

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

MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE CHEVRONS, 48 BOON LAY WAY, LEVEL 3 ROSE ROOM, SINGAPORE 609961 ON MONDAY, 28 APRIL 2025 AT 9.30 A.M.

PRESENT

Directors

Thomas Tan Keng Siong	- Executive Chairman and Chief Executive Officer
Choo Kee Siong	- Non-Executive Director
Tan Kok Kiong Andrew	- Independent Director
Tran Phuoc	- Independent Director
Chia Jackson	- Independent Director

In attendance

As set out in the attendance record maintained by the Company

Members

As set out in the attendance record maintained by the Company

CHAIRMAN

The Chairman of the meeting (the “**Chairman**”), Mr. Thomas Tan Keng Siong, took the chair and welcomed all shareholders present at the meeting (the “**AGM**” or the “**Meeting**”).

The Chairman proceeded to introduce the Board of Directors and Chief Financial Officer.

QUORUM

There being a quorum present, the Chairman called the Meeting to order at 9.30 a.m.

NOTICE OF MEETING

The Notice convening the Meeting, having been previously circulated to shareholders of the Company on 11 April 2025, and with the permission of all shareholders present at the Meeting, was taken as read.

ADVANCE QUESTIONS FROM SHAREHOLDERS

The Company had invited Shareholders to submit their questions prior to the submission of proxy form by 18 April 2025. The Company did not receive any questions from shareholders.

VOTING BY WAY OF POLL

The Chairman informed that the voting on all resolutions to be passed at this Meeting would be conducted by poll. He then proceeded to demand for a poll in accordance with the provision of the Constitution of the Company. The Meeting noted the results of the poll shall be deemed to be the resolutions of the Meeting.

The Chairman further informed that in his capacity as Chairman of the Meeting, he had been appointed as proxy by several shareholders and that he would be voting in accordance with their instructions.

The Chairman announced that Tricor Singapore Pte. Ltd. had been appointed as Polling Agent and Entrust Advisory Pte. Ltd. had been appointed as Scrutineers for the meeting.

A representative from Entrust Advisory Pte. Ltd. briefed the shareholders on the voting procedures.

Questions and replies are set out in the "Appendix A" annexed to these minutes.

ORDINARY BUSINESS

Resolution 1:

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024, DIRECTORS' STATEMENT AND AUDITORS' REPORT

The Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' Report and Independent Auditors' Report thereon were tabled for adoption by the shareholders.

The Chairman invited questions from shareholders on the Audited Financial Statements and the Reports. The questions raised and answers from the Company are annexed hereto in Appendix A.

As there have been sufficient discussion, the motion to receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' Report and Independent Auditors' Report, was proposed by Mr. Lim Hock Chuan and seconded by Mr. Tan Keng Hoe, Melvin, as follows:-

That the Audited Financial Statements of the Company for the financial year ended 31 December 2024 and the Directors' Statement and the Auditors' Report contained therein be hereby received and adopted.

Ordinary Resolution 1 was then put to vote by poll. Shareholders cast their votes on the poll voting slip provided. It was noted that the poll voting slip would be collected by the Scrutineer for verification after all eight resolutions put to the Annual General Meeting ("**AGM**") had been voted upon.

Resolution 2:

DIRECTORS' FEES OF S\$211,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025

The motion to approve the payment of Directors' fees of S\$211,000 for the financial year ending 31 December 2025 was duly proposed by Mr. Lim Hock Chuan and seconded by Mr. Tan Keng Hoe, Melvin; as follows:-

That the payment of Directors' Fees of S\$211,000 for the financial year ending 31 December 2025 be approved.

The Chairman invited questions from shareholders present at the Meeting. No questions were raised on the resolution during the AGM.

The motion was put to vote by poll. Shareholders cast their votes on the poll voting slip provided.

