



MUN SIONG ENGINEERING LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of MUN SIONG ENGINEERING LIMITED (the "Company") will be held at 35 Tuas Road, Jurong Town, Singapore 638496 on Thursday, 20th April 2017 at 10.00 am, for the following purposes:

ORDINARY BUSINESS

- To receive and adopt the audited financial statements for the financial year ended 31 December 2016 and the statement by the Directors and report of the Auditors thereon. **[Resolution 1]**
- To re-elect the following Directors retiring pursuant to the Constitution of the Company:
 - Quek Kian Hui (Regulation 98) **[Resolution 2]**
 - Tan Chao Hsiung David (Regulation 98) **[Resolution 3]***[See Explanatory Note 1]*
- To declare a first and final dividend of 0.15 cents per ordinary share tax-exempt (one-tier) for the financial year ended 31 December 2016. **[Resolution 4]**
- To approve Directors' fees of up to S\$122,000 for the financial year ending 31 December 2017 to be payable quarterly in arrears (2016: up to S\$130,000). **[Resolution 5]**
- To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 6]**
- To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without amendments the following Resolutions, of which Resolution 8 will be proposed as a Special Resolution and Resolutions 7, 9 and 10 will be proposed as Ordinary Resolutions.

- Authority to allot and issue shares and convertible securities **[Resolution 7]**

"That, pursuant to Section 161 of the Companies Act, Cap. 50 ("Companies Act") authority be and is hereby given to the Directors of the Company to:

 - issue shares of the Company whether by way of rights, bonus or otherwise;
 - make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and/or
 - issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit;

 - (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force; and
 - complete and do all such acts and things, including without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Resolution.

provided that:

- the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution by way of renounceable rights issues on a pro rata basis ("Renounceable Rights Issues") shall not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below); and otherwise than by way of Renounceable Rights Issues ("Other Share Issues") shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (subject to such manner of calculation and adjustment as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST") for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time this Resolution is passed, after adjusting for:
 - new shares arising from the conversion or exercise of any convertible securities;
 - (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided that the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
 - any subsequent bonus issue, consolidation or subdivision of shares;
- in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." *[See Explanatory Note 2]*

- Proposed adoption of the New Constitution **[Resolution 8]**

"That the regulations contained in the new Constitution of the Company, reproduced in their entirety in Appendix I of the Addendum to Annual Report dated 29 March 2017 (the "Addendum"), be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution of the Company and that the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution." *[See Explanatory Note 3]*

- Proposed adoption of the MSE Performance Share Plan **[Resolution 9]**

"That:

 - the performance share plan to be known as the "MSE Performance Share Plan" (the "MSE PSP") particulars of which are set out in the Addendum under which awards ("Awards") of fully paid-up shares in the capital of the Company will be granted, free of charge, to employees of the Group and its Associated Companies (as defined in the Addendum) be approved.
 - the Board of Directors of the Company be and is hereby authorised:-
 - to establish and administer the MSE PSP;
 - to modify and/or amend the MSE PSP from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the MSE PSP and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the MSE PSP;
 - to grant Awards in accordance with the provisions of the MSE PSP and pursuant to Section 161 of the Companies Act and to allot and issue, transfer and/or deliver from time to time such number of fully paid-up shares as may be required to be issued, transferred or delivered;
 - pursuant to the vesting of Awards provided that the aggregate number of shares available pursuant to the MSE PSP and any other share-based schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the Company from time to time;
 - subject to the same being allowed by law, to apply any share purchased or acquired under any share purchase mandate and to deliver such existing shares (including treasury shares) of the Company towards the satisfaction of Awards granted under the MSE PSP; and
 - to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this Resolution." *[See Explanatory Note 4]*

- Proposed renewal of the Share Purchase Mandate **[Resolution 10]**

"That:

