



MUN SIONG ENGINEERING LIMITED
(Company Registration No. 196900250M)
(Incorporated in the Republic of Singapore)

ENTRY INTO SGD REVOLVING FACILITY AGREEMENT (AS DEFINED BELOW) AND RM REVOLVING FACILITY AGREEMENT (AS DEFINED BELOW) WITH THE EXECUTIVE CHAIRLADY AND CONTROLLING SHAREHOLDER AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Mun Siong Engineering Limited (the "**Company**" or the "**Borrower**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 28 February 2024 entered into:

- (a) a Singapore Dollar ("**SGD**" or "**S\$**") revolving facility agreement (the "**SGD Revolving Facility Agreement**") with Madam Cheng Woei Fen ("**Mdm Cheng**" or the "**Lender**") pursuant to which the Lender has agreed to extend a revolving loan facility of up to S\$1,500,000 (the "**SGD Facility**") on an unsecured basis to the Company, subject to the terms and conditions set out in the SGD Revolving Facility Agreement. The SGD Facility will be used by the Company and/or the Group for short-term general working capital requirements; and
- (b) a Malaysian Ringgit ("**RM**") revolving facility agreement (the "**RM Revolving Facility Agreement**") with Mdm Cheng pursuant to which the Lender has agreed to extend a revolving credit facility of up to RM1,000,000 (equivalent to approximately S\$281,900¹) (the "**RM Facility**") on an unsecured basis to the Company, subject to terms and conditions set out in the RM Revolving Facility Agreement. The RM Facility will be used to finance the working capital of the Company's wholly-owned subsidiary, Mun Siong Engineering Sdn Bhd ("**MSE Malaysia**"), and the Group's operating arm in Malaysia, Pegasus Advance Engineering Sdn Bhd ("**PAE Malaysia**") (each of MSE Malaysia and PAE Malaysia, a "**Malaysia OpCo**" and collectively, the "**Malaysia OpCos**"), in particular but without limitation, for project working capital purposes of PAE Malaysia.

¹ Based on the exchange rate of SGD1.00 : RM3.54783 as at 16 February 2024. Rounded up to the nearest S\$100.

2. DETAILS OF THE INTERESTED PERSON

Mdm Cheng, is the current Executive Chairlady and also a controlling shareholder of the Company.

As at the date of this announcement, Mdm Cheng has a direct interest in an aggregate of 278,997,600 ordinary shares in the capital of the Company (“**Shares**”) representing approximately 48.0% of the issued Shares. Mdm Cheng also has a deemed interest, in an aggregate of 36,167,400 Shares representing approximately 6.2% of the issued Shares, arising from the Shares held by her son, Gabriel Quek Kian Teck and by her spouse. As at the date of this announcement, Mdm Cheng has an aggregate direct and deemed interest in 315,165,000 Shares representing in aggregate 54.2% of the issued Shares. In addition, Mdm Cheng’s other son, Quek Kian Hui, who is an Executive Director of the Company, holds 86,376,800 Shares representing approximately 14.9% of the issued Shares.

Pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), Mdm Cheng is an interested person and the provision of the SGD Facility and RM Facility (collectively, the “**Facilities**”) to the Company constitutes an interested person transaction (“**IPT**”).

To avoid any conflict of interest, Mdm Cheng and Quek Kian Hui have not participated and will not participate in any decisions made or to be made by the Company in relation to the Facilities. In addition, so as not to prejudice the interests of any other lenders under the Company’s existing bank facility agreements, in the event any competing interests or obligations arise in relation to the Facilities, such matter will be reviewed by the Audit Committee and recommended to the Board for approval. Each of Mdm Cheng and Quek Kian Hui will recuse themselves from any discussions and deliberations of the Board, and will abstain from voting on such resolutions.

