

**CIRCULAR DATED 29 DECEMBER 2020**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.**

*Capitalised terms appearing on the cover of this Circular have the same meanings as defined in the section titled "Definitions".*

If you have sold or transferred all your Shares, you should immediately forward this Circular with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

**The SGX-ST takes no responsibility for the correctness or accuracy of any statements made, reports contained or opinions expressed in this Circular.**

This Circular has been made available on SGXNet. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM, and (c) voting by proxy at the EGM.

Please refer to Section 8 of this Circular for further information, including steps to be taken by Shareholders to participate at the EGM.



**HIAP SENG ENGINEERING LTD.  
(JUDICIAL MANAGERS APPOINTED)**  
(Company Registration No. 197100300Z)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED DISPOSAL OF THE GROUP'S OFFICE BUILDING AND FACTORY AT 27/58 MOO 8, BUENG, SRIRACHA, CHONBURI 20230, THAILAND AND THE VARIOUS FURNITURE, OFFICE EQUIPMENT AND MACHINERY LOCATED THEREAT BY THE COMPANY'S SUBSIDIARY, HIAP SENG ENGINEERING (THAILAND) CO., LTD.**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form : 11 January 2021 at 2.00 p.m.

Date and time of Extraordinary General Meeting : 13 January 2021 at 2.00 p.m.

Place of Extraordinary General Meeting : The EGM will be held by way of electronic means

---

**TABLE OF CONTENTS**

---

<b>CORPORATE INFORMATION.....</b>	<b>1</b>
<b>DEFINITIONS .....</b>	<b>1</b>
<b>LETTER TO SHAREHOLDERS.....</b>	<b>4</b>
<b>1. INTRODUCTION .....</b>	<b>4</b>
<b>2. THE PROPOSED DISPOSAL.....</b>	<b>5</b>
<b>3. FINANCIAL INFORMATION.....</b>	<b>12</b>
<b>4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....</b>	<b>14</b>
<b>5. DIRECTORS' SERVICE CONTRACTS .....</b>	<b>15</b>
<b>6. CONSENT .....</b>	<b>15</b>
<b>7. EXTRAORDINARY GENERAL MEETING .....</b>	<b>15</b>
<b>8. ACTION TO BE TAKEN BY SHAREHOLDERS .....</b>	<b>15</b>
<b>9. JUDICIAL MANAGERS' RECOMMENDATION.....</b>	<b>15</b>
<b>10. RESPONSIBILITY STATEMENT .....</b>	<b>15</b>
<b>11. DOCUMENTS FOR INSPECTION .....</b>	<b>16</b>
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING.....</b>	<b>N-1</b>
<b>PROXY FORM .....</b>	<b>P-1</b>
<b>APPENDIX A – ASSETS VALUATION REPORT.....</b>	<b>A-1</b>
<b>APPENDIX B – PROPERTY VALUATION REPORT .....</b>	<b>B-1</b>

---

**CORPORATE INFORMATION**

---

**BOARD OF DIRECTORS** : **Mr. Richard Tan Leau Kuee @ Tan Chow Kuee** (Executive Director and Chief Executive Officer)

**Mr. Frankie Tan Ah Lam** (Non-Executive Director)

**Mr. Tan Lian Chew** (Non-Executive Director)

**Dr. John Chen** (Lead Independent Director)

**Mr. M Rajaram** (Independent Director)

**Mr. Koh Kim Wah** (Independent Director)

**JUDICIAL MANAGERS** : **Ms. Oon Su Sun**

**Mr. Lin Yueh Hung**

**c/o RSM Corporate Advisory Pte. Ltd.**  
8 Wilkie Road, #03-08  
Wilkie Edge  
Singapore 228095

**JOINT COMPANY SECRETARIES** : **Mr. Tan Hak Jin, CA** (Singapore)

Ms. Lee Pay Lee, ACIS

**REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS** : 28 Tuas Crescent  
Singapore 638719

**SHARE REGISTRAR** : **Boardroom Corporate & Advisory Services Pte. Ltd.**  
50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623

**LEGAL ADVISER TO THE COMPANY** : **RHTLaw Asia LLP**  
1 Paya Lebar Link, #06-08  
PLQ2 Paya Lebar Quarter  
Singapore 408533

---

## DEFINITIONS

---

In this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

<b>“Assets”</b>	: The various furniture, office equipment and machinery located at the Property
<b>“Assets MOA”</b>	: Memorandum of Agreement attached to the Assets SPA dated 31 October 2020
<b>“Assets SPA”</b>	: Sales and purchase agreement for the Assets dated 8 October 2020
<b>“Assets Valuation Report”</b>	: The valuation report dated 19 June 2020 issued by the Property and Assets Valuer for the Assets as set out in the Appendix A of this Circular
<b>“Board”</b>	: The Board of Directors of the Company
<b>“Circular”</b>	: This circular to Shareholders dated 29 December 2020 in relation to the Proposed Disposal
<b>“Companies Act”</b>	: Companies Act, Chapter 50 of Singapore, as may be amended, supplemented or modified from time to time
<b>“Company”</b>	: Hiap Seng Engineering Ltd. (Judicial Managers Appointed)
<b>“Consideration”</b>	: THB 300 million, being the consideration for the Proposed Disposal. Further details are set out in Section 2 of this Circular
<b>“Constitution”</b>	: The constitution of the Company, as may be amended, supplemented or modified from time to time
<b>“Directors”</b>	: The directors of the Company for the time being
<b>“EGM”</b>	: Extraordinary general meeting of the Company to be held in respect of the Proposed Disposal on 13 January 2021
<b>“EPS”</b>	: Earnings per Share
<b>“Group”</b>	: The Company and its subsidiaries
<b>“HSE Thailand”</b>	: Hiap Seng Engineering (Thailand) Co., Ltd.
<b>“Judicial Managers”</b>	: Ms. Oon Su Sun and Mr. Lin Yueh Hung, care of RSM Corporate Advisory Pte. Ltd., 8 Wilkie Road, #03-08, Wilkie Edge, Singapore 228095. Each a joint and several <b>“Judicial Manager”</b> .
<b>“Judicial Management Order”</b>	: The order made by the High Court of Singapore on 15 September 2020 to, amongst others, place the Company under judicial management pursuant to Section 227B of the Companies Act, read with such other orders which may be made by the High Court of Singapore to extend the period for which the Judicial Management Order is in force
<b>“Latest Practicable Date”</b>	: 22 December 2020 being the latest practicable date prior to the finalisation of this Circular
<b>“Listing Manual”</b>	: The Listing Manual of the SGX-ST, as may be amended, supplemented or modified from time to time

