12. APPOINTMENT OF DIRECTOR

12.1 Introduction

In connection with the Proposed Placement and Call Option 1 and the Proposed Diversification of Business, it is proposed that Mr Ong be appointed as a Director, with effect from the date on which the Placement 1 Shares are issued. B&L Group will seek to nominate the other Property Development Director as soon as practicable. The Company also intends to appoint an independent director who has the relevant experience in the real estate industry to assist the Board as the Group diversifies its business into the Proposed Development Business.

12.2 Information on Mr Ong

The particulars of Mr Ong are as follows:

Name	Age	Residential address	Proposed position in Company	Country of principal residence
Ong Boon Chuan	58	36A Oxley Road Singapore 238664	Executive Director	Singapore

Mr Ong has over 30 years of experience in the real estate development and construction business. Upon graduation in 1978, he started his career in the real estate construction business as a foreman in the employment of Econ Engineering Construction Pte. Ltd.

In 1987, he established TG Development Pte. Ltd., and played an active role in the company's maiden foray into the real estate development industry in Singapore. In 1992, he expanded the TG Group with the incorporation of Thye Chuan Engineering Construction Co. Pte Ltd, the construction wing of the TG Group. Under the management and leadership of Mr Ong, the TG Group has grown substantially over the years and has become an active player within the real estate development industry in Singapore. As an illustration of Mr Ong's experience and accomplishments, the Private Group's completed developments over the years include The Balmoral Spring, The Mondrian, SkyPark @ Somerset, The Oliv, St. Patrick's Residences (through a joint venture with OCBC Capital Investment I Pte Ltd), and projects launched but currently under development include The Peak @ Cairnhill I and the Peak @ Cairnhill II (both through a joint venture with TEE Development Pte Ltd), Skies Miltonia (through a joint venture with Master Contract Services Pte Ltd) and Lloyd Sixtyfive. For the avoidance of doubt, Mr Ong will not be injecting his existing assets in the Private Group into the Company and intends to undertake new projects through the Company and grow the Company's Property Development Business.

Mr Ong graduated from Singapore Polytechnic with a Technical Diploma in Building in 1978.

Mr Ong does not have experience as a director of a public listed company in Singapore but has undertaken the relevant training in Singapore to familiarise himself with the rules and responsibilities of a director of a public listed company in Singapore.

In 2005, Mr Ong was convicted of elbowing an individual and outraging the modesty of his wife by hurling vulgarities at her (collectively, "**Plaintiffs**"). The matter arose in connection with a purported queue-jumping incident at a petrol kiosk at Frankel Avenue by Mr Ong. The Plaintiffs lodged seven summons via a magistrate compliant. The judge dismissed five of the summons and found Mr Ong guilty of two offences, namely, section 323 (voluntarily causing hurt) and section 509 (word and gesture intended to insult the modesty of a woman) of the Penal Code (Chapter 224) of Singapore. Mr Ong was fined $500 for each offence. An appeal by the Plaintiffs was halted by the Attorney General's Chambers. The matter has been resolved and there are no further actions against Mr Ong.

On 22 November 2007 and 1 February 2008, a mention slip and a summons were issued to the directors of Tong Garden Holdings Pte Ltd, which included Mr Ong, for the failure to hold its annual general meeting on 27 April 2004 and lodge its annual return by 27 May 2004. Tong Garden Holdings Pte Ltd later held its annual general meeting and lodged its annual return. No further action was taken by the authorities. Based on Mr Ong's representation, he was not and will not be involved in the management of Tong Garden Holdings Pte Ltd.

On 28 March 2011, an action was initiated by Sharikat Logistics Pte. Ltd. against (i) its joint venture partner, TG Development Pte. Ltd. ("**TG Development**"), for minority oppression; (ii) TG Development's executive chairman and chief executive officer, Mr Ong, for breach of fiduciary duties, and (iii) its other joint venture partner, Kok Yin Leong, and the joint venture company, TG-SN Pte. Ltd., for assisting and abetting the minority oppression. The case is currently awaiting judgement.

There were also various family disputes involving Mr Ong and his siblings over the shareholding interest in and management control of Tong Guan Food Products Pte Ltd ("**Tong Guan Food Products**") and its subsidiaries (collectively, the "**Tong Garden Group**") which resulted in the filing of several legal suits. These civil suits have all been concluded and there was no criminal suit arising from these matters. Save for the legal suit between Mr Ong and his sister, Ms Ong Siew Lay ("**Ms Ong**"), all of the legal suits brought against Mr Ong by his siblings have either been concluded in Mr Ong's favour or settled out of court satisfactorily.

In the aforementioned legal suit between Mr Ong and his sister, Ms Ong, Ms Ong claimed $2 million from Mr Ong, being the purchase price of some shares in Tong Guan Food Products, said to be held by their mother, Mdm Chai Ah Chee @ Chua Ah Chee ("**Mdm Chai**"), in trust for Ms Ong. Mdm Chai passed away in 1999 and the suit was commenced in 2007. Mr Ong disputed the claim on the basis that Mdm Chai had owned the shares all the while and contended that Mdm Chai sold the shares to him prior to her death, and that the payment for such shares had already been made by him to Mdm Chai who subsequently lent the money back to him. The judgement was awarded in favour of Ms Ong.

