

CIRCULAR DATED 12 OCTOBER 2022

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

This circular (this “Circular”) is issued by Mun Siong Engineering Limited (the “Company”). If you are in any doubt as to the contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the Company, you should forward this Circular together with the notice (the “**Notice of EGM**”) of the extraordinary general meeting (the “**EGM**”) of the Company and the accompanying proxy form (the “**Proxy Form**”) immediately to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

This Circular together with the Notice of EGM and the Proxy Form will be sent to members by electronic means via publication on the Company’s corporate website at the URL <https://www.mun-siong.com/investors-relations> and is also made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this Circular, the Notice of EGM and the Proxy Form will also be sent by post to members.

Shareholders will be able to participate fully at the physical EGM and will not be able to attend the EGM by way of electronic means.

Your attention is drawn to Section 9 (*Actions to be taken by Shareholders*) of this Circular in respect of actions to be taken if you wish to attend and vote at the EGM.



MUN SIONG ENGINEERING LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED ACQUISITION OF THE PROPERTY LOCATED AT
26 GUL WAY, SINGAPORE 629199 FOR A CONSIDERATION OF SGD11,000,000
AS A MAJOR TRANSACTION**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of the Proxy Form : 7 November 2022 at 3.00 p.m.
Date and time of the EGM : 10 November 2022 at 3.00 p.m.
Place of the EGM : 80 Jurong East Street 21,
Devan Nair Institute for
Employment and Employability,
Singapore 609607,
Event Hall 2, Level 1

TABLE OF CONTENTS

	PAGE
CORPORATE INFORMATION	2
DEFINITIONS	3
LETTER TO SHAREHOLDERS	8
1. INTRODUCTION	8
2. THE PROPOSED ACQUISITION	9
3. PRINCIPAL TERMS OF THE SPA	13
4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL	15
5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION	16
6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	18
7. DIRECTORS' RECOMMENDATION	18
8. EXTRAORDINARY GENERAL MEETING	19
9. ACTIONS TO BE TAKEN BY SHAREHOLDERS	19
10. SERVICE CONTRACTS	19
11. DIRECTORS' RESPONSIBILITY STATEMENT	20
12. CONSENT	20
13. DOCUMENTS AVAILABLE FOR INSPECTION	20
APPENDIX A – VALUATION SUMMARY LETTER	A-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM	P-1

CORPORATE INFORMATION

BOARD OF DIRECTORS	: Cheng Woei Fen (<i>Executive Chairlady</i>) Quek Kian Hui (<i>Executive Deputy Chairman</i>) David Tan Chao Hsiung (<i>Non-Executive Lead Independent Director</i>) Mah Kai Leong (<i>Non-Executive Independent Director</i>) Elaine Beh Pur-Lin (<i>Non-Executive Independent Director</i>)
COMPANY SECRETARY	: Shirley Tan Sey Liy
REGISTERED OFFICE	: 35 Tuas Road Singapore 638496
LEGAL ADVISER TO THE COMPANY as to Singapore law in relation to the corporate actions set out in this Circular	: Virtus Law LLP 1 Raffles Place #18-61 Tower 2 Singapore 048616
LEGAL ADVISER TO THE COMPANY as to Singapore law in relation to the Proposed Acquisition of the Property	: Tan Peng Chin LLC 50 Raffles Place #27-01 Singapore Land Tower Singapore 048623

DEFINITIONS

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

- “associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board” or “Board of Directors”** : The Board of Directors of the Company as at the Latest Practicable Date
- “Buildings”** : The industrial buildings erected on the Land Lot bearing postal address of 26 Gul Way, Singapore 629199
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 12 October 2022
- “Companies Act”** : The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
- “Company”** : Mun Siong Engineering Limited
- “Completion”** : Completion of the Proposed Acquisition

DEFINITIONS

“Completion Date”	:	The date of Completion of the Proposed Acquisition, being four (4) weeks from the date of the later of the two (2) approvals from JTC and the Shareholders as referred to in Section 3.4(b) (<i>Conditions precedent</i>) of this Circular
“Consideration”	:	The purchase consideration of the Property of SGD11,000,000 (exclusive of GST and stamp duties)
“Constitution”	:	The Constitution of the Company
“CPF”	:	Central Provident Fund
“Deposit”	:	The amount of SGD1,100,000 paid on signing of the SPA as a deposit by the Company to the Vendor’s counsel as stakeholders pending Completion
“Director”	:	A director of the Company for the time being (whether executive or non-executive), and “Directors” shall be construed accordingly
“EGM”	:	The extraordinary general meeting of the Company to be convened and held on 10 November 2022 for the purposes of considering and, if thought fit, passing with or without modifications, the Resolution as set out in the Notice of EGM
“EPS”	:	Earnings per share
“Existing Property”	:	The Company’s existing registered office located at 35 Tuas Road, Jurong Town, Singapore 638496
“FY2021”	:	The financial year ended 31 December 2021
“Group”	:	The Company and its subsidiaries and associated companies, collectively, for the time being
“GST”	:	Goods & services tax
“JTC”	:	JTC Corporation
“Land Lot”	:	The whole of lot number MK7-3333T comprising a leasehold estate for the unexpired portion of a leasehold term of 34 years and 11 months commencing from 1 February 2006
“Latest Practicable Date”	:	4 October 2022, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Malaysia Property”	:	The Group’s Malaysia property being a 60-year leasehold industrial land and a building, with a total land area of 141,077.19 square feet (13,106.5 square meters) in the Mukim of Tanjung Surat, District of Kota Tinggi, State of Johor
“Monthly Rental”	:	The monthly rental payable by the Tenant under the Tenancy Agreement of SGD41,200 plus GST thereon
“Notice of EGM”	:	The notice of the EGM as set out on pages N-1 to N-2 of this Circular
“NTA”	:	Net tangible assets
“Property”	:	The property located at 26 Gul Way, Singapore 629199
“Proposed Acquisition”	:	The proposed acquisition of the Property by the Company from the Vendor for the Consideration of SGD11,000,000 in accordance with the terms and conditions of the SPA
“Proxy Form”	:	The proxy form in respect of the EGM as set out on pages P-1 to P-2 of this Circular
“Register of Members”	:	The register of members of the Company
“Renovation and Modification Works”	:	The renovation and modification works to the Property to cater it to the Company’s operation requirements
“Rental Deposit”	:	The rental deposit of SGD82,400 (excluding GST) which has been paid by the Tenant to the Vendor as security for the due performance by the Tenant of the provisions in the Tenancy Agreement
“Resolution”	:	The ordinary resolution to approve the Proposed Acquisition of the Property as a major transaction under Chapter 10 of the Listing Manual as set out in the Notice of EGM
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time

