



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

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## PROPOSED JOINT VENTURE IN MALAYSIA

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The Board of Directors (“**Board**”) of Mun Siong Engineering Limited (“**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Mun Siong Engineering Sdn. Bhd. (“**MSESB**”), has on 16 January 2020, entered into a Shareholders’ Agreement (“**SHA**”) with a Malaysian Partner.

Under the terms of the SHA, MSESB and a Malaysian Partner will invest and operate a joint venture company - Pegasus Advance Engineering Sdn Bhd (“**PAE**”). PAE was incorporated on 24 December 2019 in Malaysia with an initial share capital of RM1.00.

### Information on Malaysian Partner

The Malaysian Partner, Encik Mohamed Ridza Bin Mohamed Abdulla (“**MRA**”), is a Malaysian individual. He is a professional with his own legal practice in Malaysia. MRA is an independent third party and is not related to the Company or any of the Company’s directors or controlling shareholders or their associates.

### Rationale for the joint venture

PAE will spearhead the Group’s marketing effort in Malaysia, which is part of its continuous drive to broaden the customers base. It will be reaching out to key players in the process industry (oil and gas and petrochemical). Besides the process industry it will also be seeking business opportunities in industries where the Group’s core competencies will be called upon. These include specialized services, maintenance and mechanical services and EPC works. PAE will be supported by the Group in project management and execution.

Pursuant to the SHA, the issued and paid up capital of PAE will be increased to RM750,000 consisting of 750,000 ordinary shares, which will be subscribed and held by the parties in the proportions as set out in the table below:

<b>Name of Shareholder</b>	<b>Shareholding Percentage</b>	<b>Number of Shares</b>	<b>Initial Capital Contribution</b>
MRA	51%	382,500	RM 382,500
MSESB	49%	367,500	RM 367,500
<b>Total</b>	<b>100%</b>	<b>750,000</b>	<b>RM 750,000</b>

The initial capital contribution shall be in cash and will be used for PAE’s operating expenses.

The board of directors of PAE will comprise of three (3) members whereby MRA will nominate one (1) member and MSESB will nominate two (2) members.

The fulfillment of the joint venture will be subjected to the fulfillment of the condition precedents in the SHA (or unless waived by its shareholders).

### **Sources of funds and financial effects**

The initial capital contribution by MSESBS will be funded by internal resources and is not expected to have any material impact on the consolidated net tangible asset and consolidated earnings per share of the Group for the financial year ending 31 December 2020.

### **Interest of Directors and Substantial Shareholders**

None of the Directors or Substantial Shareholders of the Company have any interest, direct or indirect, in the joint venture, save for their shareholdings in the Company.

### **By Order of the Board**

Cheng Woei Fen  
Executive Chairlady

17 January 2020