



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

UPDATE ON USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

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 announcement on 20 October 2016, and its 2016 annual report in relation to the reallocation the use of proceeds raised from the IPO (the “**IPO Proceeds**”), and wishes to provide an update on the use of IPO Proceeds.

With reference to the Company’s media release dated 12 June 2017, the Group has acquired three Anchor Handling Tug / Supply (“**AHTS**”) vessels (the “**Vessel Purchase**”) for an aggregate US\$9.6 million (S\$13.5 million), of which S\$8.5 million will be utilised from the IPO Proceeds. The balance of the consideration was funded by existing bank loans.

As at the date of this announcement, and following the Vessel Purchase, the IPO Proceeds have been utilised as follows:

Intended Usage in accordance with the Offer Document	Allocation (S\$'000)	Re-allocation⁽¹⁾ (S\$'000)	Revised allocation (S\$'000)	Amount utilised (S\$'000)	Amount unutilised (S\$'000)
Capital expenditure for enhancement of yard facilities and fleet expansion	20,000	(5,000)	15,000	(15,000) ⁽²⁾	-
Expansion of business scope via investments, acquisitions and strategic alliances	7,000	-	7,000	-	7,000
General working capital	9,400	5,110	14,510	(11,960) ⁽³⁾	2,550
IPO Expenses	3,600	(110)	3,490	(3,490)	-
Total	40,000	-	40,000	(30,450)	9,550

Notes:

- (1) The Company had on 20 October 2016 re-allocated its IPO Proceeds of 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 re-allocated 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 fulfilment of orders and/or projects and operating expenses, including but not limited to office overheads expenses and general administration expenses.

The Company will make 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 & CEO
12 June 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors 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.

The contact person for the Sponsor is Mr. Sebastian Jones, Director, SAC Advisors Private Limited at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.

SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.