DEFINITIONS

“SGXNet”	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members, or where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP whose securities accounts are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company, and each a “Share”
“SPA”	:	The conditional sale and purchase agreement entered into between the Company and the Vendor dated 12 August 2022 in respect of the Proposed Acquisition
“SRS”	:	Supplementary Retirement Scheme
“Substantial Shareholder”	:	A person (including a corporation) who has an interest or interests in one or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all voting Shares (excluding treasury shares) in the Company
“Tenancy Agreement”	:	The tenancy agreement entered into between the Vendor and the Tenant dated 7 June 2022 in respect of the Property
“Tenancy Novation”	:	The novation or assignment of the Vendor’s rights and obligations under the Tenancy Agreement from the Vendor to the Company pursuant to the SPA
“Tenant”	:	The tenant who is currently sub-leasing the Property for a term of three (3) years commencing on 1 August 2022 pursuant to the Tenancy Agreement
“Total Investment”	:	The total investment commitment of the Proposed Acquisition of SGD13,000,000 (being the Consideration of SGD11,000,000 plus the costs of Renovation and Modification Works and statutory costs of SGD2,000,000)

DEFINITIONS

“Valuation Report”	:	The valuation report dated 14 July 2022 issued by the Valuer, GB Global Pte Ltd, in relation to the valuation of the Property pursuant to an inspection conducted on 6 July 2022
“Valuation Summary Letter”	:	The summary letter dated 14 July 2022 from the Valuer to the Company in relation to the valuation of the Property
“Valuer”	:	GB Global Pte Ltd
“Vendor”	:	PH Hydraulics & Engineering Pte Ltd

Currencies, Units and Others

“%” or “per cent”	:	Percentage or per centum
“SGD” and “cents”	:	The lawful currency of the Republic of Singapore

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

Subsidiaries and related corporations. The terms “**subsidiaries**” and “**related corporations**” shall have the meanings ascribed to them respectively in sections 5 and 6 of the Companies Act.

References. 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.

Time and date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

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

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

Rounding. Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS



MUN SIONG ENGINEERING LIMITED

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

Company Directors

Cheng Woei Fen	<i>(Executive Chairlady)</i>
Quek Kian Hui	<i>(Executive Deputy Chairman)</i>
David Tan Chao Hsiung	<i>(Non-Executive Lead Independent Director)</i>
Mah Kai Leong	<i>(Non-Executive Independent Director)</i>
Elaine Beh Pur-Lin	<i>(Non-Executive Independent Director)</i>

Registered Office

35 Tuas Road
Singapore 638496

12 October 2022

To: The Shareholders of Mun Siong Engineering Limited

Dear Sir/Madam

THE PROPOSED ACQUISITION OF THE PROPERTY LOCATED AT 26 GUL WAY, SINGAPORE 629199 FOR A CONSIDERATION OF SGD11,000,000 AS A MAJOR TRANSACTION

1. INTRODUCTION

1.1. Background

On 12 August 2022, the Board of Directors of Mun Siong Engineering Limited (the “**Company**”) and together with its subsidiaries and associated companies, the “**Group**”) announced that it had, on 12 August 2022, entered into a conditional sale and purchase agreement (the “**SPA**”) with PH Hydraulics & Engineering Pte Ltd (the “**Vendor**”) in respect of the proposed acquisition of the property which is located at 26 Gul Way, Singapore 629199 (the “**Property**”) for a consideration of SGD11,000,000 (exclusive of GST and stamp duties) (the “**Consideration**”) in accordance with the terms and conditions of the SPA (the “**Proposed Acquisition**”).

The Company intends to acquire the Property to house and support the Company’s business activities and operations and also be used as the Company’s new office. Please refer to Section 2.3 (*Rationale for the Proposed Acquisition*) of this Circular for further details of the rationale for the Proposed Acquisition.

The Proposed Acquisition constitutes a “major transaction” under Chapter 10 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and is subject to, *inter alia*, the approval of the Shareholders of the Company. Accordingly, the Directors are convening an extraordinary general meeting of the Company to be held on 10 November 2022 (the “**EGM**”) to seek the Shareholders’ approval for the Proposed Acquisition, for which approval will be sought by way of the Resolution.

LETTER TO SHAREHOLDERS

1.2. Purpose

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Acquisition and to seek Shareholders' approval of the same at the EGM. The Notice of EGM is set out on pages N-1 to N-2 of this Circular.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

1.3. Cautionary statements

The Proposed Acquisition is subject to, amongst other things, requisite approvals from all relevant regulatory authorities being obtained and approval from Shareholders for the Resolution set out in the Notice of EGM.

The Board wishes to caution Shareholders that there is no certainty or assurance as at the Latest Practicable Date that the relevant approvals will be obtained and that the Proposed Acquisition will materialise.

2. THE PROPOSED ACQUISITION

2.1. Information on the Property

The Group intends to acquire the Property to house and support the Company's business activities and operations and also be used as the Company's new office.