3. RATIONALE FOR AND BENEFIT OF THE FACILITIES

3.1 The SGD Facility

The Company currently has a SGD short-term loan facility with a bank in Singapore. The Company will draw down the short-term loan to bridge any working capital gap. The short-term loan is currently priced by the bank at the bank’s cost of funds plus a credit margin. The cost of funds is generally close to the SORA rates. The actual credit margin for each loan drawdown is determined by the bank, taking into consideration the tenor of the loan and the Group’s financial performance and position. For the period between June 2023 and September 2023, the Company’s existing interest rates on a series of one-month short term loans were 5.27% per annum to 5.39% per annum and the one (1) month SORA rates at that point in time were 3.66% per annum to 3.78% per annum respectively.

In view of the high interest rates currently imposed by the financial institutions on the Company's existing short-term loan, the Company has requested the major shareholder, Mdm Cheng, and she has agreed, to extend the SGD Facility to the Company on an unsecured basis and at a lower interest rate than that available from financial institutions. The interest rate offered by the Lender in respect of the SGD Facility is priced at the applicable SORA (as set out below) with no credit margin. This will result in significant interest cost savings to the Company.

For illustrative purposes, for the above one (1) month short term loan utilised by the Company in August 2023 and September 2023, the interest rates were 5.27% per annum and 5.39% per annum respectively. Had the Company taken up the loan with Mdm Cheng on a similar tenor based on the then prevailing SORA rates, there would be interest rate savings of 30.6% and 29.9% respectively to the Company.

While the Company has existing bank facilities available to it that it may utilise from time to time, given the current interest rate environment, the favourable interest rate offered by the Lender and the interest cost savings to the Company, the Company believes that the SGD Facility is an attractive opportunity that the Company should avail itself of.

3.2 The RM Facility

The Malaysia OpCos require financing for working capital purposes. As at the date of this announcement, the Company and the Malaysia OpCos do not have any RM short-term loan facility with any banks in Malaysia or Singapore.

Malaysian banks that the Malaysia OpCos have approached require a corporate guarantee or a form of security from the Company prior to the grant of any loan facility to the Malaysia OpCos. The provision of any corporate guarantee by the Company would cause the Company's existing lenders to be on *non-pari passu* terms since no corporate guarantee was issued to them. In addition, as the Company's SGD short-term loan facility contains a negative pledge provision, the Company is, unless consent is obtained from the Singapore bank, restricted from creating any security over its assets.

Taking into consideration the foregoing and in view of the high possibility that Malaysian banks will impose high interest rates on any loan facility extended to the Malaysia OpCos, the Company has requested the Lender, and the Lender has agreed, to extend to the Company the RM Facility on an unsecured basis and at a lower interest rate than that available from Malaysian banks. The interest rate offered by the Lender in respect of the Facility is priced at the applicable Standardised Base Rate ("**SBR**") (as set out below) with no credit margin. This will likewise result in significant interest cost savings to the Company.

The provision of the RM Facility is for the ultimate purpose of financing the working capital of the Malaysia OpCos, in particular but without limitation, for project working capital purposes of the Group's operating arm in Malaysia, PAE Malaysia. In order to facilitate the

foregoing, the Company will on-lend the entire proceeds of the RM Facility to MSE Malaysia via a Malaysian loan agreement to be entered into between the Company and MSE Malaysia. Thereafter, MSE Malaysia will extend a similar back-to-back loan to PAE Malaysia via a Malaysian loan agreement to be entered into between MSE Malaysia and PAE Malaysia.

4. PRINCIPAL TERMS OF THE FACILITIES

4.1 The SGD Facility

The principal terms of the SGD Revolving Facility Agreement are set out in **Annex A** hereto.

4.2 The RM Facility

The principal terms of the RM Revolving Facility Agreement are set out in **Annex B** hereto.