Resolution 3:

RE-ELECTION OF MR TAN KOK KIONG ANDREW AS A DIRECTOR OF THE COMPANY

The Chairman led the Meeting to the next item on the agenda which was the re-election of Mr Tan Kok Kiong Andrew ("**Mr Andrew**") as a Director of the Company. Mr Andrew who was due for retirement by rotation pursuant to the provision of Article 103 of the Company's Constitution, and being eligible, had offered himself for re-election.

It was noted that, if re-elected, Mr Andrew will remain as Chairman of the Nominating Committee, a member of the Audit & Risk Committee and the Remuneration Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

The motion to re-elect Mr Tan Kok Kiong Andrew as a Director was duly proposed by Mr. Lim Hock Chuan and seconded by Mr. Tan Yong Sang, as follows:-

That pursuant to Article 103 of the Company's Constitution, Mr Tan Kok Kiong Andrew be re-elected as a Director of the Company.

As there were no questions raised, the motion was put to vote by poll. Shareholders cast their votes on the poll voting slip provided.

Resolution 4:

RE-ELECTION OF MR TRAN PHUOC AS A DIRECTOR OF THE COMPANY

The Chairman led the Meeting to the next item on the agenda which was the re-election of Mr Tran Phuoc ("**Mr Tran**") as a Director of the Company. Mr Tran who was due for retirement by rotation pursuant to the provision of Article 103 of the Company's Constitution, and being eligible, had offered himself for re-election.

It was noted that, if re-elected, Mr Tran will remain as Chairman of the Audit & Risk Committee and the Remuneration Committee and a member of the Nominating Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

The motion to re-elect Mr Tran as a Director was duly proposed by Mr. Lim Hock Chuan and seconded by Mr. Tan Yong Sang, as follows:-

That pursuant to Article 103 of the Company's Constitution, Mr Tran be re-elected as a Director of the Company.

As there were no questions raised, the motion was put to vote by poll. Shareholders cast their votes on the poll voting slip provided.

Resolution 5:

RE-ELECTION OF MR CHIA JACKSON AS A DIRECTOR OF THE COMPANY

The Chairman led the Meeting to the next item on the agenda which was the re-election of Mr Chia Jackson ("**Mr Jackson**") as a Director of the Company. Mr Jackson who was due for retirement by rotation pursuant to the provision of Article 107 of the Company's Constitution, and being eligible, had offered himself for re-election.

It was noted that, if re-elected, Mr Jackson will remain as a member of the Audit & Risk Committee, Remuneration Committee and Nominating Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

The motion to re-elect Mr Chia Jackson as a Director was duly proposed by Mr. Lim Hock Chuan and seconded by Mr. Tan Yong Sang, as follows:-

That pursuant to Article 107 of the Company's Constitution, Mr Chia Jackson be re-elected as a Director of the Company.

As there were no questions raised, the motion was put to vote by poll. Shareholders cast their votes on the poll voting slip provided.

Resolution 6:

RE-APPOINTMENT OF MESSRS FOO KON TAN LLP AS AUDITORS OF THE COMPANY AND AUTHORITY FOR DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed the Meeting that Messrs Foo Kon Tan LLP had expressed their willingness to continue in office as Auditors of the Company, to hold office until the conclusion of the next annual general meeting at a remuneration to be fixed by the Directors.

The motion to re-appointment of Messrs Foo Kon Tan LLP as Auditors was duly proposed by Mr. Lim Hock Chuan and seconded by Mr. Tan Yong Sang, as follows:-

That Messrs Foo Kon Tan LLP, Certified Public Accountants, Singapore, be and are hereby appointed Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors.

As there was no question raised, the motion was put to vote by poll. Shareholders cast their votes on the poll voting slip provided.

SPECIAL BUSINESSES

Resolution 7:

AUTHORITY TO ALLOT AND ISSUE SHARES

The Chairman informed the Meeting that the next item on the agenda under Special Business was to consider the motion as set out in the notice convening the Meeting to grant authority to the Directors to allot and issue shares in the capital of the Company pursuant to the provisions of Section 161 of the Companies Act 1967 of Singapore, and Rule 806 of the Catalist Rules.