---

## DEFINITIONS

---

<b>“Long Stop Date”</b>	: 15 January 2021, being the date HSE Thailand and the Purchaser shall register the transfer of the Property without any encumbrance by
<b>“NTA”</b>	: Net tangible assets
<b>“Notice of EGM”</b>	: The notice of the EGM as set out on pages N-1 to N-3 of this Circular
<b>“Ordinary Resolution”</b>	: The ordinary resolution as set out in the Notice of EGM
<b>“Proposed Disposal”</b>	: The proposed disposal of the Property and the Assets
<b>“Property”</b>	: The Group's office building and factory at 27/58 Moo 8, Bueng, Sriracha, Chonburi 20230, Thailand
<b>“Property and Assets Valuer”</b>	: Agency for Real Estate Affairs Co., Ltd. the independent valuer based in Thailand appointed by the Company
<b>“Property MOA”</b>	: Memorandum of Agreement attached to the Property SPA dated 31 October 2020
<b>“Property SPA”</b>	: Sales and purchase agreement for the Property dated 8 October 2020
<b>“Property Valuation Report”</b>	: The valuation report dated 26 May 2020 issued by the Property and Assets Valuer for the Property as set out in Appendix B of this Circular
<b>“Proxy Form”</b>	: The proxy form in respect of the EGM as set out on pages P-1 to P-3 of this Circular
<b>“Purchaser”</b>	: EG Group Product and Service Company Limited
<b>“SFA”</b>	: The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, supplemented or modified from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	: Registered holders of Shares in the register of members of the Company
<b>“Shares”</b>	: Ordinary shares in the capital of the Company
<b>“Substantial Shareholder”</b>	: A person who: <ul style="list-style-type: none"><li>(a) has an interest or interests in one (1) or more Shares (excluding treasury shares) in the Company; and</li><li>(b) the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the Shares (excluding treasury shares) in the Company.</li></ul>
<b>“THB”</b>	: Thailand baht, the lawful currency of the Kingdom of Thailand
<b>“UOB Thailand”</b>	: United Overseas Bank Thailand
<b>“S\$” and “cents”</b>	: Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<b>“%”</b>	: Per centum or percentage

---

## DEFINITIONS

---

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “associated company” and “subsidiary” shall have the same meanings ascribed to them in the Listing Manual and the Companies Act, as the case may be.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless the context requires otherwise.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to “persons” shall, where applicable, include corporations.

Any reference to a time of day or date in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Unless otherwise stated, the exchange rate between THB and S\$ as utilised herein this Circular was THB 1 to S\$0.044228 as at 8 October 2020, being the date the SPAs were entered into. This exchange rate should not be construed as a representation that the THB amounts could have been, or could be, converted into S\$ at the rate stated, or at all, and *vice versa*.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

All statements other than statements of historical facts included in this Circular relating to the Proposed Disposal are or may be forward-looking statement. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of the future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

---

## LETTER TO SHAREHOLDERS

---

**HIAP SENG ENGINEERING LTD.**  
**(JUDICIAL MANAGERS APPOINTED)**  
(Company Registration No. 197100300Z)  
(Incorporated in the Republic of Singapore)

### Directors

**Mr. Richard Tan Leau Kuee @ Tan Chow Kuee**

(Executive Director and Chief Executive Officer)

**Mr. Frankie Tan Ah Lam**

(Non-Executive Director)

**Mr. Tan Lian Chew**

(Non-Executive Director)

**Dr. John Chen**

(Lead Independent Director)

**Mr. M Rajaram**

(Independent Director)

**Mr. Koh Kim Wah**

(Independent Director)

### Registered Office

28 Tuas Crescent

Singapore 638719

### Judicial Managers

**Ms. Oon Su Sun**

**Mr. Lin Yueh Hung**

c/o RSM Corporate Advisory Pte. Ltd.

### Registered Office

8 Wilkie Road, #03-08

Wilkie Edge

Singapore 228095

29 December 2020

**To: The Shareholders of Hiap Seng Engineering Ltd. (Judicial Managers Appointed)**

Dear Sir/Madam,

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED DISPOSAL OF THE GROUP'S OFFICE BUILDING AND FACTORY AT 27/58 MOO 8, BUENG, SRIRACHA, CHONBURI 20230, THAILAND AND THE VARIOUS FURNITURE, OFFICE EQUIPMENT AND MACHINERY LOCATED THEREAT BY THE COMPANY'S SUBSIDIARY, HIAP SENG ENGINEERING (THAILAND) CO., LTD.**

---

### INTRODUCTION

- 1.1. The Company is convening an EGM to be held on 13 January 2021 to seek Shareholders' approval for the proposed sale ("**Proposed Disposal**"), by the Company's subsidiary Hiap Seng Engineering (Thailand) Co., Ltd. ("**HSE Thailand**"), of its office building and factory at 27/58 Moo 8, Bueng, Sriracha, Chonburi 20230, Thailand ("**Property**") and the various furniture, office equipment and machinery located thereat ("**Assets**") to an independent third party purchaser, EG Group Product and Service Company Limited ("**Purchaser**"), on the terms and subject to the conditions of sales and purchase agreements dated 8 October 2020 (referred to as "**Property SPA**" and "**Assets SPA**" respectively, or collectively referred to as "**SPAs**") between HSE Thailand and the Purchaser.
- 1.2. Further, on 31 October 2020, HSE Thailand and the Purchaser had entered into a memorandum of agreement for each of the Property SPA and the Assets SPA (the "**Property MOA**" and "**Assets MOA**" respectively, or collectively, the "**MOAs**") to supplement the SPAs. Under the Property SPA, HSE Thailand and the Purchaser had agreed that HSE Thailand would register the transfer of ownership of the Property without any encumbrance by 29 November 2020. Under the Property MOA, HSE Thailand and the Purchaser had agreed to extend the

---

## LETTER TO SHAREHOLDERS

---

date on which HSE Thailand is to register the transfer of ownership of the Property without any encumbrance from 29 November 2020 to 15 January 2021. Accordingly, the MOAs provide a revision of the payment schedule for the Purchaser to fulfil the consideration for the Property and the Assets, details of which are set out in Section 2.5 below.