5. STATEMENT BY AUDIT COMMITTEE AND THE BOARD OF DIRECTORS

The Audit Committee of the Company has reviewed and recommended to the Board to approve the SGD Revolving Facility Agreement and the RM Revolving Facility Agreement (collectively, the “**Revolving Facility Agreements**”) and is satisfied that the terms of each of the Revolving Facility Agreements are on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders. Similarly, the Board is also satisfied that the terms and conditions of each of the Revolving Facility Agreements are not prejudicial to the interests of the Company and its minority shareholders. Mdm Cheng and her son, Quek Kian Hui, who are directors of the Company, had abstained from making any recommendation and approval in respect of each of the Facilities.

The Audit Committee in supporting this arrangement took into consideration that the Group will require additional short-term facilities for its general working capital needs. Importantly, the terms and conditions agreed with the Lender are similar to those agreed with the existing banks and at pricing that is advantageous to the Company, resulting in significant interest cost savings. However, the utilisation of the SGD Facility and RM Facility, together with existing credit facilities will increase the gearing and consequently the financial risk of the Company and/or Group. These are key factors in assessing lending risk and pricing of credit facilities by financial institutions.

The Company has not approached any of its existing banks to increase its credit facilities. Should any of its existing banks agree to the credit increases, it is likely that the cost of borrowing would also increase and additional covenants may be required.

The Facilities are intended to supplement the Company’s existing credit facilities. As the

date of this announcement, none of the existing banks have given notice (written or verbal) withdrawing their support to extend credit to the Group.

6. VALUE OF THE IPT

Pursuant to Rule 909(3) of the Listing Manual, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowings. It is expected that the aggregate value of all IPTs (excluding transactions that are less than S\$100,000) entered into between the Group and any interested persons for the current financial year commencing on 1 January 2024 and up to the date of this announcement will not amount to 3% or more of the Group's latest audited net tangible assets.

Save as disclosed herein and as set out in paragraph 7 below, the Group has not entered into any transactions with the Lender or any other interested persons (including Gabriel Quek Kian Teck, Quek Kian Hui and the Lender's spouse) from 1 January 2024 until the date of this announcement.

6.1 Value of the IPT in respect of the SGD Facility

For illustration purposes only, in respect of the SGD Facility assuming that:

- (a) the SGD Facility expires on the date falling 12 months from 1 January 2023;
- (b) the Company utilises the maximum amount of the Facility of S\$1,500,000 by way of 4 drawdown requests, on a roll-over basis, each in the amount of S\$1,500,000 made on the first day of each calendar quarter (that is, 1 January 2023, 1 April 2023, 1 July 2023 and 1 October 2023);
- (c) the interest period for each SGD Loan is 3 months;
- (d) the rate of interest applicable to each SGD Loan is the percentage rate per annum of the relevant 3-month compounded SORA for that interest period⁽¹⁾; and
- (e) each SGD Loan including any accrued interest thereon is repaid at the end of the interest period applicable to that SGD Loan,

the total value of the IPT is S\$52,400⁽²⁾, being the total interest payable on the SGD Facility.

Note:

- (1) The 3-month compounded SORA published by the Monetary Authority of Singapore at <https://eservices.mas.gov.sg/Statistics/dir/DomesticInterestRates.aspx> applicable to each interest period for each SGD Loan are 3.0166%, 3.5907%, 3.66% and 3.698% respectively.

(2) Rounded up to the nearest S\$100.

6.2 Value of the IPT in respect of the RM Facility

For illustration purposes only, in respect of the RM Facility assuming that:

- (a) the RM Facility expires on the date falling 12 months from 1 January 2023;
- (b) the Company utilises the maximum amount of the Facility of RM1,000,000 (equivalent to approximately S\$281,900) by way of 4 drawdown requests, on a roll-over basis, each in the amount of RM1,000,000 (equivalent to approximately S\$281,900) made on the first day of each calendar quarter (that is, 1 January 2023, 1 April 2023, 1 July 2023 and 1 October 2023);
- (c) the interest period for each RM Loan is 3 months;
- (d) the rate of interest applicable to each RM Loan is the percentage rate per annum of the prevailing SBR⁽¹⁾; and
- (e) each RM Loan including any accrued interest thereon is repaid at the end of the interest period applicable to that RM Loan,

the total value of the IPT is RM30,000 (equivalent to approximately S\$8,500⁽²⁾), being the total interest payable on the SGD Facility.

