



MUN SIONG ENGINEERING LIMITED
(Company Registration No. 196900250M)
(Incorporated in Singapore)
(the “**Company**”)

MINUTES OF EXTRAORDINARY GENERAL MEETING

PLACE : 80 Jurong East Street 21, Devan Nair Institute for Employment and Employability, Singapore 609607, Event Hall 4, Level 1

DATE : Friday, 5 August 2022

TIME : 3:00 p.m.

PRESENT : Please see attendance list attached hereto.

IN ATTENDANCE : Please see attendance list attached hereto.

CHAIRLADY : Ms Cheng Woei Fen

INTRODUCTION

The Chairlady welcomed all Shareholders to the extraordinary general meeting of the Company (the “**Meeting**”) and informed the Shareholders that in light of the current safe management measures, all participants are to be masked on at all times.

The Chairlady proceeded to introduce the members of the Board, the Group Finance Director, Company Secretary and her representative, and the legal advisers from Virtus Law LLP who assisted in the circular dated 20 July 2022 (the “**Circular**”) to those present at the Meeting.

QUORUM

After confirming with the Secretary that a quorum was present, the Chairlady called the Meeting to order at 3:00 p.m., and requested the Company Secretary to proceed with the formal business of the Meeting.

NOTICE

Shareholders at the Meeting were informed that the notice of the Meeting and the Circular had been advertised and announced on the SGX website and the Company's corporate website, and had also circulated to the shareholders within the specified statutory period. The Notice was also dispatched to shareholders on 20 July 2022. With the consent of the Shareholders, the notice convening the Meeting was taken as read.

The Company Secretary informed the Shareholders that they were given the opportunity to submit or email their questions to the Company prior to the Meeting. The Company released an announcement via SGXNET on the 27 July 2022 that it had not received any questions from Shareholders in relation to the agenda of the Meeting as at the specified cut-off date and time. Shareholders were invited to raise questions during the course of this Meeting.

CONDUCT OF POLL

In compliance with Rule 730A of the Listing Manual, the Meeting noted that the Chairlady had directed that the resolution tabled shall be voted on by way of a poll.

The Chairlady informed the Meeting that Boardroom Corporate & Advisory Services Pte Ltd had been appointed as polling agent and Reliance 3P Advisory Pte. Ltd. as scrutineers for the poll voting. A briefing was conducted by the scrutineers on the poll voting procedures before the commencement of the meeting.

The Company Secretary then proceeded on the item on the agenda.

ORDINARY RESOLUTION:

TO APPROVE PROPOSED INVESTMENT AS A MAJOR TRANSACTION

The item on the agenda of the Meeting was to seek the Shareholders' approval for the proposed investment, as it is a major transaction (the "**Proposed US Investment**").

The Meeting was informed on the purpose of the Ordinary Resolution, the full text of the resolution was set out on Pages N-1 to N-2 of the Circular.

Before proceeding further, Mr Quek Kian Hui ("**Mr Quek**"), the Executive Deputy Chairman presented the slides on the Proposed US Investment. Mr Quek briefed the Shareholders on the introduction of the Group, the Group's Core Competencies, rationale for the extension of Specialised Services to the proposed US investment, the Group's Existing Clients (as well as potential US clients), the Group's Structure for the Proposed US Investments, the Acquisition of Proposed Property including the location, general information and use of fund on the proposed investment.

Shareholders were invited to raise questions on the Proposed US Investment. During the questions and answers session (“**Q&A**”), questions raised by the Shareholders were addressed by the Directors of the Company. The section on Q&As is attached hereto as Annexure A.

There being no further questions raised by Shareholders, the following motion was duly proposed and seconded by the Shareholders and put to a poll:-

The full text of the Ordinary Resolution was reproduced herein:

“RESOLVED THAT:-

- (a) approval be and is hereby given for the Group’s Proposed Investment of up to USD7,500,000 in Pegasus Industrial Midwest Limited Liability Company (“**PIM LLC**”) being a major transaction under Chapter 10 of the Listing Manual; and
- (b) the Directors (or any one of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to the Proposed Investment as they (or he or she) may deem fit, with such modifications thereto (if any) as they (or he or she) may consider necessary, desirable or expedient, in order to give full effect to this resolution.”

The Chairlady reminded the Shareholders to complete their poll voting slips and to hand them over to the Scrutineers. The Scrutineers proceeded to collect the poll voting slips before the counting of votes. The Chairlady then adjourned the Meeting at 4:15 pm for the counting of votes.