The following Ordinary Resolution 7 was duly proposed by Mr. Lim Hock Chuan and seconded by Mr. Tan Yong Sang, as follows:-

That pursuant to Section 161 of the Companies Act 1967 of Singapore, and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:-

- (A)(i) issue and allot new shares ("**new Shares**") in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
- (B) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

PROVIDED ALWAYS that:

- (1) the aggregate number of Shares to be issued pursuant to this authority (including the Shares to be issued in pursuance of Instruments, made or granted pursuant to this authority), shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), and provided further that where shareholders of the Company ("**Shareholders**") are not given the opportunity to participate in the same on a pro-rata basis ("**non pro-rata**")

basis”), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments, made or granted pursuant to this authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this authority was conferred, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new Shares arising from the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time this authority was conferred; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of the Shares;

and any adjustments in accordance with sub-paragraphs (2)(i) and (2)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and
- (4) (unless revoked or varied by the Company in a general meeting) this authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules to be held, whichever is earlier.

As there were no questions raised, the motion was put to vote by poll. Shareholders cast their votes on the poll voting slip provided.

Resolution 8:

PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

The Chairman informed that the next and final item on the agenda under Special Business was to consider the motion as set out in the notice convening the Meeting for the renewal of the share buyback mandate.

The following Ordinary Resolution 8 was duly proposed by Mr. Lim Hock Chuan and seconded by Mr. Tan Yong Sang, as follows:-

That:

- (a) for the purposes of sections 76C and 76E of the Companies Act 1967 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchases (each an “**Market Purchase**”) on the SGX-ST; and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they may, in their absolute discretion, deem fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable (the “**Share Buyback Mandate**”);

- (b) the Directors of the Company may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the listing rules of the SGX-ST and the Companies Act, as they consider fit and in the interests of the Company in connection with or in relation to any equal access scheme(s);
- (c) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the absolute discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (d) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next AGM of the Company is held or is required by law to be held;
 - (ii) the date on which the share buybacks are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in general meeting; and
- (e) in this Resolution:

“**Prescribed Limit**” means the number of issued Shares representing not more than 10% of the total number of issued Shares (ascertained as at the date of the last AGM held before the passing of this Resolution or as at the date of passing of this Resolution, whichever is higher, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares shall be taken to be the total number of Shares as altered (excluding any treasury shares and subsidiary holdings, if any) that may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date on which the last AGM was held and expiring on the conclusion of the next AGM or on the date by which the next AGM is required by law to be held, whichever is the earlier, after the date of passing of this Resolution; and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five market days on which transactions in the Shares were recorded on the SGX-ST

immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined hereinafter) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five day period and the day on which the purchases are made;

“Date of the making of the offer” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“Market day” means a day on which the SGX-ST is open for trading in securities; and

- (f) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they/he/she may consider necessary, desirable or expedient to give effect to the transactions contemplated by this Resolution.

The Chairman invited questions from shareholders present at the Meeting.

As there were no questions raised, the motion was put to vote by poll. Shareholders cast their votes on the poll voting slip provided.

VOTING AND VERIFICATION

As there was no other business which may properly be transacted at this Meeting, the Chairman requested the shareholders to submit their poll voting slips to the Polling Agent for votes counting and votes verifying by Scrutineer.