Note:

- (1) The Standardised Base Rate ("SBR") as quoted by the Bank Negara Malaysia (Central Bank of Malaysia) which is linked solely to the Overnight Policy Rate as determined by the Monetary Policy Committee of Bank Negara Malaysia and published on Bank Negara Malaysia's website <https://www.bnm.gov.my/monetary-stability/opr-decisions> applicable to each interest period for each RM Loan is 3.00%
- (2) Rounded up to the nearest S\$100.

6.3 Aggregate value of the IPTs in respect of the Facilities

The aggregate value of the IPTs for the Facilities, being the total interest payable on the Facilities is estimated to be S\$60,900.

Financial Year	Net tangible assets (“NTA”)	Aggregate value of IPTs for the Facilities (S\$60,571) as a percentage of NTA
Audited NTA as at 31 December 2022 (S\$’000)	S\$55,104	0.11%
Unaudited NTA as at 31 December 2023 (S\$’000)	S\$52,026	0.12%

Based on the above computation, the value of the IPTs alone and in aggregation with other IPTs (excluding transactions that are less than S\$100,000) entered into between the Group and the same interested persons for the current financial year commencing on 1 January 2024 and up to the date of this announcement does not amount to 3% or more of the Group’s latest audited and unaudited net tangible assets. Accordingly, the Company is not required to make an immediate announcement pursuant to Rule 905(2) of the Listing Manual. Nonetheless, the Company is making a voluntary disclosure of the entry into of the Revolving Facility Agreement.

The Audit Committee will monitor the transactions entered into between the Group and interested persons for the current financial year ending 31 December 2024 and make an immediate announcement when necessary.

7. TOTAL IPTS FOR THE CURRENT FINANCIAL YEAR

Save as disclosed herein, the Group has not entered into any transactions with the Lender or any other interested persons (including Gabriel Quek Kian Teck, Quek Kian Hui and the Lender’s spouse) from 1 January 2024 until the date of this announcement. The Company does not have a general IPT mandate.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the other Directors or substantial shareholders of the Company has any interest, direct or indirect (other than by reason of their shareholdings and/or directorships in the Company), in each of the Revolving Facility Agreements.

By order of the Board

David Tan Chao Hsiung

Non-Executive Lead Independent Director

28 February 2024

ANNEX A

PRINCIPAL TERMS OF THE SGD REVOLVING FACILITY AGREEMENT

- Principal Amount : Up to S\$1,500,000
- Availability Period : The period commencing from and including the date of the SGD Revolving Facility Agreement to and including the date falling one (1) month before the Expiry Date (as described below).
- Commitment Fee : No commitment fee or any other fee is payable by the Company to the Lender in respect of the SGD Facility.
- Interest Period : In respect of any loan made or to be made under the SGD Facility (“**SGD Loan**”), the length of either 1, 3 or 6 months, or such other period as may be mutually agreed in writing between the Lender and the Company.
- Interest : Where the Interest Period for a SGD Loan is 1, 3 or 6 months, the rate of interest applicable to each SGD Loan is the percentage rate per annum of the applicable SORA.

Where the Interest Period for a SGD Loan is not 1, 3 or 6 months, the rate of interest applicable to each SGD Loan shall be the rate that is mutually agreed between the Lender and the Company. In determining such interest rate, the Lender and the Company may use SORA as a benchmark reference rate.

Interest will be computed based on a 365-day year.

“**SORA**” means the Singapore Overnight Rate Average as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <http://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors), whereby the relevant SORA for an Interest Period shall be obtained based on the relevant historical 1-month, 3-month and 6-month Compounded SORA rate as quoted at 9 a.m. on the drawdown date.