The Chairlady re-convened the Meeting at 4:35 pm after being handed the results of the poll and the Secretary announced the following polling results:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	No. of shares	As a percentage of total number of votes for and against the resolution (%)	No. of shares	As a percentage of total number of votes for and against the resolution (%)
428,786,100	428,581,100	99.95	205,000	0.05

Based on the above result, the Chairlady declared the Ordinary Resolution carried.

CONCLUSION

As the matter tabled for the Meeting had been duly completed and there was no other business to transact, the Chairlady declared the Meeting closed at 4:40 p.m. and thanked everyone for their attendance at the Meeting.

CERTIFIED AS A TRUE RECORD OF MINUTES



**CHENG WOEI FEN
EXECUTIVE CHAIRLADY**

Annexure A**Questions and Answers Session**

Question 1 : Shareholders wish to know what is the business roadmap for the Company's future.

Response 1 : The Chairlady responded that the Company will continue to focus on the Singapore market. However, to reduce the market and customer concentration risks of the Group, and to mitigate challenges (such as manpower constraints) faced by the Company in the local market, the Company has intensified its efforts (commencing years ago) to diversify its market and to reduce customers concentration risks by seeking business opportunities in overseas markets. In recent years, the Company has taken cautious steps in expanding its businesses in Malaysia and Taiwan. To avoid an escalation of the Group's current business risk profile, the Company will seek business opportunities within the area of its core competencies.

To answer the questions raised, she added that the Company did not venture into Saudi Arabia, because from Company's perspective, Saudi's market focuses more on projects, instead of maintenance services, and the Company will not be able to compete with the established operators currently operating there in project works. Whereas China is a highly competitive market, the Company has no intention to pursue this market.

After due consideration and detailed studies, the Company had decided to expand its business operation to United States ("**US**"). The Company will focus its operations in Midwest region and may consider expanding to other states in the future.

Question 2 : Shareholders further queried on the rationale for the Proposed US Investment.

Response 2 : Mr Quek replied that the Group has conducted a market due diligence and assessed the market environment in the State of Illinois. The refineries and petrochemical industries in Illinois consist of plant owners ranging from mid-size to large operators. This is unlike the Singapore market where it is dominated by a few large plant owners. Additionally, based on our market assessment, there are demand for specialised services in the Midwest. Currently, most of the plant owners are sending their heat exchangers to Texas (16 hours journey from Illinois to Texas) for cleaning and maintenance services.

Historically, our specialised services in Singapore have made positive and material contributions to the Group's profitability in the last 10 years and is one of the Group's core competencies. Diversifying within our core competencies gives the Group confidence in entering a new market. .

Mr Quek also informed the Shareholders that the Group aims to provide a similar one-stop solutions that we provide in Singapore for the target customers in the Midwest

Question 3 : Shareholders understand that the Company will extend its specialised services to US and asked whether these services are profitable to the Group in Singapore, Malaysia and Taiwan. In addition, Shareholders wishes to know the future prospect and profit prospect of the Proposed US Investment.

Response 3 : Mr David Tan Chao Hsiung ("**Mr Tan**") responded that based on the past track records, the specialised services had made material positive contributions to the Group's profitability.

In addition, the Company will seek referral from the existing customers in Singapore, who also have operations in the US.

Question 4 : Shareholders highlighted their concerns on the Proposed US Investment of up to USD 7.5 million where USD 6.0 million is to be invested in PIM LLC for the Acquisition of Proposed Property.

Response 4 : The Company is planning to use the acquired machinery and equipment to operate and generate revenue in US. This is also part of the plan to rely less on manpower.

The Chairlady also highlighted to the Shareholders that the Company's business operations in Singapore are labour intensive. The Company faced challenges during the Covid-19 pandemic, where most of the labourers were quarantined in the dormitory or unable to enter Singapore due to border closure. There have been severe shortages of manpower in Singapore market. The Company had to rely on the sub-contractors to complete the works. This has significantly impacted the Company's margin for the past two years. In the US, we target to focus on specialised services which has lesser reliance on manpower.

Question 5 : Shareholders enquired on the control issues on manpower in US.

Response 5 : Mr Quek responded that he will mostly stationed in US to manage the business operations. The US Company will hire locals to run the business supported by some personnel from the Singapore office. He does not foresee any labour issues in the US. The Company will also engage third party consultant to assist the US operations.