The Property comprises, amongst others:

- (a) the whole of lot number MK7-3333T comprising a leasehold estate for the unexpired portion of a leasehold term of 34 years and 11 months commencing from 1 February 2006 (the "**Land Lot**");
- (b) the industrial buildings erected on the Land Lot bearing postal address of 26 Gul Way, Singapore 629199 (the "**Buildings**"); and
- (c) all the structures, structural elements erected therein and/or thereon and cranes affixed thereto.

The Property is leased from JTC Corporation ("**JTC**") and has a current tenure of 34 years and 11 months which expires on 31 December 2040. As at the Last Practicable Date, the remaining lease is 18 years and 2 months. The land area of the Property is 79,274.05 square feet (7,364.80 square metres) with a total gross floor area of approximately 68,771.05 square feet (6,389.04 square metres). There are two (2) Buildings on the Property: (i) a single storey industrial building; and (ii) a four (4)-storey ancillary office block.

The Property is currently being partially sub-leased to a tenant (the "**Tenant**") for a term of three (3) years commencing on 1 August 2022 pursuant to a tenancy agreement entered into between the Vendor and the Tenant dated 7 June 2022 (the "**Tenancy Agreement**"). The Tenant is an indirect wholly owned subsidiary of a Japanese ultimate holding company that is listed on the Tokyo Stock Exchange. The Tenant is not related to any Director or Substantial Shareholder of the Company.

LETTER TO SHAREHOLDERS

Under the Tenancy Agreement, the Tenant partially sub-leases a portion of the single storey industrial building and one (1) of the four (4) storeys of the ancillary office block of the Property, totalling 30% of the built-up area. The other 70% of the built-up area is being occupied by the Vendor and will be occupied by the Company after Completion. The monthly rental payable by the Tenant under the Tenancy Agreement is SGD41,200 plus GST thereon (the “**Monthly Rental**”). A rental deposit of SGD82,400 (excluding GST) has been paid by the Tenant to the Vendor as security for the due performance by the Tenant of the provisions in the Tenancy Agreement (the “**Rental Deposit**”). The Vendor has confirmed that as at the Latest Practicable Date, the Tenant has not defaulted on payment of any Monthly Rental. One key term of the Tenancy Agreement is that either party thereto may pre-maturely terminate the Tenancy Agreement on giving not less than six (6) months’ prior written notice or by paying to the other party six (6) months’ rent in lieu of such notice.

Pursuant to the SPA, the Vendor has agreed to effect or cause to be effected a novation or assignment of the Vendor’s rights and obligations under the Tenancy Agreement to the Company (the “**Tenancy Novation**”). No consent or acknowledgement is required from the Tenant for the Tenancy Novation. Following the Tenancy Novation, the Tenant will pay the Monthly Rental of SGD41,200 (exclusive of GST) directly to the Company. The Rental Deposit of SGD82,400 paid by the Tenant to the Vendor will need to be refunded to the Tenant (without interest) within 14 days of the expiry or termination of the Tenancy Agreement, less any legal deductions which may be made by the Company. Given the foregoing, the Rental Deposit will be deducted from the amount to be paid by the Company to the Vendor at Completion, which shall be SGD9,817,600 (being the Consideration of SGD11,000,000 less the Deposit of SGD1,100,000 less the Rental Deposit of SGD82,400).

As at the Latest Practicable Date, the Property is about 16 years old and is in average condition generally. The Property is currently being used for manufacturing, general office and as an ancillary worker dormitory. The dormitory permit will expire on 15 July 2023 and the Company does not intend to renew the dormitory permit as it intends to use the space for operations. The single story industrial building of the Property is being used by the Vendor for the manufacture of hydraulic cylinders and rams, hydraulic power packs and hydraulic winches, engineering equipment servicing, repair of hydraulic component parts (pump motor etc.) and designing, installing and commissioning of hydraulic. The ancillary office block of the Property is mainly being used as a worker dormitory by the Vendor, while the area that is being sub-leased to the Tenant is being used by the Tenant to provide engineering, procurement, design and consultancy services.

2.2. Information on the Vendor

The Vendor is PH Hydraulics & Engineering Pte Ltd, a company incorporated in the Republic of Singapore in the business of manufacture and repair of marine engine and other special purpose machinery not elsewhere classified (N.E.C) (including plating equipment, industrial paint mixers and chemical mixing equipment).

The Vendor has confirmed in the SPA that it is not related to any Director or Substantial Shareholder of the Company. The Vendor has also confirmed that none of the directors and shareholders of the Vendor are related to any Director or Substantial Shareholder of the Company.

LETTER TO SHAREHOLDERS

2.3. Rationale for the Proposed Acquisition

The Company's existing registered office located at 35 Tuas Road, Jurong Town, Singapore 638496 (the "**Existing Property**") is rented from JTC and the lease of the Existing Property had expired on August 2020. The Company had on 2 March 2020 signed a short-term lease with JTC and the Company will have to surrender the short-term lease of the Existing Property to JTC by August 2023. No further extension will be given by JTC at the end of the said short-term lease. Accordingly, the Company needs a new property to house and support the Company's business activities and operations and also to be the Company's new office.

The Group's maintenance and projects division together with specialised services division will mainly be using the Property to carry out prefabrication of piping, tank and structural works and electrical cable trays and ladders, and cleaning of heat exchangers, specialised coatings, equipment repairs for both static and rotating equipment, as well as furnace decoking. The Property will also be used as a warehouse to store the Group's equipment, tools and materials. Further, the Group's support function including Management, Finance, Information Technology (IT), Human Resources (HR), Safety, Engineering (i.e. preparing of engineering drawings according to specifications) and Learning and Development Department (i.e. conducting and facilitating training for the Group's employees), will be headquartered in the ancillary office block of the Property.