- Default Interest : If the Company fails to pay any amount payable by it under the SGD Revolving Facility Agreement on its due date, interest shall accrue on

the unpaid sum from the due date up to the date of actual payment at the default rate which is 1% higher than the interest rate. Default interest in relation to any unpaid sum will be compounded.

Conditions to the first drawdown request : Each drawdown of a SGD Loan to be made under the SGD Facility is conditional upon the satisfaction of the following:

- (a) the board resolutions (both Mdm Cheng and Quek Kian Hui abstaining) and the audit committee resolutions of the Company having approved (i) the terms of, and the transactions contemplated by, the SGD Revolving Facility Agreement, and (ii) the Company's execution of the SGD Revolving Facility Agreement;
- (b) where necessary, the extension of the SGD Facility by the Lender to the Company having been approved by the Company's shareholders in general meeting or at any adjournment thereof;
- (c) all authorisations which are necessary under the applicable laws for the Borrower's implementation of the transactions contemplated hereunder having been validly obtained or completed, and this Agreement and all transactions contemplated hereunder not being prohibited in any way by any existing law, regulation, rule, judgment, order, decree, directive, decision, notice or circular of any court or governmental, administrative, regulatory or supervisory body;
- (d) the Lender having received all of the documents and other evidence (and such other documents as the Lender may require) in form and substance satisfactory to the Lender which shall include the following:
 - (i) a copy or certified extract (certified by a director of the Company, the Finance Director or the company secretary of the Company) of the board resolutions (both Mdm Cheng and Quek Kian Hui abstaining) and the audit committee resolutions of the Company having approved (a) the terms of, and the transactions contemplated by, the SGD Revolving Facility Agreement and (b) the Borrower's execution of the SGD Revolving Facility Agreement. For the

avoidance of doubt, such extract shall not be certified by Mdm Cheng and Quek Kian Hui;

- (ii) a copy or certified extract (certified by a director of the Company, the Finance Director of the Company or the company secretary of the Company) of the Company's certificate of incorporation; and
- (iii) a copy of the constitutional documents of the Company.

Conditions to each subsequent drawdown request : Following the first drawdown request of a SGD Loan, each subsequent drawdown of a SGD Loan to be made under the SGD Facility is conditional upon the satisfaction of the following:

- (a) no default is continuing or would result from the proposed Loan; and
- (b) the representations and warranties to be made by the Company under the SGD Revolving Facility Agreement are true in all material respects.

Repayment, prepayment borrowing : Each SGD Loan including accrued interest thereon shall be repaid in full on the last day of its Interest Period. The Company may prepay the whole of the SGD Facility or the whole or any part of each SGD Loan without penalty. Any part of the SGD Facility which is prepaid or repaid may be reborrowed.

Pari passu ranking : The Company's payment obligations under the SGD Revolving Facility Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors.

Event of default : An event of default which will result in the cancellation of the SGD Facility or mandatory repayment of the SGD Facility occurs if:

- (a) the Company fails to pay any sum payable under it under the SGD Revolving Facility Agreement when due;
- (b) the Company fails to comply with any one of the obligations (other than payment obligations) under the SGD Revolving Facility Agreement;
- (c) any representation, warranty or statement made or deemed

to be made by the Company in the SGD Revolving Facility Agreement proves to have been incorrect or misleading in any material respect when made or deemed repeated;

- (d) a cross default occurs under other borrowings;
- (e) the Company is presumed or deemed to be unable or admits inability to pay its debts as they fall due, or the value of the assets of the Company is less than its liabilities (taking into account contingent and prospective liabilities), or a moratorium is declared in respect of any indebtedness of the Company;
- (f) any corporate action, legal proceedings or other procedure or step is taken in relation to (i) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company, (ii) a composition or arrangement with any creditor of the Company, or an assignment for the benefit of creditors generally of the Company or a class of such creditors, (iii) the appointment of a liquidator, receiver, trustee, administrator, administrative receiver, compulsory manager, judicial manager, provisional supervisor or other similar officer in respect of the Company or any of its assets, or (iv) enforcement of any security over any assets of the Company;
- (g) save as otherwise publicly disclosed including the announcements made by the Borrower relating to the Taiwan investigation and Ministry of Manpower suspension, any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency are started or threatened, or any judgment or order of a court, arbitral body or agency is made, in relation to the SGD Revolving Facility Agreement or the transactions contemplated under it or against the Company or its assets which is reasonably likely to have a material adverse effect;
- (h) the Company ceases or threatens to cease to carry on its business;