- 1.3. Based on the relative figures computed on the bases set out in Rule 1006 of the Listing Manual, the Proposed Disposal is classified as a “major transaction” under Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposal is conditional upon approval by Shareholders in general meeting. Further details on the relative figures computed on the bases set out in Rule 1006 of the Listing Manual relating to the Proposed Disposal are set out in Section 3 of this Circular.
- 1.4. The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposed Disposal (including the rationale for the Proposed Disposal and the financial effects on the Group, details of which are set out in Sections 2 and 3 of this Circular respectively, and to seek Shareholders’ approval for the same pursuant to Rule 1014 of the Listing Manual. The notice of EGM is set out on pages N-1 to N-3 of this Circular (“**Notice of EGM**”).
- 1.5. The SGX-ST takes no responsibility for the correctness or accuracy of any statements made, reports contained or opinions expressed in this Circular.
- 1.6. If you are in any doubt, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.

## 2. THE PROPOSED DISPOSAL

### 2.1. Background Information

On 28 July 2020, the Company and its subsidiary HS Compression and Process Pte Ltd (“**HSCP**”) each filed an application in the High Court of Singapore for, amongst others, orders that the Company and HSCP be placed under judicial management pursuant to Section 227B of the Companies Act.

Pursuant to the aforementioned applications, the Company announced that the High Court of Singapore had on 15 September 2020 granted the applications and made the Judicial Management Order. The following highlights, amongst others, the key orders made by the High Court of Singapore:

- (a) the Company and HSCP to be placed under judicial management pursuant to Section 227B and the provisions of Part VIIIA of the Companies Act;
- (b) Ms. Oon Su Sun and Mr. Lin Yueh Hung, care of RSM Corporate Advisory Pte. Ltd., 8 Wilkie Road, #03-08, Wilkie Edge, Singapore 228095, be appointed as joint and several judicial managers of the Company and HSCP (the “**Judicial Managers**”, and each a joint and several “**Judicial Manager**”); and
- (c) the affairs, business and property of the Company and HSCP be managed by the Judicial Managers herein appointed in order to achieve one or more of the following purposes:
  - (i) the survival of the Company and HSCP, or whole or part of their undertakings as going concerns;
  - (ii) a more advantageous realisation of the Company’s and HSCP’s assets than would be effected on a winding up; or
  - (iii) the approval under Section 210 or 211 of the Companies Act of a compromise or arrangement between the Company, HSCP and any such persons as are mentioned in those sections.



---

## LETTER TO SHAREHOLDERS

---

It should also be noted that there has been a suspension of trading of the Company's Shares since 28 November 2019.

As announced by the Company on 27 October 2020 on SGXNet, the Company's 93% owned subsidiary, HSE Thailand, had on 8 October 2020 entered into a conditional sale and purchase agreement with the Purchaser, pursuant to which HSE Thailand has agreed to sell to the Purchaser the Property and the Assets.

As of the date of this Circular, the payment milestones have not been met and the sale has not yet been completed. The sale of the Property is scheduled for completion in January 2021.

### 2.2. Information on the Property and Assets

Construction for the Property, which consists of 22 building structures (including the guard house, toilets, workshops and the main office building) was completed in June 2015. The total cost of the Property including the costs relating to the purchase of the land and the construction is approximately THB 277 million (approximately S\$12.3 million calculated at an exchange rate of SGD 1 = THB 0.044228 as at 8 October 2020, being the date the SPAs were being entered into). HSE Thailand used the Property mainly to conduct its business of fabricating and constructing steel structures and piping systems for the energy, chemical and power industries. The Assets were purchased to meet the needs of the business and to utilise the Property.

Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 June 2020:

- (a) the book value of the Property and the Assets was approximately S\$7.7 million as at 30 June 2020; and
- (b) the net profits attributable to the Property and the Assets were approximately S\$0.1 million as at 30 June 2020.
- (c) the gain on disposal, attributable to the shareholder, after completion of the Proposed Disposal amounts to approximately S\$4.1 million. A breakdown of the calculation is as follows: -

	S\$' million
Disposal of the Property & Assets consideration	13.3
Less book value of the Property & Assets	(7.7)
Less cost of disposal <sup>(1)</sup>	(1.2)
Gain on disposal before non-controlling interest	4.4
Less non-controlling interest	(0.3)
Gain on disposal at Group	4.1

- <sup>(1)</sup> costs of disposal included the various taxes and marketing & legal fees in connection with the disposal, which included value added taxes of S\$0.2 million, transfer fees S\$0.1 million, sales tax S\$0.5 million and agent and legal fees of S\$0.4 million.

The Property and the Assets are currently utilised by HSE Thailand and pledged to UOB Thailand for an overdraft facility of THB 20 million (approximately S\$0.9 million) and a short term loan facility of THB 60 million (approximately S\$2.7 million). As at 30 June 2020, the amount outstanding under the overdraft facility and the short-term loan facility was THB 19.9 million (approximately S\$0.9 million) and THB 31.5 million (approximately S\$1.4 million) respectively.

---

## LETTER TO SHAREHOLDERS

---

### Valuation on the Property and the Assets

Pursuant to Rule 1014(5) of the Listing Manual, the Company must appoint a competent and independent valuer to value the Property and Assets as certain relative figures computed on the bases set out in Rule 1006 of the Listing Manual for the Proposed Disposal exceed 75% (further discussed below).

HSE Thailand had on 20 May 2020 appointed an independent valuer based in Thailand, Agency for Real Estate Affairs ("**Property and Assets Valuer**"), to conduct an independent valuation on the market value of the Property (and the Assets). The Property and Assets Valuer is a property consultant specialising in international standard valuation, survey, research and information services.

After considering all valuation methodologies, the Valuer selected the cost and market approaches as the most appropriate approaches to derive the value of the Property and the Assets.

The cost approach involves measuring the value of the asset by the cost of reconstruction or replacement in new condition which would be appropriate to determine the value for the Property and the Assets.

