



**KIM HENG LTD.**

(Company Registration Number: 201311482K)

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

(the “**Company**”)

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**INVESTIGATION BY THE COMPANY  
AND LODGEMENT OF POLICE REPORT**

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**1. INTRODUCTION**

1.1 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 had discovered and investigated certain anomalies relating to, among other things, certain purchase and payment of suspicious inflated transactions, misappropriation of fixed assets, and conflict of interests transactions (“**Anomalies**”) in connection with an employee (“**Officer**”) during his tenure as general manager of Zale Offshore Pte Ltd (“**Zale**”) for the period from September 2020 to November 2023. Zale is a wholly owned Singapore-incorporated subsidiary of our Group incorporated in August 2020 to undertake salvage and diving activities. The Officer’s employment was terminated in November 2023 and he was not a director of the Company, Zale and any subsidiaries under the Group.

**2. STEPS THAT THE COMPANY HAS TAKEN, INCLUDING INVESTIGATION AND OTHER ACTIONS**

2.1 The Company first discovered certain anomalies in October 2023 while conducting an internal routine audit on fixed assets.

2.2 Further subsequent in-depth investigations (including interviews with persons who were involved in these transactions) were conducted through November 2023. From the investigations, the Company had reasonable grounds to believe that the Officer had deceived and/ or sought to deceive the Group, and such conduct contravened the terms of his employment contract and constituted gross misconduct.

2.3 On 10 November 2023, the Officer’s employment was terminated with immediate effect in accordance with the terms of the Officer’s employment contract with Zale as the management was of the reasonable opinion that, inter alia, certain conflict-of-interest transactions entered into and unaccounted fixed assets under his care constituted gross misconduct.

2.4 As at the date of this announcement, based on internal review and information available, the aggregate amount constituting the subject of suspected misappropriation and suspicious purchases discovered during the investigation is presently estimated at S\$160,000 and is approximately 1.8% of the Group’s audited net profit after tax for the financial year ended 31 December 2022. A majority of the aggregate amount pertains to the financial year ended 31 December 2022.

2.5 Accordingly, the Group had on 21 December 2023 made a police report concerning such Anomalies and the Group has provided the relevant documents and information to the Singapore Police Force for investigation. The Police are looking into the matter and the Group will offer full co-operation to the relevant authorities, as and when needed, to enable them to conduct their investigations.

2.6 The Group expects all of its employees to maintain high standards of conduct and do not condone any actions that are in violation of the Company’s policies. Furthermore, on an annual basis, all employees in procurement are required to declare their independence and any conflict of interests when dealing with suppliers.

2.7 The Company is in consultation with its auditors, to assess the potential financial impact to the Group. It is envisaged that there will be no material impact on the audited consolidated financial statements of the Group for the financial year ending 31 December 2023.

### 3. CAUTION IN TRADING

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, or other professional advisers if they have any doubt about the actions they should take. Caution in trading the shares of the Company.

#### By Order of the Board

Tan Keng Siong Thomas  
Executive Chairman & CEO  
Kim Heng Ltd.

21 December 2023

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*This announcement has been reviewed by the Company's sponsor ("**Sponsor**"), SAC Capital Private Limited. This announcement has not been examined or approved by the Singapore Exchange Securities Limited (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 Ms. Tay Sim Yee, SAC Capital Private Limited at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210*