POLL RESULTS

The results of the voting on each resolution, as verified by the Scrutineers were as follows:

Ordinary Resolution	Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
		No. of Shares	(%)*	No. of Shares	(%)*
1	412,636,100	412,606,100	99.99	30,000	0.01
2	412,036,100	412,006,100	99.99	30,000	0.01
3	412,636,100	412,002,800	99.85	633,300	0.15
4	412,636,100	412,002,800	99.85	633,300	0.15
5	412,036,100	412,006,100	99.99	30,000	0.01
6	412,636,100	412,606,100	99.99	30,000	0.01
7	412,636,100	411,495,800	99.72	1,140,300	0.28

8	128,189,100	127,759,100	99.66	430,000	0.34
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Based on the results of the poll, the Chairman declared Resolutions 1 to 8 carried.

CONCLUSION

There being no other business, the Chairman thanked all members present for their attendance and declared the Meeting closed at 11.10 a.m..

Confirmed as a correct record of
the proceedings of the Meeting

Tan Keng Siong Thomas
Executive Chairman & Chief Executive Officer

APPENDIX A:

Substantial Questions Raised by Shareholders

QUESTION 1:

A Shareholder requested a summary of the Company's activities over the past year.

The CFO provided a presentation detailing the key financial figures. For FY2024, the Company experienced an increase in revenue, rising by S\$22 million from S\$101 million in FY2023 to S\$123 million in FY2024. Regarding gross profit, while there was a slight decline between FY2024 and FY2023. EBITDA was at S\$17.9million for both FY2024 and FY2023.

In terms of revenue performance across different segments, chartering, which accounts for approximately 30% of the total annual revenue, saw an increase, reaching S\$36.6 million in FY2024. Trading in vessels, which represents approximately 31% of FY2024 revenue, also experienced a significant growth of S\$21.3 million, from S\$16.6 million in FY2023 to S\$37.9 million in FY2024.

However, the marine offshore support services segment, representing approximately 23% of FY2024 revenue, experienced a decline, decreased from S\$44 million in FY2023 to S\$27 million in FY2024. This decline is attributed to lower revenue from the wind farm project in Taiwan and fewer rigs calling at the yard in FY2024. Additionally, sales of goods and equipment rental income, which contribute only 3% and 2% respectively for FY2024's revenue, saw a notable decrease, largely due to lower demand from offshore rigs and crane rental business.

Regarding expenses, there was a slight increase of S\$0.3 million in distribution expenses from FY2023 to FY2024. On the other hand, other expenses decreased from S\$6.4 million in FY2023 to S\$4.3 million in FY2024.

QUESTION 2:

A Shareholder noted that the Company's FY2024 results appear consistent with broader industry trends. The industry experienced favourable conditions in the previous year, and the Company's reported profit of approximately \$2.5 million for FY2024 reflects solid performance. However, there is a noticeable discrepancy in the Earnings Per Share (EPS), which dropped significantly from approximately \$0.0022 in FY2023 to \$0.0004 in FY2024. Clarification was requested on this gap between profit and EPS.

The CFO explained that the discrepancy is due to the non-controlling interest in the Company's Malaysian chartering business, in which Kim Heng holds a 49% stake. While the full profit from the Malaysian operation is consolidated into the group's financial statements, only the proportion attributable to the owners of the Company - Kim Heng is counted towards EPS.

The CFO also further explained that demand from Malaysian charter segment is expected to continue to be robust that the company is focusing on expanding its local offshore and windfarm geotechnical operations.

Mr Lucas further clarified that the Malaysian chartering entity operates as a joint venture. The EPS calculation is based solely on the "Profit attributable to owners of the Company", as shown on page 72 of the Annual Report. In FY2024, this figure was approximately S\$270,000, which explains the reduced EPS despite the consolidated group profit being S\$2.5 million.

QUESTION 3:

A Shareholder referenced page 71 of the Annual Report and noted that the company holds a substantial amount of current assets, particularly trade and other receivables, amounting to approximately S\$45 million. This is matched by a similar increase in current liabilities, around S\$42 million, which appears reasonable. However, the shareholder raised a query regarding the

non-current liabilities, specifically the trend of loans and borrowings, which seems to be decreasing. The question posed was whether the company is repaying its long-term debt using profits, or if there's a structured reduction plan in place for non-current liabilities.