The members of the nominating committee of the Company (the "**Nominating Committee**"), namely Mr Jang Jong Jung, Mr Cheam Heng Haw and Mr Lim Yit Keong, have reviewed the curriculum vitae of Mr Ong. Having considered his credentials, background and experience and the nature of the legal disputes above, the Nominating Committee (with the concurrence of the Board) is of the opinion that there is no cause for it to doubt the suitability of Mr Ong as an executive director of the Company and has approved the appointment of Mr Ong as an executive director of the Company after taking the following factors into consideration:

(a) Mr Ong has more than 30 years of experience in the property development and construction business and has the necessary level of experience and expertise to act as a Director of the Company and to manage the Company's proposed Property Development Business. Mr Ong will also contribute to the building of Company's Property Development Business with his established network of relationships with developers, customers, consultants, architects and contractors within the real estate industry;

(b) Mr Ong has undertaken the relevant training in Singapore to familiarise himself with the rules and responsibilities of a director of a public listed company in Singapore in connection with the proposed listing of TG Corporation Holdings Ltd. in 2012;

(c) Mr Ong has never been barred or prohibited to act as a director of a company in Singapore; and

(d) save as disclosed above, there are no new litigation proceedings that would have a bearing on his suitability to act as a director of a listed company and Mr Ong has also confirmed that he is not aware of any proceedings pending or threatened against him which might materially affect him or have any bearing on his reputation or suitability to act as a director of a listed company.

12.3 Managing Potential Conflicts of Interests

In connection with the Proposed Diversification of Business, Mr Ong has entered into a deed of undertaking dated 21 February 2014 (the "**Deed of Undertaking**") pursuant to which, among other things, he undertakes to the Group that for so long as he and/or his associates (including B&L Group and excluding the Company and its subsidiaries) (the "**Private Group**") are controlling shareholder(s) and/or director(s) of the Company, he (and he shall take reasonable efforts to ensure that his associates (including B&L Group and excluding the Company and its subsidiaries)) (a) shall not engage in Property Development or have any interest, whether direct or indirect, in any business in Property Development which is in direct or indirect competition with the Group, and

(b) shall limit the Private Group's real estate activities to property investment, i.e. acquiring land and properties (including any associated construction or refurbishment of properties) for the main purpose of the Private Group's investment portfolio with a view to deriving capital gains or investment income (the "**Non-Competition Undertaking**").

The Non-Competition Undertaking shall take effect immediately upon the earlier of (i) the appointment of Mr Ong or his associates as a director on the Board, or (ii) the completion of the subscription of the Placement 1 Shares in accordance with the terms and conditions of the Placement and Call Option 1 Agreement (such date on which the Non-Competition Undertaking shall take effect hereinafter referred to as the "**Effective Date**").

Mr Ong further undertakes that where the Private Group enters into any agreement or arrangement or embark upon any plans for Property Development after the date of the Deed of Undertaking but prior to the Effective Date, such agreements, arrangements or plans shall be subject to a right of first refusal (the "**Right of First Refusal**") granted by the Private Group in favour of the Company. Mr Ong shall notify the Company of such agreements, arrangements or plans on the Effective Date and the Company shall have the right within ninety (90) days after the Effective Date to exercise its rights to participate in such projects (in whole or in part as determined by the Company in its sole discretion) at the same cost that was or is to be incurred by the Private Group (and on terms no less favourable than those extended to the Private Group).

Mr Ong shall take reasonable efforts to procure that his associates, including all companies in which the Private Group collectively has control (but excluding the Company and its subsidiaries) (the "**Associated Companies**"), comply with and observe the undertakings set out in the Deed of Undertaking. For the avoidance of doubt, the undertakings under the Deed of Undertaking shall cease to be valid and binding upon any Associated Company once Mr Ong and/or his associates collectively cease to have the capacity to dominate decision making (whether as controlling shareholders and/or directors of the relevant company) directly or indirectly, in relation to the financial and operating policies of such Associated Company.

For the avoidance of doubt, the Non-Competition Undertaking shall not be applicable to existing property development projects that Mr Ong, in his personal capacity or through the TG Group, had embarked on or entered into prior to the Effective Date, save where the Private Group enters into any agreement or arrangement for property development after the date of the Deed of Undertaking but prior to the Effective Date, the Private Group shall inform the Company and the Company has the right to exercise the Right of First Refusal.

The Company and Mr Ong will ensure that there will be segregation of the employees (including and not limited to any director) of the Private Group and the employees (including and not limited to any director) of the Group and further that no employees (including and not limited to any director, but apart from Mr Ong) shall be employed by both the Private Group and the Group at the same time. In the event that there are resources or any services provided by the Private Group to the Group or *vice versa*, Mr Ong shall ensure that such transactions are subject to the relevant provisions as prescribed under Chapter 9 of the Catalist Rules.