The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative and it would be appropriate to be used to form the basis for the estimated realisable value of the Property with reference to comparable transactions.

According to the valuation reports by the Property and Assets Valuer:

- (a) The Property had a market value of THB 350.8 million (approximately S\$15.5 million), as at the valuation date of 22 May 2020. The Property and Assets Valuer valued the Property using the cost approach and market approach which comprises, in the case of the former, the cost of the land and building, and in the case of the latter, a comparison of comparable properties; and
- (b) The Assets had a market value of THB 34.5 million (approximately S\$1.5 million), as at the valuation date of 15 June 2020. The Property and Assets Valuer valued the Assets using the cost approach which comprises the cost of the Assets.

A copy of the Assets Valuation Report and the Property Valuation Report is at Appendices A and B respectively.

### Further information on the Proposed Disposal

In August 2020, HSE Thailand received a formal offer from a third party purchaser for the sum of THB 300 million (approximately S\$13.3 million) for both the Property and the Assets. While this was below the valuation of the Property and Assets Valuer, HSE Thailand agreed to sell the Property and the Assets as:

- (a) The valuation by the Property and Assets valuer of THB 350.8 million (approximately S\$15.5 million), as at the valuation date of 22 May 2020, is approximately 124% higher than the book value of the Property. The Property and Assets Valuer valued the Property using the cost approach and market approach which comprises, in the case of the former, the cost of the land and building, and in the case of the latter, a comparison of comparable properties.
- (b) Likewise, the Assets had a market value of THB 34.5 million (approximately S\$1.5 million), as at the valuation date of 15 June 2020, which is approximately 89% higher than the book value of the Assets. The Property and Assets Valuer valued the Assets using the cost approach which comprises the cost of the Assets.

---

## LETTER TO SHAREHOLDERS

---

- (c) HSE Thailand had put the Property and the Assets up for sale since 25 February 2020 and there had been no offers from any prospective buyers at the valuation price;
- (d) the offer by the Purchaser was the highest offer to-date;
- (e) while there were other parties that had expressed their interest, the other parties either did not pay the deposit or the deposit was not cleared;
- (f) the management of HSE Thailand, the Company and the Judicial Managers took the view that it was a reasonable amount in light of the ongoing pandemic and challenging financial environment;
- (g) the Purchaser's offer was the only credible offer as the deposit of THB 20 million (approximately S\$0.9 million) and the first, second, third, fourth and fifth tranches of payment amounting to THB 200 million (approximately S\$8.8 million) have been received by HSE Thailand; and
- (h) the consideration and the sum received from trade and other receivables are sufficient to settle all the liabilities of HSE Thailand which amounts to approximately S\$12.5 million. This comprises of the sum of approximately S\$2.3 million owing to United Overseas Bank Thailand and the sum of approximately S\$7.2 million owing to the Company (as of 30 June 2020). There is also an outstanding sum of approximately S\$3 million owing to trade and other creditors as of 30 June 2020.

### 2.3. Information on HSE Thailand and the Purchaser

HSE Thailand is a 93% subsidiary of the Company. HSE Thailand is a registered limited company incorporated in Thailand with its registered office at 27/58 M8, Tambon Bueng, Si Racha, Chonburi 20230, Thailand. HSE Thailand is in the business of fabricating and constructing steel structures and piping systems for the energy, chemical and power industries.

The Purchaser is a private company limited by shares incorporated in Thailand and having its registered office at 32/1 Soi 2 (Jaikeaw Road) T,Nonghoi A.Muangchaingmai, Chaingmai. The Purchaser is in the business of producing medical rubber gloves. As at the Latest Practicable Date, the main shareholders of the Purchaser are Ms. Pakkaporn Pattanaliampaiboon (approximately 99.72%), Mr. Saran Kamjadrok (approximately 0.14%) and Mr. Pich Pattanaliampaiboon (approximately 0.14%). The Purchaser (together with its shareholders) is a third party, independent from HSE Thailand.

*Shareholders should note that information relating to the Purchaser in this section and elsewhere in this Circular has been provided by the Purchaser. The Company, the Directors and the Judicial Managers have not independently verified the accuracy and correctness of such information herein. The sole responsibility of the Company, the Directors and the Judicial Managers for the purpose of such information has been to extract and reproduced such information in this Circular in its proper form and context.*

### 2.4. Consideration for the Proposed Disposal

The aggregate Consideration of the Proposed Disposal is THB 300 million (approximately S\$13.3 million) (the "**Consideration**"), comprising THB 260 million (approximately S\$11.5 million) for the Property and THB 40 million (approximately S\$1.8 million) for the Assets.

The Consideration was mutually arrived at after arms' length negotiations between HSE Thailand and the Purchaser on a willing seller and willing purchaser basis after taking into consideration the valuation of the Property and the Assets, and the current challenging economic landscape brought about by the ongoing pandemic.

---

## LETTER TO SHAREHOLDERS

---

### 2.5. Principal terms of the SPAs supplemented with the MOAs

#### Property SPA supplemented with the Property MOA

The original Property SPA and the Property MOA were drafted in Thai and the following salient terms of the Property SPA and the Property MOA were adapted from the translated version of the same.

