

Flash Note: Kim Heng Offshore & Marine Holdings

Date: 9 November 2017

Joint venture with RUHM Marine

Kim Heng Offshore & Marine Holdings Limited (“**Kim Heng**”) and its subsidiaries announced that its wholly-owned subsidiary, KH Mazu Offshore & Marine Sdn Bhd (“**KH Mazu**”) has on 7 November 2017 signed a joint venture agreement with RUHM Marine Sdn Bhd (“**RUHM**”) to form a joint venture company in Malaysia tentatively called RUHM Mazu Sdn Bhd (the “**JVC**”).

Enhanced presence in Malaysia

The JVC is intended to expand their offshore marine business into Malaysia and will undertake marketing, operating, maintaining and chartering vessels to customers for use within the Malaysian territory and its exclusive economic zone(s) and such other chartering activities as may be agreed between the shareholders. With this joint venture, the Group is well positioned for the expected upturn of the oil and gas industry and anticipates to deploy more of the Group’s vessels in the near future.

The JVC will be 51% owned by RUHM and 49% owned by KH Mazu. The initial share capital of the JVC will be RM1,000 together with asset injection of a vessel valued at USD6 million. RUHM will be subscribing for 510 ordinary shares and KH Mazu subscribing for 490 ordinary shares at RM1 per ordinary share. The subscription will be funded in cash by the parties respectively.

The investment in the JVC by Kim Heng is expected to enhance the business potential of the Company in Malaysia.

The subscription by the Company for the shares in JVC 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 2017.

About RUHM Marine Sdn Bhd

RUHM is a major operator of marine service vessels which provides logistic support for offshore, exploration, drilling, construction and other activities related to the offshore petroleum and mining industry in Malaysia.

About Kim Heng

With over 40 years of experience, Kim Heng Offshore & Marine Holdings Limited and its subsidiaries (“Kim Heng” or the “Group”) is an established integrated offshore and marine value chain services provider. Strategically located in Singapore, the Group offers a one-stop comprehensive range of products and services that caters to different stages of offshore oil and gas projects from oil exploration to field development and oil production.

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