

**HIAP SENG ENGINEERING LTD
(JUDICIAL MANAGERS APPOINTED)**
Company Registration Number 197100300Z
(Incorporated in the Republic of Singapore)
(the "Company")

**Minutes of the Annual General Meeting of the Company held at
Conference Room, 28 Tuas Crescent Singapore 638719 on 31 August 2023 at 2.30 p.m.**

PRESENT

Chairman

Mr. Ng Kian Kiat – Acting on behalf of the Joint & Several Judicial Managers of the Company

Board of Directors

1. Mr. Richard Tan Leau Kuee – Chief Executive Officer ("CEO") and Executive Director
2. Mr. Koh Kim Wah – Independent Director

Management Team

1. Mr. Max Tan
2. Ms. Valerie Tan

Company Secretaries

1. Mr. Tan Hak Jin
2. Ms Chan Lai Yin

Auditors

1. Mr. Tham Tuck Seng – Audit Partner, PricewaterhouseCoopers LLP
 2. Mr. Roy Tan – Senior Manager, PricewaterhouseCoopers LLP
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The Chairman welcomed the shareholders to the Annual General Meeting ("AGM" or "Meeting") of the Company.

QUORUM

After the Secretary confirmed that a quorum was present, the Chairman declared the Meeting opened at 2.30 p.m.

NOTICE

The Notice convening the Meeting was taken as read.

INTRODUCTION

Before the meeting proceeded to the agendas, the Chairman informed that as required under the Listing Manual, all the resolutions stated in the Notice of AGM would be voted by way of poll. The Chairman exercised his right under the Company's Constitution and demanded that all resolutions be voted by poll.

Reliance 3P Advisory Pte. Ltd. ("Scrutineers") was appointed as Scrutineers for the polling conducted at the AGM and they have verified all proxy forms received by the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. via post and email by the cut-off date and time. The procedures for voting by poll was explained by the representative of the Scrutineers.

The Chairman drew to the shareholders attention of the Company's SGXNet announcement on 25 August 2023 regarding the Company's response to a question submitted in advance by the Shareholder.

The Chairman then proceeded with the Ordinary Businesses to be transacted at the AGM.

ORDINARY BUSINESS

1. RESOLUTION 1: DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Meeting proceeded to receive and consider the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2023 ("FY2023") and the Auditors' Report thereon.

The Chairman proposed:

"That the Audited Financial Statements of the Company for the financial year ended 31 March 2023 together with the Directors' Statement and the Auditors' Report thereon be hereby received and adopted."

2. RESOLUTION 2: RE-ELECTION OF MR. KOH KIM WAH

Resolution 2 was to re-elect Mr. Koh Kim Wah ("Mr. Koh") as a Director of the Company. In accordance with Article 91 of the Company's Constitution, Mr. Koh will retire from office at the AGM, and being eligible, had offered himself for re-election.

The Meeting noted that, if Mr. Koh was re-elected as a Director, he would continue in office as Chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nominating Committee in the Company.

The Chairman proposed:

"That Mr. Koh Kim Wah be re-elected as a Director of the Company."

3. RECORD THE RETIREMENT OF MR. M. RAJARAM

The Company recorded the retirement of Mr. M. Rajaram, who upon his retirement at the conclusion of the AGM, shall cease to be Chairman of the Nominating Committee, a member of the Audit Committee and a member of the Remuneration Committee in the Company.

The Chairman also informed the shareholders the resignation of Dr. John Chen Seow Phun as a Director of the Company on 1 July 2023.

The Board and the Judicial Managers put on record their heartfelt appreciation and thanks to Mr. M. Rajaram and Dr. John Chen, for their invaluable support and contributions to the Company.

4. RESOLUTION 3: RE-APPOINTMENT OF AUDITORS

The shareholders were informed that the auditors, Messrs. PricewaterhouseCoopers LLP had expressed their willingness to accept re-appointment as auditors of the Company.