- (i) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company (including any assets held by any Group company); and
- (j) it is or becomes unlawful for the Company to perform any of its obligations under the SGD Revolving Facility Agreement.

Acceleration upon specific event (not being an event of default) : In the event that Mdm Cheng and Quek Kian Hui is required to provide a personal guarantee to any of the Borrower or its subsidiaries' creditors which are financial institutions as security for financing granted by any such financial institution to the Borrower or its subsidiaries, the SGD Facility shall be cancelled and all amounts accrued or outstanding under the SGD Revolving Facility Agreement shall become immediately due and payable.

Expiry Date : All SGD Loans shall be repaid in full on the date falling 3 years from the date of the SGD Revolving Facility Agreement, or such other date as may be mutually agreed by the Company and the Lender in writing.

Security : The SGD Facility is unsecured.

ANNEX B

PRINCIPAL TERMS OF THE RM REVOLVING FACILITY AGREEMENT

- Principal Amount : Up to RM1,000,000
- Availability Period : The period commencing from and including the date of the RM Revolving Facility Agreement to and including the date falling one (1) month before the Expiry Date (as described below).
- Commitment Fee : No commitment fee or any other fee is payable by the Company to the Lender in respect of the RM Facility.
- Interest Period : In respect of any loan made or to be made under the RM Facility (“**RM Loan**”), the length of either 1, 3 or 6 months, or such other period as may be mutually agreed in writing between the Lender and the Company.
- Interest : The rate of interest applicable to each RM Loan for each Interest Period is the percentage rate per annum of the prevailing SBR as quoted by Bank Negara Malaysia (Central Bank of Malaysia) at 3.00 p.m. on the drawdown date.

Interest will be computed based on a 365-day year.

“**SBR**” means the Standardized Base Rate, being the reference rate for new retail floating rate loans which is linked solely to the Overnight Policy Rate, as determined by the Monetary Policy Committee of Bank Negara Malaysia and published on Bank Negara Malaysia’s website <https://www.bnm.gov.my/monetary-stability>

- Default Interest : If the Company fails to pay any amount payable by it under the RM Revolving Facility Agreement on its due date, interest shall accrue on the unpaid sum from the due date up to the date of actual payment at the default rate which is 1% higher than the interest rate. Default interest in relation to any unpaid sum will be compounded.
- Conditions to the first drawdown request : Each drawdown of a RM Loan to be made under the RM Facility is conditional upon the satisfaction of the following:
- (e) the board resolutions (both Mdm Cheng and Quek Kian Hui abstaining) and the audit committee resolutions of the

Company having approved (i) the terms of, and the transactions contemplated by, the RM Revolving Facility Agreement, and (ii) the Company's execution of the RM Revolving Facility Agreement;

- (f) where necessary, the extension of the RM Facility by the Lender to the Company having been approved by the Company's shareholders in general meeting or at any adjournment thereof;
- (g) all authorisations which are necessary under the applicable laws for the Borrower's implementation of the transactions contemplated hereunder having been validly obtained or completed, and this Agreement and all transactions contemplated hereunder not being prohibited in any way by any existing law, regulation, rule, judgment, order, decree, directive, decision, notice or circular of any court or governmental, administrative, regulatory or supervisory body;
- (h) the Lender having received all of the documents and other evidence (and such other documents as the Lender may require) in form and substance satisfactory to the Lender which shall include the following:
 - (j) a copy or certified extract (certified by a director of the Company, the Finance Director or the company secretary of the Company) of the board resolutions (both Mdm Cheng and Quek Kian Hui abstaining) and the audit committee resolutions of the Company having approved (a) the terms of, and the transactions contemplated by, the RM Revolving Facility Agreement and (b) the Borrower's execution of the RM Revolving Facility Agreement. For the avoidance of doubt, such extract shall not be certified by Mdm Cheng and Quek Kian Hui;
 - (jj) a copy or certified extract (certified by a director of the Company, the Finance Director of the Company or the company secretary of the Company) of the Company's certificate of incorporation; and
 - (jjj) a copy of the constitutional documents of the

