



Mun Siong Engineering Limited

(Company Registration No. 196900250M)
(Incorporated in the Republic of Singapore)

INCREASE IN ISSUED AND PAID-UP SHARE CAPITAL OF A SUBSIDIARY

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**”), on 5 September 2019 has increased its issued and paid-up capital from RM2.00 to RM750,000.00. The increase was by way of a subscription for an additional 749,998 new ordinary shares for a total consideration of RM749,998.00, which was satisfied in cash (the “**Increase in Share Capital**”). Following the Increase in Share Capital, MSESB continues to remain a wholly-owned subsidiary of the Company.

The Increase in Share Capital was funded through internal resources and is not expected to have a material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2019.

With reference to the announcement released on 23 August 2019 regarding the Company’s shareholders’ agreement with a Malaysian Partner, Highbase Strategic Sdn Bhd (“**HSSB**”), to incorporate and operate a joint venture company (“**JV Co**”). The JV Co will undertake the Group Wide Master Service Agreement for Integrated Turnaround Main Mechanical and Maintenance Mechanical Static (“**Contract Award**”) from Petroliam Nasional Berhad (“**Petronas**”). The JV Co will act as owner and a project manager in relation to the Contract Award and to manage the subcontracts to be awarded to the Company and HSSB.

The Company through MSESB will undertake the work subcontracted from the JV Co. In the event that MSESB requires additional working capital, besides seeking working capital credit facilities from Malaysia financial institutions, the Company will undertake to increase the paid-up share capital of MSESB or provide shareholder’s loan.

It should be noted that the timing and dollar amount of work under the Contract Award is at the discretion of Petronas.

None of the directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the Increase in Share Capital, save for their shareholdings in the Company.

By Order of the Board

Cheng Woei Fen
Executive Chairlady

6 September 2019