



HIAP SENG ENGINEERING LTD

(Under Judicial Management)
(Incorporated in the Republic of Singapore)
(Company Registration No. 197100300Z)

Press Release

HIAP SENG GETS VIBRANT-LED INVESTORS GROUP TO INJECT UP TO \$16 MILLION, SEEKS CREDITORS' APPROVAL TO RESTRUCTURE DEBT

- **Cash injection by Vibrant-led investor group to invest up to \$16 million**
- **Seek creditors' approval to restructure debts**
- **Allow shareholders to participate alongside with new investors through rights issue of up to \$3 million. Current key management to undertake to subscribe at least \$1 million.**
- **Upon completion of restructuring exercise, Hiap Seng will emerge debt-free.**

Singapore, December 9, 2021 - Hiap Seng Engineering Ltd ("Hiap Seng") is pleased to announce that its Judicial Managers have on 9th December 2021 signed a **non-binding term sheet** with investors led by an associate company of Vibrant Group.

The cash injection of S\$16 million over two tranches will form part of a restructuring exercise, that when completed, will see the company emerge debt-free.

The restructuring exercise will involve unsecured creditors, key management and shareholders in rebuilding the company. The restructuring is subject to shareholders and regulatory approvals.

Part of the restructuring exercise will involve seeking the consent of the company's unsecured creditors to swap a portion of the amount owed to them for a stake in the company.

Post restructuring, the company will undertake a rights issue exercise to raise up to S\$3 million. This is to allow existing shareholders to participate in the recapitalization of the company. Current key management team will undertake to subscribe S\$1million worth of shares in the rights issue as a show of their commitment to the company.

On 15th September 2020, Hiap Seng was placed under Judicial Management (JM). The company has since worked closely with the JM to implement process improvement measures. These measures have resulted in lower overheads and leaner operations.

“We warmly welcome the proposed investment by the Vibrant-led investor group. Their proposed investment in Hiap Seng validates the strides the Company has made in streamlining our operations, giving us a clearer focus on delivering quality services to our esteemed clientele. When the investment is completed, Hiap Seng will be able to grow again,” said Richard Tan, CEO of Hiap Seng.

The company looks forward to working with the investors to further improve its services through investments in additional manpower and equipment. The company will also explore tapping the resources of the investors in extending freight and logistics services to its clientele, especially in the oil and gas segment.

About Hiap Seng Engineering Limited

(Bloomberg: HSE:SP / Reuters: HSEN.SI / SGX Stock Code: 510)

Hiap Seng Engineering Limited (“协成工程” together with its subsidiaries, “Hiap Seng”) was founded in 1950 and has been listed on Singapore Exchange since 18 June 1999.

Hiap Seng is one of the leading integrated service providers of mechanical engineering, plant fabrication & installation and plant maintenance to the oil-and-gas (serving both upstream exploration and production as well as downstream refinery and storage), petrochemical and pharmaceutical industries in Singapore, Asia Pacific and other regions.

For more information, please visit <http://www.hiapseng.com/>

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