



KIM HENG LTD.

(Company Registration Number: 201311482K)

(Incorporated in the Republic of Singapore on 29 April 2013)

ENTRY INTO A LOAN AGREEMENT WITH A CONTROLLING SHAREHOLDER

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Kim Heng Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 16 September 2023 entered into a loan agreement (the “**Loan Agreement**”) with Mr. Thomas Tan Keng Siong (the “**Lender**”), pursuant to which the Lender has agreed to provide the Company (as the borrower) with a loan facility in an aggregate amount not exceeding S\$7,000,000 (the “**Loan Facility**”) in accordance with the terms and conditions set out in the Loan Agreement.

For the purposes of this announcement, the “**Loan**” means the total principal amount drawn out of the Loan Facility by the Company and duly disbursed to the Company (or its designated persons) by the Lender and for the time being outstanding.

2. THE LENDER

The Lender is the Executive Chairman and Chief Executive Officer as well as a controlling shareholder of the Company. As at the date of this announcement, the Lender has a direct interest in 800,000 ordinary shares in the capital of the Company (“**Shares**”) and a deemed interest in 283,347,000 Shares, which, in aggregate, represent 40.28% of the entire issued share capital of the Company.

SALIENT TERMS OF THE LOAN AGREEMENT

The salient terms of the Loan Agreement are as follows:

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|---------------------|---|--|
| Principal Amount | : | Not exceeding S\$7,000,000 |
| Disbursement Period | : | The Company may submit one or more drawdown notices to the Lender on any business day prior to 30 September 2023 |
| Interest | : | 8.5% per annum |
| Security | : | The Loan and any interest accrued thereon shall be secured by the security created or expressed to be created over certain vessels and a barge (each of which is registered in the name of a subsidiary of the Company) in favour of the Lender pursuant to certain security documents entered into in connection with the Loan Agreement. |
| Repayment | : | Any drawn amount disbursed under the Loan Facility to the Company pursuant to a specific drawdown notice issued to the Lender (each a “ Loan Tranche ”) during the validity of the Loan Agreement shall be repaid two (2) years from the relevant disbursement date of such Loan Tranche (the “ Repayment Date ”). Where a Repayment Date is |

a non-business day, the Company shall repay the relevant Loan Tranche and interest accrued thereon on the business day immediately preceding such non-business day.

3. USE OF PROCEEDS

The Company intends to use the Loan for, amongst other things, funding suitable business opportunities and working capital needs of the Group.

4. PROVISION OF THE LOAN AS AN INTERESTED PERSON TRANSACTION

As the Lender is a director, the chief executive officer and a controlling shareholder of the Company, he is regarded as an “interested person” within the meaning defined in Chapter 9 of the Singapore Exchange Securities Trading Limited’s Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”). Accordingly, the entry into the Loan Agreement is an interested person transaction (“**IPT**”) within the meaning defined in Chapter 9 of the Catalyst Rules.

Pursuant to Rule 909(3) of the Catalyst Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. Assuming that the full amount of the Loan Facility of S\$7,000,000 is disbursed to the Company, the interest payable thereon (given the interest rate of 8.5% per annum and the two (2) year repayment period) by the Company and, therefore, the value of the IPT would amount to approximately S\$636,000. This represents approximately 1% (i.e. less than 3%) of the Group’s latest audited net tangible assets of S\$63,553,000 as at 31 December 2022 (as disclosed in the Company’s annual report for the financial year ended 31 December 2022). Therefore, the Company is not required to make an announcement of the IPT or seek shareholders’ approval pursuant to Rules 905 and 906 of the Catalyst Rules respectively.

Nevertheless, in the interests of transparency and pursuant to Rule 703 read with paragraph 9 of Appendix 7A of the Catalyst Rules, the Company wishes to make a voluntary disclosure of the Loan Agreement. Save as disclosed above, there are no other interested person transactions entered into by the Company with the Lender or his associates for the current financial year ending 31 December 2023.

5. STATEMENT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Company has reviewed the terms of the Loan Facility and is of the view that the Loan Facility is not prejudicial to the interests of the Company and its minority shareholders.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Saved as disclosed herein, none of the other Directors or controlling shareholder(s) of the Company has any interest, direct or indirect, in the Loan Facility (other than through their respective directorships and/or shareholdings in the Company, if any).

BY ORDER OF THE BOARD

Tan Keng Siong Thomas
Executive Chairman & CEO
18 September 2023

This announcement 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 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 (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.