- (a) The land 72 Rai – Ngarn 87 square wah (115,548 square metres or 28,887 square wah) shall be sold at a price of THB 140 million.
- (b) The Property (comprising a total of 22 building structures), with an area utilisation of 32,857.4 square metres, shall be sold at a price of THB 120 million.
- (c) The Purchaser shall pay the Consideration in tranches as follows:
  - (i) THB 20 million on the date of the Property SPA. For the avoidance of doubt, this had been paid;
  - (ii) THB 20 million on 10 October 2020. For the avoidance of doubt, this had been paid;
  - (iii) THB 20 million on 29 October 2020. For the avoidance of doubt, this had been paid;
  - (iv) THB 20 million on 5 November 2020. For the avoidance of doubt, this had been paid;
  - (v) THB 10 million on 14 December 2020. For the avoidance of doubt, this had been paid;
  - (vi) THB 130 million on 21 December 2020. For the avoidance of doubt, this has been paid; and
  - (vii) THB 80 million on the date of transfer of title of the Property.
- (d) HSE Thailand and the Purchaser shall register the transfer of the Property without any encumbrance by 15 January 2021 (“**Long Stop Date**”) <sup>(1)</sup>. In the event that HSE Thailand is able to register the transfer of the Property before the Long Stop Date, HSE Thailand will notify the Purchaser at least 7 days in advance.
- (e) HSE Thailand shall apply for its existing factory permit to include the business of producing medical rubber gloves, and shall transfer the same on completion.
- (f) The transfer of the Property is conditional upon HSE Thailand having obtained approval for the transfer of the Property from the Company, who in turn must obtain approval from the SGX-ST.
- (g) If the Company is unable to grant the necessary approval, HSE Thailand and the Purchaser shall discuss the postponement of transfer of the Property to alternative dates, and the Purchaser shall have the right to terminate the Property SPA if it is beyond the Long Stop Date.
- (h) Fees for transferring the ownership of the Property and various taxes related to the same shall be for account of HSE Thailand. These fees and taxes relate to the sale of the Property and Assets by HSE Thailand, and include the following (1) transfer fees to facilitate the transfer of the title of the Property to the Purchaser; (2) VAT and sales tax imposed by the Thailand government in relation to the disposal of the Property and the Assets.

---

## LETTER TO SHAREHOLDERS

---

- (i) HSE Thailand shall allow the Purchaser to access the Property from 8 October 2020 and to start moving its machinery onto the Property from the date 10 October 2020. Additionally, HSE Thailand shall allow the Purchaser to install its company's signboard on the right side of the entrance gate, and use the address of the Property as the location of its office commencing from 8 October 2020. HSE Thailand shall not be liable for any damage or loss of the Purchaser's machinery or assets installed or kept at the Property. As of the Latest Practicable Date, the Purchaser has not moved any of its machinery into the Property.
- (j) The Purchaser shall be responsible for electricity, water supply, telephone, security guard, housekeeping and other expenses incurred from its access to the Property, and the Purchaser agrees not to engage in any business and undertake any illegal action or allow others to do the same in the Property.
- (k) If the purchaser fails to make any payment or register the transfer of the Property, HSE Thailand shall be entitled to terminate the Property SPA. However, in such event, the Purchaser shall pay compensation deemed to be rental fee for the Property (at the rate of THB 120 square metres provided always that such rental fee shall not exceed THB 13,865,760 per month).
- (l) If HSE Thailand is unable to transfer ownership, it shall return all the money received from the Purchaser without interest and the Purchaser shall not claim any further damages.

**Note:**

- (1) Given that the Proposed Disposal constitutes a major transaction under Chapter 10 of the Listing Manual, pursuant to Rule 1014 of the Listing Manual, the Proposed Disposal shall be subject to the approval of the Shareholders at a general meeting. It should be noted that HSE Thailand had successfully negotiated for an extension for the transfer of the ownership of the Property from 29 November 2020 to 15 January 2021 as the EGM to seek approval of the Shareholders for the Proposed Disposal is scheduled to be held on 13 January 2021, which is after 29 November 2020 and before 15 January 2021.

On 25 November 2020, the Purchaser wrote to HSE Thailand to request for an extension of time for the payments due on 14 November 2020, 25 November 2020 and 4 December 2020. The Purchaser proposes that the amounts due on the aforementioned dates amounting to the sum of THB 120 million be paid together with the amount due on 14 December 2020. Therefore, the total sum of THB 140 million will be received by HSE Thailand on 14 December.

However, on 14 December 2020, the Purchaser made partial payment of THB 10 million towards the total outstanding sum owing, and wrote to HSE Thailand to request for a further extension of time for the outstanding payment of THB 130 million originally due on 14 December 2020.

Therefore, the Purchaser will pay HSE Thailand the sum of THB 130million on 21 December 2020, and the remaining outstanding sum of THB 80 million will be paid on the date of transfer of the Property.

On 16 December 2020, HSE Thailand responded to the Purchaser informing them that they are agreeable to this change in the payment schedule.

Assets SPA supplemented with the Assets MOA

The original Assets SPA and Assets MOA were drafted in Thai and the following salient terms of the Asset SPA and Assets MOA were adapted from the translated version of the same.

---

## LETTER TO SHAREHOLDERS

---

- (a) The Purchaser agrees to purchase the Assets for THB 40 million which is VAT (value added tax) inclusive, and the Purchaser shall pay the same on the date that the Property is transferred. In the event that HSE Thailand is able to transfer the ownership of the Assets without any encumbrance before 15 January 2021, under the Assets MOA, HSE Thailand is to notify the Purchaser at least 7 days in advance, whereby the Purchaser and HSE Thailand are to agree upon a date in which the Purchaser is to pay the consideration of THB 40 million to HSE Thailand.
- (b) In the event that the Purchaser breaches the Assets SPA and fails to pay the THB 40 million, the Assets SPA shall be terminated.
- (c) In the event HSE Thailand breaches the Assets SPA, the Purchaser has the right to sue to enforce the contract or have the right to terminate the same.
- (d) If the Property SPA is terminated under any circumstances, the Assets SPA shall also terminate.

### 2.6. Rationale for the Proposed Disposal

The Company and the Judicial Managers are of the view that disposing the Property and the Assets is in the best interests of the Group, especially in light of HSE Thailand and the Group's need for cash, including to, amongst others, facilitate the aforementioned judicial management.

In addition, the Group's financial results has been further adversely impacted by the challenging financial market conditions brought about by the COVID-19 pandemic.

The operations on the Property were in the fabrication and construction of steel structures, piping systems for the energy, chemical and power industries. However, due to the COVID-19 pandemic, operations have slowed down significantly and costs have increased thus resulting in reduced profitability in some projects. Since the operations on the Property have been minimal since July 2020, and taking into consideration (1) the slowdown in projects; (2) the reduction of revenue and (3) the increase in costs, it will be in the Group's best interests to dispose of the Property and Assets, which are non-core assets that are not critical to the principal business activities of the Group, and are only ancillary thereto. As at the Latest Practicable Date, the projects and operations at the Property have been completed. The projects include the fabrication of the modular steel structure for a customer which has since been completed and the Company's operations has ceased since then. HSE Thailand will occupy an office space at the Property to conduct the administrative matters required for the closure of HSE Thailand.

