

UPDATE ON APPLICATION FOR DISCHARGE OF JUDICIAL MANAGEMENT OF HIAP SENG ENGINEERING LTD.

1. BACKGROUND

- 1.1 Hiap Seng Industries Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements released by Hiap Seng Engineering Ltd (“**HSEL**”) dated (a) 7 January 2022, 25 March 2022, 15 August 2022, 31 May 2023 and 6 October 2023 in relation to the Proposed Subscription and the Proposed Grant of Options; (b) 20 May 2022, 2 June 2022, 29 June 2022, 4 July 2022, 18 August 2022, 24 August 2022 and 29 August 2022 in relation to the Proposed Debt Restructuring; (c) 11 October 2023, 17 October 2023, 27 October 2023, 8 November 2023, 4 December 2023, 8 December 2023, 18 January 2024 in relation to the Proposed Transfer Listing and the Shareholders’ Scheme; (d) 11 October 2023 in relation to the Proposed Rights Issue; (e) 6 October 2023 in relation to an update on the Proposed Subscription, the Proposed Grant of Options and the Proposed Debt Restructuring; (f) 24 January 2024 in relation to the notice of the Shareholders’ Scheme Record Date and an update on the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring and the Proposed Transfer Listing; (g) 2 February 2024 in relation to the lodgment of the Shareholders’ Scheme Court Order and the fulfilment of conditions precedent for the Proposed Subscription, the Proposed Grant of Options and the Proposed Transfer Listing; (h) 9 February 2024 in relation to the application for discharge of the Judicial Management Order and for the release of final remuneration and expenses; and (i) 15 February 2024 in relation to the delisting of HSEL, and also refers to the joint announcement released by HSEL and the Company on 16 February 2024 on the completion of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring and the Proposed Transfer Listing.
- 1.2 Capitalised terms used but not defined herein shall have the meanings as ascribed to them in the Circular dated 6 November 2023.

2. UPDATE ON APPLICATION FOR (I) DISCHARGE OF JUDICIAL MANAGEMENT OF HSEL AND (II) APPROVAL FOR RELEASE OF FURTHER PAYMENT TO JUDICIAL MANAGERS

As announced on 9 February 2024, the Judicial Managers have filed the Discharge Applications.

2.1 Discharge of Judicial Management in HC/SUM 305/2024

The Company wishes to announce on behalf of HSEL that the High Court of Singapore has, on 23 February 2024, granted, inter alia, the following orders:

- (A) The Judicial Management Order in HC/ORC No. 5182/2020 dated 15 September 2020 and which was further extended by orders of court (i.e. HC/ORC 1405/2021 dated 8 March 2021, HC/ORC 5187/2021 dated 6 September 2021, HC/ORC 1264/2022 dated 7 March 2022, HC/ORC 4437/2022 dated 29 August 2022, HC/ORC 1070/2023 dated 7 March 2023 and HC/ORC 4130/2023 dated 4 September 2023, collectively the “**Extension Orders**”) be discharged on the date of the order to be made hereon.
- (B) The Judicial Managers be released from any liability in respect of any act or omission by the Judicial Managers (including their employees and agents) in the management of HSEL or otherwise in relation to the Judicial Managers' conduct as judicial managers pursuant to Sections 104(4) and 112(4) of the Insolvency, Restructuring and Dissolution Act 2018 (“**IRDA**”);

- (C) The Judicial Managers be entitled, after the discharge of their appointments, to do all things necessary for, and incidental to, the handing over of management and control of HSEL and its property to the director(s) of HSEL; and
- (D) The costs and expenses of and incidental to this application to be fixed at \$4,000 and be deemed expenses incurred in the course of the judicial management and paid out of the assets of HSEL.

2.2 **Approval for Release of Further Payment to Judicial Managers**

The Company wishes to announce on behalf of HSEL that the High Court of Singapore has, on 23 February 2024, granted, inter alia, the following orders:

- (A) The Judicial Managers be at liberty to defray the following balance remuneration and expenses (which have been approved by the Court on 10 April 2023 in Summons No. HC/SUM 429/2023, i.e. Order of Court No. HC/ORC 1715/2023) out of HSEL's assets in the custody and control of the Judicial Managers:
 - (1) \$544,874.00 as remuneration to the Judicial Managers; and
 - (2) \$600,919.00 as expenses of the Judicial Managers, to solicitors and advisors engaged by the Judicial Managers during the judicial management process;
- (B) A sum of \$64,012.73 as expenses of the Judicial Managers, incurred with their solicitors (i.e. JWS Asia Law Corporation) engaged by the Judicial Managers during the judicial management period from 1 October 2022 to 29 January 2024, be approved pursuant to Rule 173(1) of the Insolvency, Restructuring and Dissolution (Corporate Insolvency and Restructuring) Rules 2020, and the Judicial Managers be at liberty to defray the same out of HSEL's assets in the custody and control of the Judicial Managers;
- (C) The costs and expenses of and incidental to this application be fixed at \$3,000 and be deemed expenses incurred in the course of the judicial management and paid out of the assets of HSEL; and
- (D) Pursuant to Section 104(3) of IRDA, the Judicial Managers' remuneration and expenses (including the remuneration and expenses of their solicitors and advisors) be charged on and paid out of the property of HSEL and in priority to all other debts, except those subject to a security to which Sections 100(2), 101(1)(c) and/or Section 101(1)(d) of IRDA applies.

CAUTIONARY STATEMENT

Shareholders, stakeholders and potential investors are advised to read this announcement and any further announcements made by the Company carefully. Shareholders are also advised to refrain from taking any action with respect to their securities which may be prejudicial to their interests, and to exercise caution when dealing in the securities. Shareholders, stakeholders and potential investors 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 via SGXNET as and when there are any material developments.

BY ORDER OF THE BOARD

Khua Kian Hua
Executive Director

23 February 2024