The CFO clarified that the Company's loan portfolio spans 4 to 6 years. The observed decrease in non-current liabilities is that majority of these loans are reaching maturity—the company is currently in the 4th to 5th year of the loan cycle. As a result, several long-term borrowings are now being fully repaid as they mature. This repayment is part of the scheduled loan repayment, not an early repayment from profits.

QUESTION 4:

A Shareholder acknowledged the strong top-line growth of S\$20 million over 3 years, recording a revenue of approximately S\$122 million for FY2024 but expressed concern that this growth has not translated into bottom-line profitability. They noted that EBITDA and net profit have not grown proportionally, and questioned the quality of earnings, pointing out that FY2024's S\$2.5 million profit included non-cash, non-operating items such as a reversal of impairment loss and forex gain. They also highlighted that the core offshore services segment has been loss-making for the past two years and asked how the company plans to turn around its core business and ensure sustainable profitability.

The Chairman explained that over the past two years, the Company has been investing heavily, around USD 25 million in new business areas, particularly in wind farm projects through a geotechnical joint venture. The offshore oil and gas services segment has been impacted by a decline in rig activity in Singapore, with rigs increasingly going to Malaysia and other regions due to high costs and limited berthing space in Singapore. This has reduced demand for the Company's core services.

To adapt, the Company has shifted to chartering vessels directly to oilfields rather than waiting for rigs to come to Singapore. However, the market remains uncertain, and exploration and production activities have not fully recovered. Equipment rental revenue has also declined due to fewer active projects. On a positive note, infrastructure projects are starting to return, and the company is actively bidding on new projects in Asia, Taiwan, and Korea, though some have been delayed due to political factors. The Chairman is cautiously optimistic that performance will improve in the second half of the year.

QUESTION 5:

A Shareholder referred to the Company's announcement of vessel sales worth S\$14 million and the sale of 48 Penjuru Road for S\$13.5 million. Shareholder asked whether the increase in accounts receivable (AR) was due to advance billing for the vessel sale, and if this advance billing was reflected in the contract liabilities, which also saw a significant increase. Shareholder also questioned the need for billing in advance.

The CFO confirmed that the advance billing was related to the vessel sale in Namibia, which was initially expected to close by December 2024. However, due to technical delays and the holiday season, the transaction was only finalized on January 9, 2025. As a result, the S\$14.5 million sale will be recognized in FY2025, and not FY2024. The profit and loss impact is expected to exceed S\$4 million and the full amount proceeds was collected on 9 January 2025.

QUESTION 6:

A Shareholder expressed surprise over the recently announced sale of the 48 Penjuru Road property for S\$13.5 million, asking why the transaction is occurring in 2025 instead of being completed by the end of FY2024.

The Chairman explained that the sale is not yet completed. An offer was received only a few weeks ago. The property had been on the market for two years, and a previous sale attempt failed because JTC rejected the buyer due to the buyer did not meet JTC's criteria to operate and own a waterfront property.

The decision to sell was made two years ago due to the limited space and high maintenance costs. The Company plans to consolidate operations and optimise operations to achieve cost savings.

QUESTION 7:

A Shareholder asked whether the sale of 48 Penjuru Road would be recorded as a loss, considering the reported sale price of S\$13.5 million versus the book value of S\$15 million.

The Chairman confirmed that the book value of the property is S\$15 million, while the current sale price is S\$13.5 million, which would result in a book loss. However, after the announcement, further new enquiries were received. The Company is now awaiting approval from JTC before proceeding.

QUESTION 8:

A Shareholder asked for clarification regarding the Company's property holdings following the sale of 48 Penjuru Road, specifically referencing to 9 Pandan Crescent. The shareholder noted that the lease for 9 Pandan Crescent is set to expire on 15 October 2024 and questioned the Company's operational plans if the sale of 48 Penjuru Road proceeds while the renewal of 9 Pandan Crescent remains pending.

