

**LETTER TO SHAREHOLDERS FROM
EXECUTIVE CHAIRLADY AND EXECUTIVE DIRECTOR**

MUN SIONG ENGINEERING LIMITED

Company Registration No. 196900250M
(Incorporated in the Republic of Singapore)

4 June 2020

Dear Shareholders,

We are writing to you as shareholders in respect of **Resolution 4** – “To declare a first and final dividend of 0.04 cents per ordinary share tax-exempt (one-tier) for the financial year ended 31 December 2019” (the “**Resolution 4**” as per Notice of Annual General Meeting 2019 dated 4 June 2020).

On 20 February 2020, via the full year FY2019 results announcement, the Board of Directors have recommended the above proposed dividends, to be approved by the shareholders at the coming Annual General Meeting. The total proposed dividends of \$232,000, a dividends payout of 46.3 per cent of the audited net profit after taxation for financial year 2019, represents a fair return and sharing the profitability of the Group with the shareholders. Sharing of dividends is one of the pillars that the Group has built on over these years. Despite strong headwinds, especially in recent years, the Group has consistently shared its profitability with shareholders through dividends (with the exception of financial year 2018, due to losses incurred, the dividends paid out was from our retained earnings).

As members of the Board of Directors and shareholders, we fully support this recommendation. Shareholders are an integral part of any Company and rightfully enjoys return on their investments.

Many companies listed on the SGX-ST have withdrawn the dividend resolution that has been tabled at their annual general meeting. These have been done to conserve cash for working capital requirements due to the uncertainties in the current business environment. We recognized that many in our communities have financial commitments and faces financial hardship.

Covid-19 has caused major road blocks and delayed the road to recovery and added uncertainties to the on-going businesses and this affects our business plans. As key management staff and shareholders, we are concerned that the prolong negative effects of Covid-19 will be damaging to the global economies and consequently to the Group.

Resolution 4 will be tabled at the coming Annual General Meeting and shareholders can decide on its outcome. However, both us, will voluntarily abstained from voting on it. Our immediate family members (Messrs Mr Quek Keng Siong and Mr Gabriel Quek Kian Teck) will also voluntarily abstained from voting on the said resolution (collectively the “**Abstaining Shareholders**”). This collectively represents 69.3 per cent of the paid-up share capital and \$161,000 or 69.3 per cent of the total proposed dividends payment.

Minority shareholders will decide on the outcome of Resolution 4. The Company has provided an announcement on the SGX-ST on 6 May 2020, giving guidance on the Group’s financial performance and position for the first quarter 2020. The Group continues to remain financially sound and the proposed dividends payment will not affect its working capital.

In the event, that Resolution 4 is passed by the minority shareholders, the Abstaining Shareholders will forgo their dividends entitlement. The Company will retain these funds for working capital purpose. The Abstaining Shareholders are committed to the Group; however, we cannot ignore the challenges that the community faces under such difficult times and not consider the interest of minority shareholders. We welcome liked minded shareholders to join us in our committed action to the Group.

For further clarifications you can contact Mr Lim Poon Kheng, Finance Director of Mun Siong Engineering Limited, at (65) 6411 6570 or you can email to Agm-assist@mun-siong.com.

Stay safe and healthy.

Cheng Woei Fen
Executive Chairlady

Quek Kian Hui
Executive Director