Company.

- Conditions to each subsequent drawdown request : Following the first drawdown request of a RM Loan, each subsequent drawdown of a RM Loan to be made under the RM Facility is conditional upon the satisfaction of the following:
- (c) no default is continuing or would result from the proposed RM Loan; and
 - (d) the representations and warranties to be made by the Company under the RM Revolving Facility Agreement are true in all material respects.
- Repayment, prepayment borrowing : Each RM Loan including accrued interest thereon shall be repaid in full on the last day of its Interest Period. The Company may prepay the whole of the RM Facility or the whole or any part of each RM Loan without penalty. Any part of the RM Facility which is prepaid or repaid may be reborrowed.
- Pari passu* ranking : The Company's payment obligations under the RM Revolving Facility Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors.
- Event of default : An event of default which will result in the cancellation of the RM Facility or mandatory repayment of the RM Facility occurs if:
- (k) the Company fails to pay any sum payable under it under the RM Revolving Facility Agreement when due;
 - (l) the Company fails to comply with any one of the obligations (other than payment obligations) under the RM Revolving Facility Agreement;
 - (m) any representation, warranty or statement made or deemed to be made by the Company in the RM Revolving Facility Agreement proves to have been incorrect or misleading in any material respect when made or deemed repeated;
 - (n) a cross default occurs under other borrowings;
 - (o) the Company is presumed or deemed to be unable or admits inability to pay its debts as they fall due, or the value of the assets of the Company is less than its liabilities (taking into

account contingent and prospective liabilities), or a moratorium is declared in respect of any indebtedness of the Company;

- (p) any corporate action, legal proceedings or other procedure or step is taken in relation to (i) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company, (ii) a composition or arrangement with any creditor of the Company, or an assignment for the benefit of creditors generally of the Company or a class of such creditors, (iii) the appointment of a liquidator, receiver, trustee, administrator, administrative receiver, compulsory manager, judicial manager, provisional supervisor or other similar officer in respect of the Company or any of its assets, or (iv) enforcement of any security over any assets of the Company;
- (q) save as otherwise publicly disclosed including the announcements made by the Borrower relating to the Taiwan investigation and Ministry of Manpower suspension, any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency are started or threatened, or any judgment or order of a court, arbitral body or agency is made, in relation to the RM Revolving Facility Agreement or the transactions contemplated under it or against the Company or its assets which is reasonably likely to have a material adverse effect;
- (r) the Company ceases or threatens to cease to carry on its business;
- (s) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company (including any assets held by any Group company); and
- (t) it is or becomes unlawful for the Company to perform any of its obligations under the RM Revolving Facility Agreement.

Acceleration upon : In the event that Mdm Cheng and Quek Kian Hui is required to

specific event (not being an event of default) provide a personal guarantee to any of the Borrower or its subsidiaries' creditors which are financial institutions as security for financing granted by any such financial institution to the Borrower or its subsidiaries, the RM Facility shall be cancelled and all amounts accrued or outstanding under the RM Revolving Facility Agreement shall become immediately due and payable.

Expiry Date : All RM Loans shall be repaid in full on the date falling 3 years from the date of the RM Revolving Facility Agreement, or such other date as may be mutually agreed by the Company and the Lender in writing.

Security : The RM Facility is unsecured.