



KIM HENG LTD.

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

**JOINT VENTURE WITH SOILTECH ENGINEERING CO., LTD.
AND MOON INTERNATIONAL CO., LTD.**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Kim Heng Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that Adira Renewables Pte. Ltd. (“**ARPL**”), a wholly-owned Singapore-incorporated subsidiary of the Company, has entered into a joint venture agreement on 13 December 2024 (the “**JVA**”) with Soiltech Engineering Co. Ltd. (“**STK**”) and Moon International Co., Ltd. (“**MI**”) (collectively, the “**Parties**”) to subscribe for shares in a joint venture company to be incorporated in Korea known as Soiltech Adira Korea Co., Ltd. (the “**JV Company**”).

2. RATIONALE

The investment in the JV Company by ARPL is expected to enhance the business potential of the Group in the offshore wind farm geotechnical survey works and represents a further expansion by the Group of its offshore wind farm business in Asia. With this joint venture, the Group is well-positioned for further transition into the renewables business.

3. INFORMATION ON THE JOINT VENTURE PARTNERS

STK is an experienced consulting company registered in Korea specializing in geotechnical & environmental engineering for transportation infrastructure and construction industry.

MI is wholly owned by a Korean citizen who is currently the Korean Country Manager of ARPL and will be appointed as a director of the JV Company.

4. THE JOINT VENTURE COMPANY

4.1 Shareholding Structure

The authorized capital of the JV Company shall be up to KRW 25.5 billion divided into 25,500,000 ordinary shares each having a nominal value of KRW 1000. The issued and paid-up capital of the JV Company shall be KRW1,400,000,000. The shareholdings of the JV Company after the incorporation is set out below:

Shareholders	Issued and paid-up capital in the JV Company (KRW)	Percentage Shareholding in the JV Company (%)
ARPL	686,000,000	49
STK	490,000,000	35
MI	224,000,000	16
Total	1,400,000,000	100

The subscription of shares in the JV Company will be funded by equity or paid-in capital by the respective Parties. Each Shareholder shall have rights of pre-emption to subscribe to any issuance of Shares of the Company, in proportion to the *pro rata* ownership of outstanding shares held by such

Shareholder, to maintain unchanged such Shareholder's pro rata percentage ownership of outstanding shares.

4.2 Call Option

STK shall be given a call option to increase its share ratio up to 49% at the enterprise value (EV) of the subject stocks upon such arrangement. The option shall be available from the successful completion of tests one year from such date according to a Vessel Framework Agreement. In the event STK exercises the call option, it shall acquire ARPL's and MI's shares on a *pro rata* basis to the number of shares held by ARPL and MI ("**Potential Transfer**").

The Potential Transfer is also subject to compliance with the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (including the approval of the shareholders in a general meeting, if applicable).

Pursuant to the terms of the JVA, the JV Company will carry out the Scope of Works for an established wind farm contractor and its affiliates in connection with the development of a number of offshore wind farms in South Korea. (the "**Business**").

4.3 Directors

The board of directors of the JV Company shall comprise 3 directors. ARPL shall have the right to appoint 2 directors, STK shall have the right to appoint 1 director of the JV Company. ARPL shall at all times have majority control of the board of directors of the JV Company.

4.4 Condition Precedent

The proposed JVA shall be conditional upon the fulfilment or waiver (if capable) of certain conditions precedent, including but not limited to all governmental approvals that are required to be obtained or made by the other Party prior to the completion shall have been obtained or made by the other Party on or prior to the completion date and such other conditions precedent that are usual and customary for transactions of this nature.

5. RESPONSIBILITIES OF THE JOINT VENTURE PARTNERS

STK and MI shall support the JV Company in such areas as the parties may agree, which may include enabling the chartering of vessel to carry out geotechnical investigation and survey scopes of work by the Company for the established wind farm contractor for the development of several offshore wind farms in South Korea (the "**Works**").

MI shall also be responsible for spearheading the setting up of the Business in Korea.

6. FINANCIAL IMPACT

The entry into the JVA will be funded through the Group's internal resources and is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Group for the financial year ending 31 December 2024.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their shareholdings in the Company (if any) and as mentioned in the announcement, none of the Directors and controlling shareholders of the Company have any interests, direct or indirect, in the JV Company.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JVA is available for inspection at the registered office of the Company at 9 Pandan Crescent Singapore 128465 for three (3) months from the date of this announcement.

By Order of the Board

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

13 December 2024

*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.*

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