



KIM HENG OFFSHORE & MARINE HOLDINGS LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Kim Heng Offshore & Marine Holdings Limited (the "Company") will be held at Jurong Country Club, Albizia Room 1, Level 2, 9 Science Centre Road, Singapore 609078 on Tuesday, 26 April 2016 at 9:30 a.m. for the following purposes:

ORDINARY BUSINESS

- To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2015 and the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**
- To declare a one-tier tax exempt final dividend of 0.3 Singapore cent per ordinary share in respect of the financial year ended 31 December 2015. **(Resolution 2)**
- To approve the payment of Directors' fees of S\$265,000 for the financial year ended 31 December 2015. **(Resolution 3)**
- To re-elect the following Directors retiring pursuant to Article 103 of the Company's Constitution:
(a) Ms Yeo Seh Hong **(Resolution 4)**
(b) Mr Ong Sie Hou Raymond [See Explanatory Note (i) below] **(Resolution 5)**
- To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

- AUTHORITY TO ALLOT AND ISSUE SHARES** **(Resolution 7)**

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") – Section B: Rules of Catalist ("Catalist Rules"), authority be and is hereby given to the Directors of the Company to:-

- (i) issue and allot new shares ("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) 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) 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) shall be based on the issued Shares (excluding treasury shares) at the time this authority was conferred, after adjusting for:
 - new Shares arising from the conversion or exercise of any convertible securities;
 - 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
 - any subsequent consolidation or sub-division of the Shares;and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;
- (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 Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law and the Catalist Rules to be held, whichever is earlier."
[See Explanatory Note (ii) below]

- AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE KIM HENG EMPLOYEE SHARE OPTION SCHEME 2013** **(Resolution 8)**

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to grant options in accordance with the provisions of the Kim Heng Employee Share Option Scheme 2013 ("Kim Heng ESOS") and to allot and issue from time to time such number of shares in the capital of the Company ("Shares") as may be required to be issued pursuant to the exercise of the options granted under the Kim Heng ESOS, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Kim Heng ESOS, when aggregated together with the Shares issued and/or issuable in respect of all options granted under the Kim Heng ESOS and all Shares issued and/or issuable in respect of all options or awards granted under any other share schemes or share plans adopted by the Company for the time being, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."
[See Explanatory Note (iii) below]

- AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE KIM HENG PERFORMANCE SHARE PLAN 2013** **(Resolution 9)**

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the Kim Heng Performance Share Plan 2013 ("Kim Heng PSP") and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards granted under the Kim Heng PSP, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Kim Heng PSP, when aggregated together with the Shares issued and/or issuable in respect of all awards granted under the Kim Heng PSP and all Shares issued and/or issuable in respect of all options or awards granted under any other share schemes or share plans adopted by the Company for the time being, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."
[See Explanatory Note (iv) below]

- PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE** **(Resolution 10)**

That:

- for the purposes of sections 76C and 76E of the Companies Act, Chapter 50 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:
 - market purchases (each an "Market Purchase") on the SGX-ST; and/or
 - 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");
- 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);
- 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;
- 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:
 - the date on which the next annual general meeting of the Company ("AGM") is held or is required by law to be held;
 - the date on which the share buybacks are carried out to the full extent mandated; or
 - the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in general meeting; and
- 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 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 date the next AGM is held or 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:

- in the case of a Market Purchase, 105% of the Average Closing Price; and
- 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 after the relevant five day period;

"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

- 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.

[See Explanatory Note (v)]

- To transact any other business that may be properly transacted at an Annual General Meeting.

By Order of the Board

Tan Wee Sin
Company Secretary
11 April 2016
Singapore

Explanatory Notes:

- Mr Ong Sie Hou Raymond will, upon re-election as Director of the Company, remain as the Chairman of the Remuneration Committee as well as a Member of the Audit & Risk Committee and the Nominating Committee. The Board considers Mr Ong Sie Hou Raymond to be independent for the purpose of Rule 704(7) of the Catalist Rules. Key information of Mr Ong Sie Hou Raymond can be found on page 14 of the Annual Report 2015. There are no relationships (including family relationship) between Mr Ong Sie Hou Raymond and the other Directors of the Company or its substantial shareholders.
- Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is carried or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares in the Company and/or the Instruments (as defined above). The aggregate number of Shares (including Shares to be made in pursuance of Instruments, made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which the total number of Shares and convertible securities other than on a pro-rata basis to existing Shareholders, shall not exceed 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company.
- Ordinary Resolution 8, if passed, will empower the Directors of the Company to grant options under the Kim Heng ESOS and to allot and issue Shares pursuant to the exercise of such options in accordance with the Kim Heng ESOS.
- The Ordinary Resolution 9, if passed, will empower the Directors of the Company to grant awards under the Kim Heng PSP and to allot and issue Shares pursuant to the vesting of such awards in accordance with the Kim Heng PSP.
- Ordinary Resolutions 10, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price set out in the Appendix dated 11 April 2016 to this Notice of Annual General Meeting. Please refer to Appendix dated 11 April 2016 circulated together with the Company's Annual Report for details.

Notes:

- A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies, to attend and vote on his / her behalf, save that no such limit shall be imposed on the number of proxies appointed by members which are nominee companies. A proxy need not be a member of the Company.
- Where a member appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
- A member (who is a **Relevant Intermediary**) is entitled to appoint more than two proxies to attend and vote at the meeting. He shall specify the proportion of his shares (expressed as a percentage of the whole) to be represented by each proxy.

*Relevant Intermediary is:

- a banking corporation licensed under the Banking Act (Cap.19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold shares in that capacity; or
 - a person holding a capital markets services license to provide a custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - the Central Provident Fund Board established by the Central Provident Fund Act (Cap.36), in respect of shares purchased on behalf of CPF investors.
- A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting in accordance with Section 179 of the Companies Act, Chapter 50.
 - The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
 - Where an instrument appointing a proxy is signed under the hand of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 - The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 9 Pandan Crescent, Singapore 128465, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.
 - In the case of joint shareholders, all shareholders must sign the instrument appointing a proxy or proxies.
 - Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse the admission of any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
 - The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
 - A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his/her name appears on the Depository Register 72 hours before the time appointed for the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis of the Company (or its agents or service providers) of proxies and/or representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("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 notice.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

The contact person for the Sponsor is Ms Soo Hsin Yu, Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.