

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

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF WARRANTS ON THE BASIS OF FOUR (4) WARRANTS FOR EVERY TEN (10) EXISTING ORDINARY SHARES (“WARRANTS ISSUE”)

- **RECEIPT OF AN IN-PRINCIPLE APPROVAL FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)**

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company’s announcement (“Previous Announcement”) dated 6 May 2014 relating to the Warrants Issue.

The board of directors (“**Directors**”) of Mun Siong Engineering Limited (“**Company**”) is pleased to announce that the SGX-ST had on 2 July 2014 granted approval-in-principle (“**AIP**”) for the listing and quotation of up to 166,683,200 Warrants and up to 166,683,200 New Shares to be issued by the Company upon the exercise of the Warrants pursuant to the Warrants Issue on the Main Board of the SGX-ST.

The AIP is subject to the following conditions:

- (a) Compliance with the SGX-ST’s listing requirements;
- (b) Announcement by the Company to provide clarity on whether the option to scale down as disclosed in paragraph 2.4 of the Company’s announcement of 6 May 2014 has any impact on the ability of the substantial shareholders, Cheng Woei Fen and Quek Chiau Liong to fulfil their obligations under their Irrevocable Undertakings as disclosed in paragraph 3 of the aforementioned announcement;
- (c) A written undertaking from the Company that it will comply with Listing Rules 704(30), 815 and 1207(20) of the SGX-ST Listing Manual in relation to the use of the proceeds from the Rights Issue and exercise of Warrants and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
- (d) A written confirmation from financial institution(s) as required under the Listing Rule 877(9) that the shareholders who have given the irrevocable undertakings have sufficient financial resources to fulfill their obligations under its undertakings;
- (e) A written confirmation from the Company that there is a satisfactory spread of warrant holders to provide an orderly market for the warrants in compliance with Listing Rule 826;
- (f) A written confirmation from the Company that the terms of the warrant issue do not permit revision of the exercise price/ratio in any form, other than in compliance with Listing Rule 829(1);
- (g) A written confirmation from the Company that Listing Rule 877(10) will be complied with in relation to the allotment of any excess warrants; and

- (h) A written undertaking from the Company that Listing Rules 820, 830 and 831 will be complied with.

Shareholders are to note that the AIP is not to be taken as an indication of the merits of the Warrants Issue, the Warrants, the New Shares, the Company and/or its subsidiaries.

The Directors refer to paragraph 2.4 of the Company's Previous Announcement. After taking into account the aggregate shareholding interests of Cheng Woei Fen and parties acting in concert with her for the purpose of the Code and the shareholding interest of Quek Chiau Liong, it is not necessary for the Company to scale down the subscription of the Warrants by the Undertaking Shareholders, namely, Cheng Woei Fen and Quek Chiau Liong pursuant to their Irrevocable Undertakings in the event that other Shareholders do not take up their Warrants Entitlements fully. Accordingly, the option to scale down does not impact the ability of the Undertaking Shareholders to fulfil their obligations under their Irrevocable Undertakings.

The Company will make a further announcement in due course on the notice of Books Closure Date for the determination of the provisional allotments of Entitled Shareholders under the Warrants Issue.

By Order of the Board

Cheng Woei Fen
Executive Chairman
Date: 2 July 2014