The Proposed Disposal will enable HSE Thailand to raise cash for the purposes stated in the following section of this Circular.

### 2.7. Use of proceeds from Proposed Disposal

HSE Thailand will apply the Consideration received from the Purchaser in the following manner:

- (a) first, the amount of S\$2.3 million will be set aside from the Consideration and used to discharge HSE Thailand's debt owing to UOB Thailand. As at the Latest Practicable Date, the amount owing to United Overseas Bank Thailand is approximately THB 51 million (amounting to approximately S\$2.3 million);
- (b) second, the sum of approximately S\$1.2 million will be used towards the settlement of legal, professional and other expenses incurred in connection with the Proposed Disposal; ;
- (c) third, the amount of approximately S\$7.2 million will be utilised as follows:
  - i. the sum of S\$1 million to pay the withholding taxes payable on the owings to the Company;

---

## LETTER TO SHAREHOLDERS

---

- ii. the sum of \$0.9 million to be set aside for contingent liabilities in terms of performance / warranty bonds provided by UOB Thailand, the latest of which would expire by May 2022.
  - iii. The sum of S\$5.3 million to be used to pay the outstanding sums owed to Company; and
- (d) finally, the balance of the Consideration of approximately S\$2.6 million will be used to pay the outstanding sums owed to its employees and its creditors, with the balance of which to be returned to its shareholders, which include the Company. The Company will use such proceeds received for working capital, operating expenses and/or any other requirements of the Company.

### 3. FINANCIAL INFORMATION

#### 3.1. Financial effects of the Proposed Disposal

The financial effects of the Proposed Disposal as set out below are prepared based on the latest announced unaudited consolidated financial statements of the Group for the first-quarter ended 30 June 2020 and are subject to the following key assumptions:

- (a) the effect of the Proposed Disposal on the Group's consolidated NTA per Share of the Company is based on the assumption that the Proposed Disposal had been effected on 30 June 2020; and
- (b) the effect of the Proposed Disposal on the Group's consolidated EPS is based on the assumption that the Proposed Disposal had been effected on 30 June 2020.

##### 3.1.1. NTA

	Before the Proposed Disposal	After the Proposed Disposal
<b>NTA of the Group attributable to Shareholders of the Company (S\$'000)</b>	(11,186)	(7,138)
<b>Number of Shares ('000)</b>	303,750	303,750
<b>NTA per Share (cents)</b>	(3.7)	(2.3)

##### 3.1.2. EPS

	Before the Proposed Disposal	After the Proposed Disposal
<b>Net earnings attributable to Shareholders of the Company for first-quarter ended 30 June 2020 (S\$'000)</b>	1,251	5,299
<b>Weighted average number of Shares ('000)</b>	303,750	303,750
<b>EPS (cents)</b>	0.41	1.74

## LETTER TO SHAREHOLDERS

### 3.2. Relative figures

Based on the latest announced unaudited consolidated financial statements of the Group for the first-quarter ended 30 June 2020, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	The net asset value of the Property and the Assets being approximately S\$7.7 million <sup>(1)</sup> represents approximately 59% (absolute relative figure) of the Group's negative net asset value of approximately S\$13.1 million
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	The net profits attributable to the Property and the Assets being approximately S\$0.1 million <sup>(2)</sup> represents approximately 7% (absolute relative figure) of the Group's net profits of approximately S\$1.3 million
(c)	The aggregate value of the Consideration compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	The Consideration represents approximately 218% of the Company's market capitalisation of approximately S\$6.1 million as at 28 November 2019 (the date on which the Company's shares were last traded)
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

**Notes:**

- (1) Calculated by taking the aggregate cost of the Property and the Assets (approximately, S\$17.3 million) less accumulated depreciation (approximately, S\$9.6 million).
- (2) HSE Thailand's net profit for the first quarter ended 30 June 2020.

As the relative figures computed based on Rules 1006(a), 1006(b) and 1006(c) exceed 20%, the Proposed Disposal constitutes a major transaction under Rule 1014 of the Listing Manual and shall be subject to the approval of the Shareholders.

After the Proposed Disposal, there will be no change to the Group organisation structure and the business of the Group. The business of the Group will still include plant construction and maintenance and compression and process equipment fabrication. The key assets of the Group remaining after the



---

**LETTER TO SHAREHOLDERS**

---

Proposed Disposal will be (1) the properties in Singapore at 4 Benoi Place, 19 Tuas Crescent, 21 Tuas Crescent, 24 Tuas Crescent, 28 Tuas Crescent, and 30 Tuas Crescent; and (2) plant and machinery including scaffolds and equipment.

**4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

The interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

<b>Name</b>	<b>Direct Interest</b>	<b>%<sup>(1)</sup></b>	<b>Indirect Interest</b>	<b>%<sup>(1)</sup></b>	<b>Total interest (%)</b>
<b>Directors</b>					
Richard Tan Leau Kuee @ Tan Chow Kuee <sup>(2)</sup>	-	-	70,788,639	23.30	23.30
Frankie Tan Ah Lam <sup>(3)</sup>	3,319,500	1.09	70,788,639	23.30	24.39
Tan Lian Chew	3,601,761	1.19	-	-	1.19
John Chen	-	-	-	-	-
M Rajaram	300,000	0.1	-	-	0.1
Koh Kim Wah	-	-	278,000	0.1	0.1
<b>Substantial Shareholders (other than directors above)</b>					
Tan Kuay Hoe Holdings Pte Ltd	70,788,639	23.30	-	-	23.30
Cheng Buck Poh @ Chng Bok Poh <sup>(4)</sup>	29,938,375	9.86	7,086,440	2.33	12.19
Goo Guik Bing @ Goh Guik Bing <sup>(5)</sup>	7,086,440	2.33	29,938,375	9.86	12.19

Notes:

- (1) Based on 303,750,000 Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings.
- (2) Mr Richard Tan Leau Kuee @ Tan Chow Kuee is deemed to have an interest in the shares held by Tan Kuay Hoe Holdings Pte Ltd by virtue of Section 7 of the Companies Act, Cap. 50.
- (3) Mr Tan Ah Lam is deemed to have an interest in the shares held by Tan Kuay Hoe Holdings Pte Ltd by virtue of Section 7 of the Companies Act, Cap. 50.
- (4) Mr Cheng Buck Poh @ Chng Bok Poh is deemed to have an interest in the shares held by Mdm Goo Guik Bing @ Goh Guik Bing by virtue of the fact that he is the spouse of Mdm Goo Guik Bing @ Goh Guik Bing.