The Chairman proposed:

"That the re-appointment of Messrs. PricewaterhouseCoopers LLP as auditors and to authorise the Judicial Managers or Directors of the Company to fix their remuneration.

Questions raised and replies made during the AGM are set out in "Appendix A" as annexed to the minutes.

POLL VOTING

Upon completion of the poll counting, the Chairman announced the poll results and declared that all resolutions tabled at the AGM were carried. Details of the poll results released on SGXNET is set out below:

Ordinary Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	Percentage (%)	Number of shares	Percentage (%)
<u>Ordinary Resolution 1</u> Audited Financial Statements for the financial year ended 31 March 2023 together with the Directors' Statement and the Auditors' Report thereon.	78,298,400	78,289,400	99.99	9,000	0.01
<u>Ordinary Resolution 2</u> Re-election of Mr. Koh Kim Wah as a director of the Company.	78,298,400	76,344,300	97.50	1,954,100	2.50
<u>Ordinary Resolution 3</u> Re-appointment of Messrs. PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Judicial Managers or Directors, as applicable, to fix their remuneration.	78,298,400	78,237,400	99.92	61,000	0.08

CONCLUSION

There being no other business, the Chairman declared the Meeting closed at 3.35 p.m. and thanked all shareholders who attended the Meeting.

Confirmed as a True Record of the Proceedings

[SIGNED]

Ng Kian Kiat, acting on behalf of the Joint and Several Judicial Managers of the Company
Chairman

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.

APPENDIX A

QUESTIONS AND ANSWERS DURING THE ANNUAL GENERAL MEETING HELD ON 31 AUGUST 2023

1. **What are the terms and conditions of the judicial management and how long will it last? What are the future plans for the Company and how can the business return to profitability in its operations?**

The Chairman: The Company has been placed under judicial management since 15 September 2020 and during the period, there is a moratorium on all legal action against the Company. Being under judicial management, this gives the Company protection against actions that could be taken by the bank and the creditors due to its outstanding liabilities owing as well as time for the Company to formulate a debt restructuring plan to its creditors.

The Company found an investor who would be injecting capital and investments into the Company. The Company has obtained SGX approval in-principle for the Proposed Transactions (as announced in the SGX-Net) , subject to compliance with the listing requirements, and is currently pending the approval of the Securities Industry Council ("SIC") for the waiver of making a general offer ("Whitewash Resolution").

The tentative timeline are that, once SIC approval is obtained, the Company would proceed to convene an Extraordinary General Meeting ("EGM") to obtain Shareholders' approval for the Proposed Transactions. As the Proposed Transactions involves a Scheme of Arrangement with the shareholders, it will also be subjected to sanction by the Court for the Shareholders Scheme of Arrangement. The Company is expected to resume trading once the court and shareholders' approval to the Proposed Transaction are obtained. Completion of the Proposed Transactions is expected to be around end December 2023 / January 2024

The Company would announce details of the timeline for the Proposed Transaction once the definitive timeline can be determined.

In terms of operations, the Judicial Managers noted the shareholders' concern on the Company recording losses in FY2023. He explained that the Company's profit in FY2022 was mainly contributed from a one-off turnaround project and other non-operating gains. Without the one-off turnaround project and the non-operating gains in FY2023, the Company recorded losses of S\$2.5million. For FY2024, the Company had secured a turnaround job and would be tendering for more jobs in the future. Operations are still under the same management team that will be continuing in FY2024.

Once the Company is able to exit from judicial management, the Company together with its new investors is hopeful that they are able to tender for bigger contracts as well as enter into new market segment such as solar power. The majority shareholder of the new investors is a listed company in the logistics industry and can also support the Company's growth in terms of logistics.