As stated in Section 2.1 (*Information on the Property*) of this Circular, the land area of the Property is 79,274.05 square feet (7,364.80 square metres) which is substantially smaller than the land area of the Existing Property of 222,411 square feet (20,662 square metres). The Group purchased a 60-year leasehold industrial land and a building, with a total land area of 141,077.19 square feet (13,106.5 square meters) in the Mukim of Tanjung Surat, District of Kota Tinggi, State of Johor (the "**Malaysia Property**") in March 2021. The Company intends to shift certain of the Group's existing activities (including fabrication works) to the Malaysia Property at which the fabrication facility is currently being constructed, and intends to use the Malaysia Property to serve both the Group's Singapore and Malaysia operations. Please refer to the announcements of the Company dated 5 March 2021 and 12 September 2021 for further information on the Malaysia Property.

As at the Latest Practicable Date, the construction status of the Malaysia Property is approximately 26% complete and is expected to be completed by December 2023. Notwithstanding that the construction of the Malaysia Property has not been completed and part of the Property is being sub-leased to the Tenant, there will be no significant impact on the Group's operations as the Group will continue to operate at the Existing Property pending completion of the Proposed Acquisition ("**Completion**") and completion of the renovation and modification works to the Property to cater to the Company's operation requirements (the "**Renovation and Modification Works**"). Thereafter, some of the Group's operations (including fabrication works) will remain at the Existing Property while the Group's other operations will be moved to the Property. Upon surrender of the Existing Property's short-term lease to JTC in August 2023, the remaining operations at the Existing Property will be moved to the Property save that the fabrication works at the Existing Property will instead be moved to the Malaysia Property's yard building which is expected to be substantially completed by the third quarter of 2023. In addition, the Group will work together with its business partners and plan its work activities (including fabrication works) so as to avoid any disruptions to its operations during the transition period described above.

LETTER TO SHAREHOLDERS

As stated in Section 2.1 (*Information on the Property*) of this Circular, as at the Latest Practicable Date, the Property is about 16 years old and is in average condition generally. The Company intends to invest and incur up to SGD2,000,000 for the Renovation and Modification Works and statutory costs (including stamp duty payable on the Proposed Acquisition). The Company estimates that the Renovation and Modification Works will not take a long time to complete and the Company will be able to commence operation activities in a relatively short period of time.

2.4. Valuation

The Company has appointed GB Global Pte Ltd as the independent property valuer to conduct a valuation of the Property (the “**Valuer**”). The Valuer has a team of three (3) directors, six (6) valuers and two (2) valuation officers, and has a track record of 15 years since 2007. The Valuer is a member of the Singapore Institute of Surveyors and Valuers (SISV).

The inspection of the Property was conducted by the Valuer on 6 July 2022. Based on the valuation report dated 14 July 2022 issued by the Valuer (the “**Valuation Report**”), the market value of the Property is SGD11,000,000 as at 14 July 2022 which is equivalent to the Consideration. As per the Valuation Report, the direct comparison method and income capitalisation method were used by the Valuer to value the Property based on an equal weighting of 50% for each method.

In the direct comparison method, direct comparison is made with recent sale transactions of similar properties within the locality, with adjustments made for the differences in location, type, age, size, condition, dates of transaction and other factors affecting its market value to derive the Property’s market value. In the income capitalisation method, the estimated annual market rent of the Property, after deducting property tax payable and other outgoings, is capitalised over the remaining term of the lease at an appropriate rate to arrive at the capital value of the Property. The adopted capitalisation rate of 5.5% reflects the nature, location, tenure and tenancy profile of the Property together with the prevailing market conditions. The average of the values derived from the said two (2) methods at 50% weightage for each method is SGD11,000,000.

The summary letter dated 14 July 2022 from the Valuer to the Company in relation to the valuation of the Property (the “**Valuation Summary Letter**”) is reproduced and appended in its entirety as Appendix A to this Circular.

2.5. Source of funds

The Consideration for the Property is SGD11,000,000 (exclusive of GST and stamp duties). The Company has estimated that it will invest up to SGD2,000,000 for the Renovation and Modification Works and statutory costs. The total investment commitment of the Proposed Acquisition (the “**Total Investment**”) is thus SGD13,000,000 (being SGD11,000,000 plus SGD2,000,000) which will be funded entirely through the Group’s internal financial resources.

LETTER TO SHAREHOLDERS

3. PRINCIPAL TERMS OF THE SPA

3.1. Conditions of the Property

The Property is sold in the state and condition and in all respects whatsoever on an “as is where is” basis subject to certain provisions.

3.2. Consideration

The Consideration of SGD11,000,000 (exclusive of GST and stamp duties) was arrived at after arm’s length negotiations between the Company and the Vendor on a willing-buyer, willing-seller basis, taking into account, amongst other factors, the prevailing market conditions and the market value of the Property based on the Valuation Report.

The Company has, on signing of the SPA, paid an amount of SGD1,100,000 as a deposit (the “**Deposit**”) to the Vendor’s counsel as stakeholders pending Completion. The Deposit may be refunded by the Vendor to the Company on the occurrence of certain events in accordance with the SPA as set out in Sections 3.4(a) (*Conditions precedent*) and 3.5 (*Completion Date*) of this Circular. As stated in Section 2.1 (*Information on the Property*) of this Circular, the Rental Deposit of SGD82,400 will be deducted from the amount to be paid by the Company to the Vendor at Completion. The amount to be paid by the Company to the Vendor at Completion shall thus be SGD9,817,600 (being the Consideration of SGD11,000,000 less the Deposit of SGD1,100,000 less the Rental Deposit of SGD82,400).

3.3. Subject to tenancy

The Property is sold subject to tenancy and the Vendor shall effect or cause to be effected a novation or assignment of the Vendor’s rights and obligations under the Tenancy Agreement.

