

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

AMENDMENTS TO THE SUBSCRIPTION AGREEMENT

1. BACKGROUND

- 1.1. Hiap Seng Engineering Ltd (Judicial Managers Appointed) (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement dated 7 January 2022 in relation to the entry into a conditional subscription agreement (the “**Subscription Announcement**”).
- 1.2. Capitalised terms used but not defined herein shall have the meanings as ascribed to them in the Subscription Announcement.

2. AMENDMENTS TO THE SUBSCRIPTION AGREEMENT

- 2.1. More time has been requested for the discussion of the due diligence findings with the professionals appointed. The Company had also commenced the audit of the financials of the Group for the financial years ended 31 March 2020 and 31 March 2021 and the Longstop Date is being extended as completion of such audit is necessary for the satisfaction of certain of the Conditions (as described in paragraph 4.4 of the Subscription Announcement).
- 2.2. In light of the current progress of the satisfaction of the Conditions (as described in paragraph 4.4 of the Subscription Announcement) and for the purposes of streamlining the exercise of the Options, the parties to the Subscription Agreement have on 25 March 2022, entered into a supplemental agreement to supplement the Subscription Agreement (the “**Supplemental Agreement**”).
- 2.3. Pursuant to the Supplemental Agreement, the parties to the Subscription Agreement had agreed to:
- (a) extend the deadlines for the completion of legal and financial due diligence on the Company and/or the New Listco, Hiap Seng Manco WLL., and Petroleum Maintenance Services Joint Stock Company from six (6) weeks from the date of the Subscription Agreement to 12 weeks from the date of the Subscription Agreement, being by the week of 28 March 2022;
 - (b) extend the Longstop Date from 31 July 2022 (or such other date as may be mutually agreed between the Parties) to 31 October 2022 (or such other date as may be mutually agreed between the Parties); and
 - (c) delete all references to expiry of the Options such that no Options will expire after the First Exercise Period.

3. UPDATES TO THE SUBSCRIPTION ANNOUNCEMENT

In light of the amendment described above in paragraph 2.3(c), the Company wishes to clarify on the following information on the Proposed Grant of Options:

- (a) The Subscribers will be granted such number of Options and there will be no expiry of any Options after the First Exercise Period:

Subscriber	Option Amount	No. of Options to be issued
Vibrant	S\$6,000,000	1,104,972,375
Tian Yuan	S\$2,000,000	368,324,125
Total	S\$8,000,000	1,473,296,500

- (b) It is contemplated that Vibrant and Tian Yuan will hold approximately 48.0% and approximately 16.0% of the Options Enlarged Share Capital¹, respectively, if the Options are exercised in full prior to the expiry of the Exercise Period.
- (c) Assuming that all the Options are validly exercised, the aggregate gross proceeds from the issuance of Option Shares will be S\$8,000,000, if all of the Options are exercised within the First Exercise Period and S\$8,800,000, if all of the Options are exercised after the First Exercise Period but prior to the expiry of the Exercise Period. No material expenses are expected to be incurred from the Proposed Grant of Options. The aggregate gross proceeds from the exercise of the Options shall be used fully for the general working capital of the Company.

4. FURTHER UPDATES

Further to the above-mentioned in paragraph 2.1, it is expected that the Company will be applying to the SGX-ST for a further extension of time to hold the FY20 AGM and the FY21 AGM and release the 1HFY21, the FY21 FS and the 1HFY22 FS (all capitalised terms used but not defined in this paragraph bear the meanings as ascribed to them in the announcement dated 17 November 2021) and an extension of time to submit a resumption proposal in accordance with Rule 1304(1) of the Listing Manual of the SGX-ST (collectively, the “**Extension Applications**”).

Further to the announcement made on 3 September 2021, the Company would also like to update that, United Overseas Bank Limited (“**UOB**”), the secured creditor of the Company has completed the mortgagee sale of the Company’s property at 4 Benoi Place, Singapore 629925 (the “**Property**”), and the net proceeds of the sale of the Property has been utilised towards partial reduction of the amount owing to UOB.

The Company will make further announcements as and when there are material updates in relation to the Extension Applications and the Proposed Transactions.

5. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Transactions remain subject to, amongst others, the fulfilment of the Conditions under the Subscription Agreement. **There is no certainty or assurance that the conditions precedent for the Proposed Transactions can be fulfilled or that the Proposed Transactions will be undertaken at all.** Although the Shares are under suspension, shareholders, securityholders and Subscribers are advised to read this announcement and any past and future announcements by the Company and the Judicial Managers carefully when dealing with the Shares and securities of the Company. Shareholders, securityholders, and Subscribers should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

Oon Su Sun and Lin Yueh Hung
Joint and Several Judicial Managers
25 March 2022

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.

¹ The Options Enlarged Share Capital means the total share capital of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed) pursuant to Completion and including the issue of the Settlement Shares and Option Shares (but shall exclude any Rights Shares).