Mr Max Tan: Despite being under judicial management, the Company managed to retain some of its key customers and contracts. It was especially challenging during the judicial management period as customers were concerned on the Company not having sufficient working capital, hence there were certain difficulties faced in securing new projects. The losses from operations in FY2023 was also attributable to the provision of costs and expenses for the judicial management as well as professional fees incurred for the Proposed Transaction. Going forward, the Company plans to maintain its core business as a trusted contractor in the oil and gas industry. Meanwhile, the management is also exploring other business segment and together with the new investors, it hopes to generate additional revenue from the new business.

2. Will our shares be diluted with the onboarding of new investors? Will Shareholders need to subscribe to the Rights Issue and are required to pump more money?

The Chairman: Yes, there will be share dilution to the existing shareholders as the new investors will take a majority stake of the shares in the Company and Scheme Creditors will also be allotted shares under the approved Creditors Scheme of Arrangement. There is however no change in the number of shares held by each respective shareholder.

Under the Proposed Transactions, there will be a Rights Issue exercise envisaged for the existing shareholders. The Right Issue exercise will not be extended to the new investors and the Scheme Creditors. The price of the Rights Issue will be approximately S\$0.0054, which is the same price subscribed by the new investors under the Proposed Transaction.

3. When will the Rights Issue commence?

The Chairman: As mentioned earlier, upon obtaining SIC approval and convening of the shareholders' meeting to obtain approval as well as court sanction for the Shareholder's Scheme of Arrangement, the Rights Issue exercise is expected to commence once the Proposed Transaction is completed, estimated to be around end December 2023 / January 2024.

4. What is the current estimated order on hand for the Company?

Mr Max Tan: When the Company secures a maintenance contract, it is usually for a term of around 3 to 5 years without a fixed value. During the contract period, the revenue generated is dependent on actual work done and services rendered to the client. Currently these contracts generate an estimated revenue of S\$15 million to S\$18 million per year.

Is the Company able to recapture lost contracts? Previously, the orders were significantly higher.

Mr Max Tan: It was challenging when the Company was placed under judicial management and clients were concerned about the financial position of the Company. Being in the construction industry, which is capital intensive in nature, the Company is also not able to secure banking facilities for some of the projects during judicial management.

Going forward, once the Company is discharged from judicial management, the Company will certainly look to strengthen its competitiveness in the market and work on getting back the confidence of its previous customers.

5. What is the expected sum from the new investors? What is the purpose of the new investors whether it is to finance operations or payoff loans? What is the confidence level of the Company after the discharge from the Judicial Management? How would the Company convince SGX to be discharged from Judicial Management?

The Chairman: The Company would be expecting a total of up to S\$16million from the new investors and the majority shareholder of the new investors is a listed company in the logistics industry.

Part of the proceeds from the new investors would be utilize towards partial settlement of the amount owing to the Company's principal banker. With new investors on board, this brought confidence to the creditors in approving the Creditors Scheme of Arrangement as settlement under the scheme involved cash distribution and issuance of share in the Company. This would also allow the Company to be discharged from the judicial management and with the additional funds from the new investors which can be used to support the Company's working capital, the Company will be in position to tender for and secure larger projects.

The new investors will also be considering to synergise the Company's operations as they are in the logistics industry.

The Judicial Management Order was granted by the Court. As such, the discharge must be also applied to the Court, demonstrating that the objectives of the judicial management order have been met.

I noticed that the Company is currently occupying a huge land with facilities. Can the Company consider divesting certain part of the land or facilities for working capital to finance the operations?

The Chairman: The Company is providing services to certain parties who are supporting on the Company's projects. These parties are carrying out the works at the Company's premises as part of the service agreement arrangement, which is generating income for the Company.

How certain is the new investors will be onboarded?

The Chairman: The investors has signed the Conditional Subscription Agreement and approval in-principle from SGX has been obtained, subject to certain listing requirement. It is now pending the approval of SIC and thereafter the circulation of the circular to convene the EGM to seek shareholders' approval for the Proposed Transaction. The Court has on 4 September 2023 granted an extension of the Judicial Management Order until 2 March 2024.