3.4. Conditions precedent

Completion shall be subject to and conditional upon the following conditions, amongst others:

- (a) the Company’s solicitors receiving satisfactory replies to all their requisitions to the various government departments and the Land Transport Authority, and in the event of any of the replies to such requisitions being unsatisfactory, the Company may annul the SPA by serving a notice in writing on the Vendor’s counsel (and in such event the Vendor shall forthwith refund to the Company the Deposit and any other amounts paid by the Company to the Vendor (free of interest)); and
- (b) the following approvals being obtained, namely:
 - (i) the written approval of JTC for the Proposed Acquisition for the Company’s proposed use of the Property for the installation of industrial machinery and equipment and carrying out of mechanical, electrical and instrumentation engineering works; and
 - (ii) the Shareholders’ approval at the EGM to be convened by the Company for the Proposed Acquisition.

The Company has agreed to procure and ensure that its major Shareholders will vote in favour of the resolution for the Proposed Acquisition.

LETTER TO SHAREHOLDERS

3.5. Completion Date

The Completion Date shall be four (4) weeks from the date of the later of the two (2) approvals from JTC and the Shareholders as referred to in Section 3.4(b) (*Conditions precedent*) of this Circular.

In the event that no clearance/approval is given by SGX-ST and/or the Shareholders for the Proposed Acquisition within four (4) months from the date of the SPA or such other period as may be agreed between the Company and the Vendor, the Vendor shall forthwith refund to the Company the Deposit and any other amounts paid by the Company to the Vendor (free of interest) and thereafter the SPA shall become null and void.

In the event that no approval is granted by JTC within four (4) months from the date of the SPA, and provided that the failure to obtain such approval is not due to any act, default or omission on the part of the Vendor or the Company as the case may be, the Vendor and the Company shall mutually agree in writing to extend the deadline to obtain JTC's approval for the Proposed Acquisition. Further, in the event that approval from JTC is refused, and refusal by JTC is not due to any act, default or omission on the part of the Vendor or the Company as the case may be, the Vendor shall forthwith refund to the Company the Deposit and any other amounts paid by the Company to the Vendor (free of interest) and thereafter the SPA shall become null and void.

Subject to the terms in the SPA, in the event the Proposed Acquisition is abortive for any reason whatsoever, the Company shall forthwith:

- (a) return to the Vendor's solicitors all title deeds and documents in respect of the Property without any claim or lien whatsoever; and
- (b) at the Company's own cost and expense, withdraw/cancel and/or cause to be withdrawn/cancelled all caveats and/or entries in respect of or in relation to the Proposed Acquisition lodged by the Company or any person claiming under the Company,

and in exchange, the Vendor shall forthwith refund to the Company the Deposit and any other amounts paid by the Company to the Vendor but without any interest compensation or deduction whatsoever.

In the event that the government or any local authority acquires or gives notice of intention of acquiring the Property in whole or in part before the Completion Date, the SPA shall be deemed wholly cancelled and abortive and the SPA shall be rescinded and become null and void. The Vendor shall forthwith refund to the Company the Deposit and any other amounts paid by the Company to the Vendor but without any interest compensation or deduction whatsoever.

LETTER TO SHAREHOLDERS

4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

4.1. Chapter 10 of the Listing Manual

Under Rule 1006 of the Listing Manual, a transaction (as defined in the Listing Manual) may be categorised as (a) non-disclosable transactions, (b) disclosable transactions, (c) major transactions or (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on the bases set out thereunder.

Rule 1014(1) of the Listing Manual states that where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%, the transaction is classified as a major transaction.

4.2. Relative figures

Based on the latest announced unaudited consolidated financial statements of the Group for the six (6) months ended 30 June 2022, the relative figures for the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Bases of Calculation	Relative Figures (without taking into consideration Monthly Rental)	Relative Figures (taking into consideration Monthly Rental)
1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable as this is not a disposal of assets	Not applicable as this is not a disposal of assets
1006(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits/losses	Not applicable ⁽¹⁾	(22.7%) ⁽²⁾
1006(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares of the Company, excluding treasury shares	43.8% ⁽³⁾⁽⁴⁾	43.8% ⁽³⁾⁽⁴⁾
1006(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 as no equity will be issued by the Company as consideration	Not applicable as no equity will be issued by the Company as consideration

LETTER TO SHAREHOLDERS

Rule	Bases of Calculation	Relative Figures (without taking into consideration Monthly Rental)	Relative Figures (taking into consideration Monthly Rental)
1006(e)	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 as the Company is not a mineral, oil and gas company	Not applicable as the Company is not a mineral, oil and gas company

Notes:

- (1) As stated in Section 2.1 (*Information on the Property*) of this Circular, the Tenancy Agreement can be terminated by either party giving a pre-mature termination notice of not less than six (6) months. As such, if the Monthly Rental is not taken into consideration in the computation of the relative figure under Rule 1006(b) of the Listing Manual, there will be no net profits attributable to the Proposed Acquisition and there will be no applicable relative figure under Rule 1006(b) of the Listing Manual.
- (2) If the Monthly Rental is taken into consideration in the computation of the relative figure under Rule 1006(b) of the Listing Manual, based on six (6) months' Monthly Rental of SGD247,200 (being SGD41,200 multiplied by six (6) and the Group's unaudited net losses before tax and minority interest for the period ended 30 June 2022 of SGD1,090,000, the relative figure under Rule 1006(b) of the Listing Manual will be (22.7%).
- (3) Although the Consideration for the Proposed Acquisition is SGD11,000,000 (exclusive of GST and stamp duties), the Total Investment of the Proposed Acquisition of SGD13,000,000 is being used for the purpose of Rule 1006 of the Listing Manual.
- (4) The Total Investment as compared to the Company's market capitalisation of approximately SGD29,652,032 which is computed based on 581,412,400 Shares in issue (excluding treasury shares) and the closing price of SGD0.051 per Share transacted on 11 August 2022, being the last market day preceding the date of signing the SPA.