---

## LETTER TO SHAREHOLDERS

---

- (5) Mdm Goo Guik Bing @ Goh Guik Bing is deemed to have an interest in the shares held by Mr Cheng Buck Poh @ Chng Bok Poh by virtue of the fact that she is the spouse of Mr Cheng Buck Poh @ Chng Bok Poh.

Save as disclosed, none of the Directors or Substantial Shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company, if any.

As at the Latest Practicable Date, none of the Judicial Managers and the Directors and, to the best of the knowledge of the Judicial Managers and the Directors, none of the Substantial Shareholders of the Company have any direct or indirect interest in the Proposed Disposal.

### **DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

### **CONSENT**

The Property and Assets Valuer have given and have not withdrawn their written consent to the issue of this Circular with the inclusion herein of their name. The Assets Valuation Report and Property Valuation Report are set out in Appendices A and B to this Circular and all references thereto in the form and context in which they appear in this Circular.

### **EXTRAORDINARY GENERAL MEETING**

The EGM will be held at on 13 January 2021 held by electronic means for the purpose of considering and, if thought fit, passing with or without any amendments, the resolutions set out in the Notice of EGM on pages N-1 to N-3 of this Circular.

### **ACTION TO BE TAKEN BY SHAREHOLDERS**

Due to current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Shareholders should refer to the Company's Notice of EGM dated 29 December 2020 which has been uploaded together with this Circular for more information including the steps to be taken by Shareholders to participate at the EGM.

### **JUDICIAL MANAGERS' RECOMMENDATION**

The Judicial Managers, having considered, amongst other things, the terms of the Proposed Disposal, the rationale for and the financial effects of the same and all other information set out in this Circular, are collectively of the view that based on current circumstances, the Proposed Disposal is in the interest of the Company. Accordingly, the Judicial Managers recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Disposal at the EGM, as set out in the Notice of EGM.

### **10. RESPONSIBILITY STATEMENT**

The Directors and the Judicial Managers collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about Proposed Disposal, the Company and its subsidiaries, and the Directors and the Judicial Managers are not aware of any facts the omission of which would make any statement in this Circular misleading.

---

## LETTER TO SHAREHOLDERS

---

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors and the Judicial Managers has been to ensure that such information has been extracted from those sources and/or reproduced in this Circular in its proper form and context.

The affairs, business and property of the Company are being managed by the Judicial Managers. The Judicial Managers act only as agents of the Company and disclaim all personal liability of any nature whatsoever for all matters arising out of, in connection with and in respect of the judicial management of the Company.

### 11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office, 28 Tuas Crescent, Singapore 638719, for three (3) months from the date of the Company's announcement dated 27 October 2020:

- (a) Constitution of the Company;
- (b) the Property Valuation Report by the Property and Assets Valuer dated 26 May 2020;
- (c) the Assets Valuation Report by the Property and Assets Valuer dated 19 June 2020;
- (d) the Property SPA;
- (e) the Property MOA;
- (f) the Assets SPA;
- (g) the Assets MOA
- (h) the annual report of the Company for the financial year ended 31 March 2019; and
- (i) the unaudited consolidated financial statements of the Group for the first-quarter ended 30 June 2020.

Oon Su Sun and Lin Yueh Hung  
Joint and Several Judicial Manager  
**29 December 2020**

Richard Tan Leau Kuee @ Tan Chow Kuee  
Executive Director and Chief Executive Officer  
**29 December 2020**

---

The affairs, business and property of the Company are being managed by the Judicial Managers appointed by the High Court of Singapore. The Judicial Managers contract and only act as agents of the Company and disclaim all personal liability of any nature whatsoever for all matters arising out of, in connection with and in respect of the Judicial Management of the Company herein.

---

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

---

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**HIAP SENG ENGINEERING LTD.**  
**(JUDICIAL MANAGERS APPOINTED)**  
(Company Registration No. 197100300Z)  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “EGM”) of **Hiap Seng Engineering Ltd. (Judicial Managers Appointed)** (the “Company”) will be held by way of electronic means on 13 January 2021 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolution:

*All capitalised terms used in this notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 29 December 2020 (the “Circular”) in relation to the Proposed Disposal.*

**Ordinary Resolution: The Proposed Disposal**

That:

- (a) the proposed disposal by the Company’s subsidiary Hiap Seng Engineering (Thailand) Co., Ltd., of its office building and factory at 27/58 Moo 8, Bueng, Sriracha, Chonburi 20230, Thailand and the various furniture, office equipment and machinery to a third party purchaser, EG Group Product and Service Company Limited, on the terms and subject to the conditions of sales and purchase agreements dated 8 October 2020 (the “**Proposed Disposal**”) as a “major transaction” under Chapter 10 of the Singapore Exchange Securities Trading Limited’s Listing Manual be and is hereby approved; and
- (b) the Judicial Managers or, following the expiry or the discharge of the Judicial Management Order, the Directors (as the case may be) and each of them be and are hereby authorised and empowered to complete and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents, as they or any of them may in their or his absolute discretion consider necessary, desirable or expedient in connection with the Proposed Disposal and to give effect to this resolution.

**BY ORDER OF THE JUDICIAL MANAGERS**

Oon Su Sun and Lin Yueh Hung  
Joint and Several Judicial Managers  
**29 December 2020**

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### Notes:

#### 1. Pre-Registration

This EGM is being convened and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Company's announcement dated 29 December 2020 which has been uploaded together with this Notice of EGM on SGXNet on the same day.

A member will be able to participate at the EGM by watching the EGM proceedings via a "live" audio visual webcast via mobile phones, tablets or computers or listening to the proceedings through a "live" audio-only feed via telephone. In order to do so, a member must pre-register by 2.00 p.m. on 11 January 2021, at the URL <http://HSELEGM.availeasemgdwebinar.com> for the Company to authenticate his/her/its status as members. Authenticated members will receive email instructions on how to access the "live" audio-visual webcast and "live" audio-only feed of the proceedings of the EGM by 2.00 p.m. on 12 January 2021.