The CFO confirmed that the lease for 9 Pandan Crescent does expire on 15 October 2024, but the Company has submitted a renewal application to JTC well in advance. The submission was made as of 15 October 2024, with the intention to extend the lease beyond 2025. The CFO explained that the Company has fulfilled most of the investment criteria required for the lease renewal. However, JTC is still in the process of conducting a resurvey and final site assessment, which is standard procedure before formal approval is granted.

The CFO emphasized that the Company is in active discussions with JTC, there is a high likelihood of renewal within the next six months and JTC has granted in-principle approval for the Company to continue occupying the site until the formal lease extension is finalized.

QUESTION 9:

A Shareholder asked about the Company's plans for utilizing the significant cash inflow expected from the sale of vessels and property. Shareholder expressed concern about the Company's weak cash position, high gearing, and current liabilities exceeding current assets. They emphasized the need to strengthen financial health and asked whether the incoming cash (around S\$21 million) would be used to repay loans, fund expansion, or other purposes.

The Chairman explained that the Company is prudent with investments and reinvests profits to grow revenue. The sale of 48 Penjuru Road will help reduce loans, settling about S\$3-5 million in debt and potentially S\$8 to 10 million in cash. This cash may be used for operations or expansion plans. The Chairman acknowledged market challenges and emphasized the Company's cautious approach to avoid overcommitting to risky projects. The goal is to reduce debt further in FY2025–2026 and improve financial results over the next two years.

QUESTION 10:

A Shareholder pointed out that the Company's gearing is high, and loan interest costs are significant. They suggested that using incoming cash to reduce debt might be a more effective strategy, especially given the current financial pressure.

The Chairman acknowledged the concern and explained that in the past, market conditions presented opportunities to acquire undervalued vessels and assets. To capitalize on these, the Company had to take on debt. Chairman likened the business model to a car workshop with fixed overheads and skilled labour that must be maintained, the company needs to keep work flowing. By buying vessels at low prices, refurbishing them in-house, and reselling them, the Company has generated significant revenue

S\$38 million last year from vessel trading alone. This strategy continues, and the Company remains focused on identifying good-value assets to turn into profitable transactions.

QUESTION 11:

A Shareholder noted that FY2024 was an active year for the Company in terms of mergers and acquisitions (M&A). Shareholder asked for more details about these activities, including the ownership percentages in the acquired or partnered entities, the nature of their businesses, and especially information about any joint ventures.

The Chairman explained that the Company has been building strategic partnerships over the years, particularly because the Singapore market is limited, with little offshore oil & gas activity beyond repair and maintenance. To expand internationally, the Company has formed joint ventures with strong local partners in various countries. These partnerships are essential for securing projects abroad, as operating independently in foreign markets is challenging. The Company contributes its engineering expertise, while local partners help navigate regulatory and market conditions.

QUESTION 12:

A Shareholder asked about the percentage ownership that Kim Heng holds in its offshore windfarm partnership in Korea.

The Deputy CEO explained that Kim Heng is involved in geotechnical services for offshore windfarm development in Korea. The Company signed a Four + Two years exclusive framework agreement with Korea's largest windfarm developer to conduct geological surveys. Kim Heng effectively holds 65% stake in the joint venture, while the local partner, Soiltech Engineering Co., Ltd., holds 35%. Soiltech owns the soil testing lab, which is essential because soil samples cannot be taken out of Korea due to national security regulations. Kim Heng provides the marine and offshore expertise to extract the samples, while Soiltech handles the testing. The joint venture is directly contracted under the framework agreement. The joint venture is directly contracted by the windfarm developer on a lump-sum project basis. It then subcontracts Kim Heng's own vessel, Bridgewater Discovery, which is 100% owned by the group, to carry out the marine operations. This structure ensures that the joint venture's revenue flows back into the group, contributing positively to the bottom line.

