



## **MUN SIONG ENGINEERING LIMITED**

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

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### **UPDATE ON THE PROPOSED JOINT VENTURE IN RESPECT OF MS&H INDUSTRIAL LLC AND INCORPORATION OF PEGASUS ADVANCE ENGINEERING (NETHERLANDS) BV**

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Mun Siong Engineering Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to provide an update on the announcement we made on the 20 June 2019 in relation to the Proposed Joint Venture ("**MSH Industrial LLC**") with Mr Gary Harvey ("**Harvey**").

#### **A. Lapse of the Operating Agreement executed on 19 June 2019 (the "Operating Agreement")**

The Board of Directors of the Company has decided to allow the Operating Agreement to lapse after 30 September 2019.

We understand, through Harvey and his solicitors, that a certain principal financial institution is unable to provide guidance on its position on the Proposed Joint Venture. Consequently, it is impossible for Harvey (including MJH Companies) to achieve certain terms in the conditions precedents specified in the Operating Agreement by the 30 September 2019 deadline. The Company, through its executive director, finance director and solicitors in the USA, have been engaged in discussions with the financial institution and Harvey. However, such discussions have not been conclusive. As the loan agreements are between MJH Companies (and Harvey acting as guarantor) and the financial institution, and likely such negotiations will be protracted, it is in the Company's interest to withdraw from the Proposed Joint Venture.

Regardless of the Company's decision to withdraw from the Proposed Joint Venture, the Company will continue to seek business opportunities in the North America market.

#### **B. Incorporation of Pegasus Advance Engineering (Netherlands) BV**

As advised by the Company's tax advisor in North America, it has proceeded to incorporate Pegasus Advance Engineering (Netherlands) BV (the "**PAE Netherlands**"). It is intended that PAE Netherlands will be a holding company for the Group's interest in North America.

PAE Netherlands was incorporated on 9 September 2019 with an issued paid up capital of One Euro (€1.00). The paid up capital will be 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. PAE Netherlands will be a wholly owned indirect subsidiary of the Company. For more details, please refer to announcement made on the 20 June 2019.

**By Order of the Board**

Cheng Woei Fen  
Executive Chairlady

7 October 2019