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 20%, the Proposed Acquisition constitutes a major transaction as defined in Chapter 10 of the Listing Manual. Accordingly, under Rule 1014(2) of the Listing Manual, the Proposed Acquisition is subject to and conditional upon the approval of the Shareholders and the Directors of the Company propose to convene the EGM to seek the same.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1. Bases and assumptions

The *pro forma* financial effects of the Proposed Acquisition as set out below are for illustrative purposes only and are neither indicative of the actual financial effects of the Proposed Acquisition nor representative of the future financial performance and position of the Company or the Group upon the Completion of the Proposed Acquisition.

The *pro forma* financial effects of the Proposed Acquisition have been prepared based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2021, on the following bases and assumptions:

- (a) although the Consideration for the Proposed Acquisition is SGD11,000,000 (exclusive of GST and stamp duties), the Total Investment of the Proposed Acquisition of SGD13,000,000 is being used for the purpose of illustrating the financial effects of the Proposed Acquisition;

LETTER TO SHAREHOLDERS

- (b) the Proposed Acquisition had been completed on 31 December 2021 for the purpose of illustrating the financial effects of the Proposed Acquisition on the net tangible assets (“NTA”) per share of the Group;
- (c) the Proposed Acquisition had been completed on 1 January 2021 for the purpose of illustrating the financial effects of the Proposed Acquisition on the earnings per share (“EPS”) of the Group; and
- (d) the issued and paid-up share capital of the Company comprising 581,412,400 Shares (excluding treasury shares) as at 11 August 2022, being the last market day preceding the date of signing the SPA.

5.2. NTA per share

On the bases and assumptions set out above, the *pro forma* financial effects of the Proposed Acquisition on the NTA per share of the Group are as follows:

FY2021	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (SGD'000)	55,078	55,078 ⁽¹⁾⁽²⁾
Number of shares	581,412,400	581,412,400
NTA per share (cents)	9.47	9.47

Notes:

- (1) As the Company intends to utilise internal funds and does not intend to raise equity funds to finance the Proposed Acquisition, the NTA of the Group remains unchanged before and after the Proposed Acquisition.
- (2) As the NTA of the Group for FY2021 is being computed assuming that the Proposed Acquisition had been completed on 31 December 2021, no Monthly Rental will be included in the computation of the NTA of the Group and the NTA of the Group remains unchanged before and after the Proposed Acquisition.

5.3. EPS

On the bases and assumptions set out above, the *pro forma* financial effects of the Proposed Acquisition on the EPS of the Group are as follows:

FY2021	Before the Proposed Acquisition	After the Proposed Acquisition (without taking into consideration Monthly Rental)	After the Proposed Acquisition (taking into consideration Monthly Rental)
Profit after tax and minority interest (SGD'000)	674	674 ⁽¹⁾	1,084 ⁽²⁾
Number of shares	581,412,400	581,412,400	581,412,400
EPS (cents)	0.12	0.12 ⁽¹⁾	0.19 ⁽²⁾

Notes:

- (1) As stated in Section 2.1 (*Information on the Property*) of this Circular, the Tenancy Agreement can be terminated by either party giving a pre-mature termination notice of not less than six (6) months. As such, if the Monthly Rental is not taken into consideration in the computation of the EPS of the Group, the profit after tax and minority interest and EPS of the Group remains unchanged before and after the Proposed Acquisition.

LETTER TO SHAREHOLDERS

- (2) If the Monthly Rental is taken into consideration in the computation of the EPS of the Group, based on a full year's Monthly Rental of SGD494,400 (being SGD41,200 multiplied by 12) less tax of SGD84,000 (using the corporate tax rate as at the Latest Practicable Date of 17%), the profit after tax and minority interest will be SGD1,084,000 and the EPS of the Group will increase from 0.12 Singapore cents to 0.19 Singapore cents.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 6.1. The interests of the Directors and Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders' Shareholdings respectively, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	(%)	Number of Shares	(%)	Number of Shares	(%)
Directors						
Cheng Woei Fen ⁽¹⁾	278,997,600	47.99%	36,167,400	6.22%	315,165,000	54.21%
Quek Kian Hui	86,376,800	14.86%	–	–	86,376,800	14.86%
David Tan Chao Hsiung	–	–	–	–	–	–
Mah Kai Leong	–	–	–	–	–	–
Elaine Beh Pur-Lin	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Gabriel Quek Kian Teck	33,516,000	5.76%	–	–	33,516,000	5.76%

Note:

- (1) Deemed interest of Cheng Woei Fen derived from the interest held by her son, Gabriel Quek Kian Teck, and interest held by her spouse.

- 6.2. Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, save for their respective shareholdings in the Company as set out above.

7. DIRECTORS' RECOMMENDATION

The Directors are of the view that the Proposed Acquisition is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Resolution at the EGM.

The Board took into consideration the following factors in arriving at its recommendation:

- (a) the Proposed Acquisition is essential to ensure minimum disruption to the Group's operation in Singapore. Relocating some of the Group's activities to Johor, Malaysia, allows it to further streamline its activities to maximise the use of space and take advantage of lower operating costs in Malaysia; and
- (b) as at 30 June 2022, the Group's cash balance was SGD36,037,000 and net working capital (current assets less current liabilities) was SGD41,667,000.