Members who do not receive an email by 2.00 p.m. on 12 January 2021, but have registered by the 2.00 p.m. on 11 January 2021 deadline, may contact the Company at [info@hiapseng.com](mailto:info@hiapseng.com).

#### 2. Submission of Questions

A member who pre-registers to watch the "live" audio-visual webcast or listen to the "live" audio-only feed may also submit questions related to the resolutions to be tabled for approval at the EGM. To do so, all questions must be submitted by 2.00 p.m. on 11 January 2021, via the pre-registration website at the URL <http://HSELEGM.availeasemgdwebinar.com>.

Shareholders who are not participating at the EGM can submit questions by email should download, complete and sign the prescribed question form at the URL <http://HSELEGM.availeasemgdwebinar.com>, before sending it to [info@hiapseng.com](mailto:info@hiapseng.com). The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM via SGXNet or during the EGM through the "live" audio-visual webcast and "live" audio-only feed.

#### 3. Submission of Proxy Forms

A member will not be able to vote through the "live" audio-visual webcast or "live" audio-only feed and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. The proxy form for the EGM can be accessed and made available with this Notice of EGM on SGXNet on the same day.

In appointing the Chairman of the meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the meeting as proxy for that resolution will be treated as invalid.

The Chairman of the meeting, as a proxy, need not be a member of the Company.

The instrument appointing the Chairman of the meeting as proxy must be submitted to the Company's Share Registrar in the following manner:

- (a) if submitted by post, be lodged at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or
- (b) if by email, be received by [hiapsengegm2021@boardroomlimited.com](mailto:hiapsengegm2021@boardroomlimited.com),

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

in either case, no later than 2.00 p.m. on 11 January 2021.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

CPF/SRS Investors who wish to exercise their voting rights at the EGM should not submit proxy forms in the manner specified above. Instead, such investors should approach their respective CPF/SRS Operators to submit their votes by 5.00 p.m. on 4 January 2021 being at least 7 working days before the date of the EGM.

The instrument appointing the Chairman of the meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

The Company shall be entitled to reject the instrument appointing the Chairman of the meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the meeting as proxy).

### **Personal data privacy:**

By attending the EGM and/or any adjournment thereof and/or submitting the Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**PROXY FORM**

**HIAP SENG ENGINEERING LTD.**  
**(JUDICIAL MANAGERS APPOINTED)**  
 (Company Registration No. 197100300Z)  
 (Incorporated in the Republic of Singapore)

(Please read notes overleaf before completing this Form)

**IMPORTANT**

1. The Extraordinary General Meeting ("Meeting") is being convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Order 2020. **Due to the current COVID-19 restriction order, a member will not be able to physically attend the Meeting. A member (including Relevant Intermediary\*) must appoint the Chairman of the Meeting as proxy to vote on his/her/it behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
2. Alternative arrangements relating to the attendance of the Meeting through electronic means, as well as conduct of the Meeting and relevant guidance with full details are set out in the accompanying Company's announcement dated 29 December 2020, which can be accessed via the SGX website at: <https://www.sgx.com/securities/company-announcements>.
3. This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investor") (including investors, holding through Central Provident Fund Investment Scheme ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS Investors") and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS Investors who wishes to vote should approach his/her CPF Agent Banks or SRS Operator to submit their votes by 5.00 p.m. on 4 January 2021 being at least seven (7) working days before the Meeting.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice dated 29 December 2020.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.) of  
 \_\_\_\_\_ (Address)

being a \*member/members of **HIAP SENG ENGINEERING LTD. ("Company")**, hereby appoint:

The Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting ("**EGM**" or the "**Meeting**") of the Company to be held by way of electronic means via "live" audio-visual webcast or "live" audio-only feed on 13 January 2021 at 2.00 p.m. (Singapore time) and at any adjournment thereof.

*Please indicate your vote "For" or "Against" or "Abstain" with an "X" within the box provided if you wish to exercise all your votes. Alternatively, please indicate the number of votes as appropriate.*

No.	As Ordinary Resolutions	No. of votes For	No. of votes Against	No. of votes Abstain
1	To approve the Proposed Disposal			

Dated this \_\_\_\_ day of \_\_\_\_\_ 2020/2021.

	Total No. of Shares in	No. of Shares
	(a) CDP Register	
	(b) Register of Members	

Signature of Shareholder(s) or,  
 Common Seal of Corporate Shareholder

*\* Please delete as appropriate.*

*# If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the EGM, please indicate with a "X" in the space provided under "For" or "Against". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.*

---

## PROXY FORM

---

### Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.
2. A member will not be able to vote through the “live” audio-visual webcast or “live” audio-only feed and voting is only through submission the proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. The Chairman of the Meeting, as a proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company’s Share Registrar in the following manner:
  - (a) if submitted by post, be lodged at the registered office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or
  - (b) if by email, be received by [hiapsengegm2021@boardroomlimited.com](mailto:hiapsengegm2021@boardroomlimited.com),

**in either case, no later than 2.00 p.m. on 11 January 2021.**

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is submitted by email, it must be authorised in the following manner:
  - (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
  - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

Where an instrument appointing the Chairman of the Meeting as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the



---

## PROXY FORM

---

instrument appointing the Chairman of the Meeting as proxy, failing which the instrument may be treated as invalid.

6. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act.
7. Terms not specifically defined herein shall have the same meanings ascribed to them in the circular to shareholders of the Company dated **29 December 2020**.

### **General:**

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy) In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

### **Personal data privacy:**

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated **29 December 2020**.

---

## APPENDIX A – ASSETS VALUATION REPORT

---

Please note that Appendix A can be accessed from the Company's announcement dated 29 December 2020 on SGX-ST's website at the URL - <https://www.sgx.com/securities/company-announcements?value=HIAP%20SENG%20ENGINEERING%20LTD&type=company>

---

## APPENDIX B – PROPERTY VALUATION REPORT

---

Please note that Appendix B can be accessed from the Company's announcement dated 29 December 2020 on SGX-ST's website at the URL - <https://www.sgx.com/securities/company-announcements?value=HIAP%20SENG%20ENGINEERING%20LTD&type=company>