 - for the purposes of the Companies Act, the Constitution of the Company and the Listing Manual of the SGX-ST, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the total number of issued shares (excluding treasury shares) of the Company (as ascertained as at the date of Annual General Meeting of the Company), unless the Company has, at any time during the period commencing from the date of which this Resolution is passed and expiring on the date the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier, after the date of this Resolution is passed, effected a reduction of its share capital in accordance with the applicable provisions under the Companies Act or a share consolidation, in which event the total number of issued shares of the Company shall be taken to be the total number of shares of the Company as altered by the capital reduction or the share consolidation, at the price of up to but not exceeding the Maximum Price as defined under paragraph 4.4.4 of the Addendum, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting of the Company is held or required by law to be held, whichever is earlier, or the date on which the purchases or acquisitions of shares pursuant to the share purchase mandate are carried out to the full extent mandated, whichever is earlier; and
 - the Directors of the Company and/or any of them be and is hereby authorised to complete and do all such acts and things (including dealing with the shares purchased by the Company, entering into all transactions, arrangements and agreements and executing such documents as may be required) as they and/or he may consider necessary, desirable or expedient to give effect to this Resolution. *[See Explanatory Note 5]*

By Order of the Board

Seah Hai Yang
Leong Chee Meng Kenneth
Company Secretaries
Singapore, 29 March 2017

Explanatory Notes:

- Tan Chao Hsiung David**, if re-elected, will be considered an independent non-executive director and will remain as the Lead Independent Director, Chairman of the Audit Committee and a member of both the Remuneration and the Nominating Committees.
- Resolution 7**, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting ("AGM") of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues and (ii) 50% for Other Shares Issues, of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For the purpose of this Resolution, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

The authority for the 100% Renounceable Rights Issues is proposed pursuant to SGX-ST Practice Note 8.3 which became effective on 13 March 2017 until 31 December 2018 by which date the shares issued pursuant to the Renounceable Rights Issue must be listed ("the Enhanced Rights Issue Limit"). The Enhanced Rights Issue Limit is aimed at helping companies raise funds expeditiously for expansion activities or working capital. It is subject to the condition that the Company complies with applicable legal requirements including but not limited to provisions in the Companies Act requiring the Company to seek shareholders' approval, disclosure requirements on the use of the proceeds as and when the funds are materially disbursed and a status report on the use of proceeds in the annual report; and limitations in any existing mandate from shareholders.

The Board considers it desirable to have the flexibility to respond to market developments and is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders as it provides the Directors of the Company with an opportunity to raise funds expeditiously and reducing the time taken for shareholders' approval in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares.

There are no limitations in the existing mandate from shareholders.

The Enhanced Rights Issue Limit will be exercised only if the Directors believe that to do so would be likely to promote the success of the Company for the benefit of shareholders as a whole.

- Resolution 8**, if passed, will approve the adoption of a new Constitution in substitution for, and to the exclusion of, the existing Constitution. The new Constitution contains regulations that take into account the wide-ranging changes to the Companies Act introduced pursuant to the Companies (Amendment) Act 2014 and other updates to the regulatory framework. Please refer to the Addendum despatched together with the Annual Report 2016 which set out the proposed key changes in greater detail.
- Resolution 9**, if passed, will authorise and empower the Directors to administer and effect the MSE PSP. Please refer to the Addendum despatched together with the Annual Report 2016 for the rationale, terms and conditions and further details of the MSE PSP.
- Resolution 10**, is to renew the mandate to enable the Directors of the Company to purchase or otherwise acquire shares on the terms and subject to the conditions of this Resolution which was first approved by shareholders of the Company on 20 April 2016. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the proposed renewal of the share purchase mandate on the audited financial statements for the financial year ended 31 December 2016 are set out in greater detail in the Addendum despatched together with the Annual Report 2016.

Notes:

- A member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote in his stead at the Annual General Meeting of the Company (the "Meeting"). 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.
- A member who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the Meeting, 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.
- If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 35 Tuas Road, Jurong Town, Singapore 638496 not less than 48 hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting of the Company (the "Meeting") and/or any adjournment thereof, a member of the Company:

- consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing, administration and analysis by the Company (or its agents) of proxy(ies) and representative(s) appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (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");
- 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; and
- 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.