QUESTION 13:

A Shareholder asked about the contribution to the bottom line from the Company's joint ventures, particularly those related to offshore windfarm projects.

The Deputy CEO confirmed that the joint ventures do contribute to the bottom line. These ventures are directly contracted by windfarm developers on a lump-sum project basis. The revenue earned by the joint venture is used to subcontract services, including the use of the group's own vessel, Bridgewater Discovery, which was recently converted and is 100% owned by the group. This internal subcontracting ensures that a portion of the project revenue flows back to the group, enhancing its profitability.

QUESTION 14:

A Shareholder asked what kind of future contribution to the bottom line is expected from the joint venture with the Korean partner.

The Deputy CEO explained that the joint venture undertakes soil investigation services under lump-sum project contracts. For example, a project may be valued at S\$10 million for drilling a specified number of boreholes. The joint venture earns this amount as project revenue, with associated project margins. Since Kim Heng holds 65% stake, the results will be consolidated into the group's financials, contributing directly to the bottom line.

Additionally, the joint venture subcontracts Kim Heng's vessel, Bridgewater Discovery, on a day-rate basis, and since the vessel is 100% owned by the group, its earnings also contribute fully to the group's profitability. These contributions are expected to be reflected in the FY2025 financial results.

QUESTION 15:

A Shareholder asked about the core business of the Malaysia joint venture involving Ruhm and Wahdah, and what percentage ownership does Kim Heng hold in this partnership.

The Deputy CEO explained that the core business of the Malaysia joint venture is the chartering of offshore vessels. This venture began in 2017, when the Company started acquiring vessels that comply with Malaysian regulations and local content requirements. These vessels are chartered to oil majors in Malaysia. Due to foreign ownership restrictions, Kim Heng cannot hold more than 49% shareholding interest in the joint venture.

QUESTION 16:

A Shareholder asked about the drilling tower project, which is estimated to cost around S\$9 million. Shareholder inquired whether the equipment was new or refurbished, noting the Chairman's reputation for acquiring undervalued assets and refurbishing them.

The Chairman clarified that the drilling tower equipment is new, as the customer requires high specifications that cannot be met with refurbished components. While the vessel itself was purchased for US\$1.1 million, the equipment is significantly more expensive due to its advanced requirements.

QUESTION 17:

A Shareholder asked about the Company's diversification strategy, particularly into offshore windfarm geotechnical services. Shareholder wanted to understand whether the buy-sell-refurbish vessel business is still ongoing or being phased out, and what new business areas the Company is actively pursuing.

The Chairman clarified that the buy-sell-trade of vessels remains an ongoing core business that the Company has been engaged in for many years. However, the Company is also diversifying into new sectors, including Geotechnical services for offshore windfarms, Cable laying, Subsea fiber and submarine cable installation. These are considered new business areas and part of the Company's strategic diversification efforts.

QUESTION 18:

A Shareholder asked how the Company plans to navigate the impact of the global tariff war, given the uncertainty it brings to international trade and operations.

The Chairman stated that the Company will remain defensive during uncertain times and become more aggressive when conditions stabilize. In the meantime, the Company strives to reduce its debt as part of its financial strategy.

QUESTION 19:

A Shareholder asked for the background of the newly appointed board director, Mr. Chia Jackson.

Mr. Jackson clarified that while he is new to the Board, he is not new to Kim Heng. He has a long-standing background in the Navy, having worked with various shipyards, each with different capabilities in maritime and naval operations. He later joined ComfortDelGro, where he was involved in risk

management, sustainability, and ESG initiatives, particularly during the COVID-19 pandemic. Prior to that, he was involved in the taxi and transport business.

QUESTION 20:

A Shareholder asked about the share buyback mandate, noting that Kim Heng has not executed any buybacks despite having the mandate in place.

The Chairman confirmed that the Company has not conducted any share buybacks.