE BOARD**

Tan Keng Siong Thomas  
Executive Chairman and CEO  
Kim Heng Offshore & Marine Holdings Limited  
8 November 2017

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the 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.*

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