

HIAP SENG ENGINEERING LTD.
(JUDICIAL MANAGERS APPOINTED)
(Company Registration No. 197100300Z)
(Incorporated in the Republic of Singapore)

**APPLICATION BY SECURED CREDITOR TO ENFORCE MORTGAGE OF THE PROPERTY LOCATED 4
BENOI PLACE, SINGAPORE 629925**

Hiap Seng Engineering Ltd (Judicial Managers Appointed) (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that, United Overseas Bank Limited (“**UOB**”), a secured creditor of the Company, has with the consent of the Joint and Several Judicial Managers, made an application to the Court pursuant to the Companies Act (Cap. 50) (version as at 29 July 2020), by way of Summons No. 4097/2021 (in OS 729/2020) on 31 August 2021 for leave to enforce its first all-monies legal mortgage dated 20 November 2002, over the Company’s JTC-industrial property at 4 Benoi Place, Singapore 629925 (the “**Property**”) by :

- (i) exercising its power of entry into possession of the Property and requiring the Judicial Managers of the Company to deliver possession of the Property to UOB, as mortgagee,
- (ii) thereafter exercising its power of sale pursuant to the Memorandum of Mortgage between the Company and UOB, and
- (iii) utilising the net proceeds of sale of the Property towards partial reduction of the liabilities of the Company owing to UOB.

By this application, UOB also seeks an order that costs of and incidental to the application be paid out of the assets of the Company and that there be liberty to apply. Summons No. 4097/2021 is fixed for hearing in Chambers in the High Court of Singapore on 6 September 2021 at 3:30pm.

The Property is a JTC purpose-built detached factory comprising of a 2-storey office building and 3 single-storey factories or workshops spanning 7,501 square meters and built on Lot No: MK7-1461V, with a lease term up to June 2031.

The Property is a non-core asset of the Group and is currently used as storage facility for its maintenance equipment and scaffolds, which will be relocated to the Company’s current premises at 28 Tuas Crescent. The Property is not critical to the principal business activities of the Group.

A desktop valuation of the Property conducted in July 2021 reported the forced sale value of the Property at S\$4.5 million. As at 30 August 2021, the outstanding amount owed by the Company to UOB far exceeds the forced sale value of the Property.

The Property is charged to UOB and the net sale proceeds of the Property would be utilised to partially repay the amount owing to UOB. This would reduce the Group’s liabilities and accrued and future interest payable, and would bring cost savings achieved on land rent, utilities, security services and other incidental expenses relating to the Property.

Cautionary Statement

Shareholders, stakeholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company and the Judicial Managers

carefully. Shareholders are also advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders, stakeholders and potential investors of the Company should consult with their financial, tax or other advisers if they have any doubt about the actions they should take.

Further announcements will be made by the Company and the Judicial Managers via SGXNET as and when there are any material developments.

Oon Su Sun and Lin Yueh Hung
Joint and Several Judicial Managers
3 September 2021

The affairs, business and property of the Company are being managed by the Judicial Managers appointed by the High Court of Singapore. The Judicial Managers contract and only act as agents of the Company and disclaim all personal liability of any nature whatsoever for all matters arising out of, in connection with and in respect of the Judicial Management of the Company herein.