LETTER TO SHAREHOLDERS

The Shareholders had, in an extraordinary general meeting of the Company held on 5 August 2022, approved the proposed investment of up to USD7,500,000 (approximately SGD10,390,000, based on the exchange rate of USD1 to SGD1.38525) in its indirect wholly owned subsidiary, Pegasus Industrial Midwest Limited Liability Company, to establish an operation in Illionis, USA (the “**US Investment**”). The US Investment is funded by the Group’s internal resources. Please refer to the circular to Shareholders dated 20 July 2022 for further information on the US Investment. After taking into consideration the US Investment, the adjusted cash balance and net working capital, as at 30 June 2022, would be SGD25,647,000 and SGD31,277,000 respectively.

The Group has adequate working capital to meet its current operating needs. In the event that the Group needs additional working capital, it will draw upon credit facilities from financial institutions. This will increase the cost of borrowing and negatively impact on the financial performance of the Group.

Shareholders, in deciding whether to vote in favour of the Resolution, should read carefully the terms of, rationale for and benefits of the Proposed Acquisition. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held on 10 November 2022, at 3.00 p.m. at 80 Jurong East Street 21, Devan Nair Institute for Employment and Employability, Singapore 609607, Event Hall 2, Level 1, for the purpose of considering, and if thought fit, passing (with or without any modifications) the Resolution as set out in the Notice of EGM.

9. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than 72 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

10. SERVICE CONTRACTS

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

LETTER TO SHAREHOLDERS

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors 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 the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. 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 has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. CONSENT

GB Global Pte Ltd, as the Valuer, has given and has not withdrawn its written consent to the issue of this Circular and the inclusion herein of its name, the Valuation Summary Letter, and all references thereto in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the following documents are available for inspection at the registered office of the Company at 35 Tuas Road, Singapore 638496 during normal business hours for three (3) months from the date of this Circular:

- (a) the Constitution of the Company;
- (b) the SPA;
- (c) the Valuation Summary Letter;
- (d) the Valuation Report; and
- (e) the letter of consent from the Valuer referred to in Section 12 (*Consent*) of this Circular.

Yours faithfully
for and on behalf of the Board of Directors of
MUN SIONG ENGINEERING LIMITED

Cheng Woei Fen
Executive Chairlady

APPENDIX A – VALUATION SUMMARY LETTER



GB GLOBAL PTE LTD
60 Paya Lebar Road #07-55
Paya Lebar Square S(409051)
Tel: 6909 7665, 9853 4912

www.gbglobal.com.sg
valuation@gbglobal.com.sg

14 July 2022

MUN SIONG ENGINEERING LIMITED

35 Tuas Road, Jurong Town
Singapore 638496

Dear Board of Directors

Summary Letter – Independent Valuation of 26 Gul Way Singapore 629199

1. Introduction and Instructions

GB Global Pte Ltd (“GB Global”) has been appointed by Mun Siong Engineering Limited (“Client”) to provide an independent valuation on 05 July 2022 in relation to the intended purchase and public circular of 26 Gul Way Singapore 629199 (the “Property”).

This is a summary of our Full Valuation Report dated 14 July 2022 (the “Full Report”). This Summary Letter along with the valuation certificate should be read in conjunction with the Full Report.

2. Basis of Valuation

The valuation has been prepared in accordance with SISV Valuation Standards and Practice Guidelines (2022), which is in compliance with the International Valuation Standards 2022 on the definition of Market Value.

Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an “arms-length” transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion”.

The valuation is conducted on an as-is basis and does not take into account any redevelopment potential that it might have.

3. Brief Description of the Property

Land Area	Gross Floor Area	Tenure	Remaining Lease Term
7,364.80 sqm	6,389.04 sqm	Leasehold 30 years + 4 years and 11 months from 1 February 2006	18 years and 5 months

Note: Land and Gross Floor Areas are based on Land Title and Floor plans provided, and subject to verification from official site survey.

APPENDIX A – VALUATION SUMMARY LETTER

4. Valuation Methodology and Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and researched recent sales transactions of comparable properties that have occurred in the vicinity or in similar localities. The Direct Comparison Method and Capitalization Method are typical methods used and we consider these to be the most appropriate because of the nature of the property, market practice and market evidence. We have adopted a value base on the equal weighting of 50% for each method.

In the direct comparison method, direct comparison is made with recent sale transactions of similar properties within the locality, with adjustments made for the differences in location, type, age, size, condition, dates of transaction and other factors affecting its market value to derive the Property's market value.

In the income capitalization method, the estimated annual market rent of the property after deducting the property tax payable and other outgoings, is capitalized over the remaining term of the lease at an appropriate rate to arrive at the capital value of the property. The adopted capitalization rate of 5.5% reflects the nature, location, tenure, and tenancy profile of the subject property together with the prevailing market conditions.

5. Opinion of Value

Our opinion of the market value of the property is S\$11,000,000 as at 14 July 2022.

6. Source of Information

For the purpose of the valuation, we have relied upon various sources of information provided to us. Unless stated otherwise, we have assumed that the information provided is accurate and that we have been supplied with all the information that has a material effect upon the value of the property.

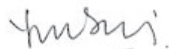
7. Assumptions, Qualifications, Limitations and Disclaimers

No allowances have been made in our valuations for any charges, mortgages or amounts owing on the property, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the property is free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

This report is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this report.

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the property and the valuers undertaking the valuation are authorized to practice as valuers.

Yours faithfully,
For and on behalf of GB Global Pte Ltd



E-Ling Yick
MSISV
Director

Enc: Valuation Certificate, Valuation Report

NOTICE OF EXTRAORDINARY GENERAL MEETING

MUN SIONG ENGINEERING LIMITED

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of MUN SIONG ENGINEERING LIMITED (the “**Company**”) will be held at 80 Jurong East Street 21, Devan Nair Institute for Employment and Employability, Singapore 609607, Event Hall 2, Level 1 on 10 November 2022 at 3.00 p.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the ordinary resolution as set out below.

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular to the shareholders of the Company dated 12 October 2022 (the “**Circular**”).

ORDINARY RESOLUTION – TO APPROVE THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION

Resolved that:

- (a) approval be and is hereby given for the Proposed Acquisition of the Property being a major transaction under Chapter 10 of the Listing Manual; and
- (b) the Directors (or any one of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to the Proposed Acquisition as they (or he or she) may deem fit, with such modifications thereto (if any) as they (or he or she) may consider necessary, desirable or expedient, in order to give full effect to this resolution.

BY ORDER OF THE BOARD

Shirley Tan Sey Liy
Company Secretary
Singapore, 12 October 2022

Notes:

- (1) This Notice of EGM together with the proxy form and the Circular will be sent to members by electronic means via publication on the Company’s corporate website at the URL <https://www.mun-siong.com/investors-relations> and is also made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this Notice of EGM, Proxy Form and the Circular will also be sent by post to members.
- (2) In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask question relating to the item on the agenda of the EGM by:–
 - (a) submitting question via mail to the Company’s registered office at 35 Tuas Road, Singapore 638496, or email to EGMQuery@mun-siong.com in advance of the EGM by 25 October 2022, 3.00 p.m.; or
 - (b) “live” at the EGM.

When submitting the questions, please provide the Company with the following details, for verification purpose:–

- (i) full name;
- (ii) NRIC number;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) current address;
- (iv) contact number; and
- (v) number of Shares held.

Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).

Shareholders are encouraged to submit their questions before 25 October 2022, 3.00 p.m., as this will allow the Company sufficient time to address and respond to these questions on or before 5 November 2022, 3.00 p.m. (48 hours prior to the closing date and time for the lodgement of the proxy forms). The responses will be published on (i) the SGX-ST's website; and (ii) the Company's corporate website.

- (3) A member who is not a relevant intermediary, entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the EGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.
- (4) A member who is a relevant intermediary may appoint one or more proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Relevant intermediary has the meaning ascribed to it in section 181 of the Companies Act.
- (5) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (6) The instrument appointing a proxy must be deposited at the registered office of the Company at 35 Tuas Road, Singapore 638496; or email to Proxyform@mun-siong.com, in each case, by 3.00 p.m. on 7 November 2022, being not less than 72 hours before the time appointed for holding the EGM.
- (7) Investors who hold shares through the CPF Investment Scheme or the SRS:–
 - (a) may vote at the EGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman (Chairlady) of the EGM as their proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes, at least seven (7) working days before the EGM (i.e. by 3.00 p.m. on 31 October 2022).
- (8) The Circular has been published and may be accessed at the Company's corporate website at the URL <https://www.mun-siong.com/investors-relations> and is also made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Personal Data Privacy:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM of the Company and/or any adjournment thereof, or (b) submitting any question prior to the EGM in accordance with this Notice of EGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:–

- (i) processing, administration and analysis by the Company (or its agents) of proxy(ies) and representative(s) appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) 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), 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;
- (iii) addressing substantial and relevant questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities; and
- (v) 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.

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PROXY FORM

MUN SIONG ENGINEERING LIMITED

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

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. The notice (the "Notice of EGM") of extraordinary general meeting (the "EGM") together with this proxy form and the circular to the shareholders of Mun Siong Engineering Limited (the "Company") dated 12 October 2022 (the "Circular") will be sent to members by electronic means via publication on the Company's corporate website at the URL <https://www.mun-siong.com/investors-relations> and is also made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the Notice of EGM, this proxy form and the Circular will also be sent by post to members.
2. A relevant intermediary may appoint more than two proxies to attend the extraordinary general meeting and vote (please see note 3 for the definition of "relevant intermediary").
3. For investors who have used their Central Provident Fund ("CPF") and/or Supplementary Retirement Scheme ("SRS") monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.
4. Please read the notes to this Proxy Form.

*I/We _____ (Name), *NRIC/Passport Number _____

of _____ (Address)
being a member/members of **MUN SIONG ENGINEERING LIMITED** (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman (Chairlady) of the EGM as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the EGM to be held at 80 Jurong East Street 21, Devan Nair Institute for Employment and Employability, Singapore 609607, Event Hall 2, Level 1 on 10 November 2022 at 3.00 p.m., and at any adjournment thereof.

*I/We have directed *my/our *proxy/proxies to vote for or against the resolution to be proposed at the EGM indicated hereunder. If no specific directions as to voting on the resolution are given, the *proxy/proxies may vote or abstain from voting at *his/her/their discretion and any other matters arising at the EGM.

Note: Please indicate with an "X" or number of votes in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the notice of the EGM. In the absence of specific directions or in the event of any item arising not summarised below, the *proxy/proxies may vote or abstain as *he/she/they may think fit.

No.	Description of Resolution	For	Against	Abstain
1.	To approve the Proposed Acquisition of the Property as a major transaction under Chapter 10 of the Listing Manual			

Note: Please note that the short description given above of the resolution to be passed does not in any way whatsoever reflect the intent and purpose of the resolution. The short description has been inserted for convenience only. Shareholders are encouraged to refer to the notice of the EGM for the full purpose and intent of the resolution to be passed.

Dated this _____ day of _____ 2022.

Total Number of Shares Held

*Signature(s) of member(s)/
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Fold here

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 Securities and Futures Act 2001), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote on his behalf at the EGM. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.
3. Pursuant to section 181 of the Companies Act 1967, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Relevant intermediary is either:
 - (i) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (ii) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or
 - (iii) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased on behalf of CPF investors.

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MUN SIONG ENGINEERING LIMITED
35 TUAS ROAD
SINGAPORE 638496

4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 35 Tuas Road, Singapore 638496 not less than 72 hours before the time appointed for the EGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed 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 instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation that is a member 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 1967.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of the EGM dated 12 October 2022.