

**CIRCULAR DATED 1 DECEMBER 2016**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

This Circular is issued by Tiong Seng Holdings Limited (the “**Company**”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should forward this Circular immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**TIONG SENG HOLDINGS LIMITED**

(Incorporated in Singapore on 15 April 2008)  
(Company Registration No. 200807295Z)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**AWARD OF CONSTRUCTION CONTRACT WORTH APPROXIMATELY S\$38.5 MILLION TO THE COMPANY’S INDIRECT WHOLLY-OWNED SUBSIDIARY, ROBIN VILLAGE DEVELOPMENT PTE LTD, BY THE CONTROLLING SHAREHOLDER OF THE COMPANY, PECK TIONG CHOON (PRIVATE) LIMITED (A SPECIFIC INTERESTED PERSON TRANSACTION)**

**Independent Financial Adviser**



**PROVENANCE CAPITAL PTE. LTD.**

(Company Registration No. 200309056E)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES**

|  |   |   |
|--|---|---|
| Last date and time for lodgement of Proxy Form for relevant intermediaries | : | 13 December 2016 at 9.30 a.m.                               |
| Last date and time for lodgement of Proxy Form for other Shareholders      | : | 14 December 2016 at 9.30 a.m.                               |
| Date and time of Extraordinary General Meeting                             | : | 16 December 2016 at 9.30 a.m.                               |
| Place of Extraordinary General Meeting                                     | : | 510 Thomson Road<br>#12-00 SLF Building<br>Singapore 298135 |

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

### General

- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”** : The audit committee of the Company as at the date of this Circular
- “BCA”** : Building and Construction Authority of Singapore
- “Board” or “Board of Directors”** : The board of directors of the Company as at the date of this Circular
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular dated 1 December 2016
- “Company” or “Tiong Seng”** : Tiong Seng Holdings Limited
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Constitution”** : The constitutive documents of the Company, including the memorandum and articles of association of the Company, as at the date of this Circular
- “Contract”** : The contract awarded by PTC for the Project
- “Contract Sum”** : The contract sum of S\$38,541,911.28
- “Controlling Shareholder”** : A person who: (i) holds directly or indirectly 15% or more of the Company’s issued share capital; or (ii) in fact exercises control over the Company

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## DEFINITIONS

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|---------------------------------|---|---|
| <b>“Depositor”</b>              | : | An account holder or a Depository Agent but does not include a sub-account holder   |
| <b>“Depository”</b>             | : | The Central Depository (Pte) Limited or any other corporation approved by the Monetary Authority of Singapore as a depository company or corporation for the purposes of the SFA, which operates the Central Depository System for the holding and transfer of book-entry securities  |
| <b>“Depository Agent”</b>       | : | A member of the SGX-ST, a trust company licensed under the Trust Companies Act (Chapter 336) of Singapore, a bank licensed under the Banking Act (Chapter 19) of Singapore, any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Chapter 186) of Singapore or any other person or body approved by the Depository who or which (a) performs services as a depository agent for sub-account holders in accordance with the terms of a depository agent agreement entered into between the Depository and the depository agent; (b) deposits book-entry securities with the Depository on behalf of the sub-account holders; and (c) establishes an account in its name with the Depository |
| <b>“Depository Register”</b>    | : | A register maintained by the Depository in respect of book-entry securities   |
| <b>“Director”</b>               | : | A director of the Company as at the date of this Circular   |
| <b>“EGM”</b>                    | : | An extraordinary general meeting of the Company   |
| <b>“FY” or “Financial Year”</b> | : | Financial year ending or ended 31 December  |
| <b>“General Mandate”</b>        | : | The general mandate approved by the Shareholders of the Company on 21 April 2016 to enable the Company, its subsidiaries and associated companies, or any of them, to enter into certain types of recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with the specified classes of persons who are considered to be Interested Persons for the purposes of Chapter 9 of the Listing Manual  |
| <b>“Group”</b>                  | : | The Company and its subsidiaries  |
| <b>“IFA”</b>                    | : | Provenance Capital Pte. Ltd., the independent financial adviser to the Non-Interested Directors in respect of the Proposed IPT Transaction  |
| <b>“IFA Letter”</b>             | : | The letter dated 1 December 2016 from the IFA to the Non-Interested Directors in respect of the Proposed IPT Transaction, as set out in Appendix I to this Circular   |
| <b>“Interested Person”</b>      | : | As defined in the Listing Manual, an interested person, in the case of a company, means:<br><br>(a) a director, chief executive officer, or controlling shareholder of the company; or<br><br>(b) an associate of any such director, chief executive officer, or controlling shareholder  |

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## DEFINITIONS

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|-----------------------------------|---|--|
| <b>“IPTs”</b>                     | : | Interested person transactions   |
| <b>“Latest Practicable Date”</b>  | : | 25 November 2016, being the latest practicable date prior to the despatch of this Circular   |
| <b>“Listing Manual”</b>           | : | The Listing Manual of the SGX-ST, as may be amended, supplemented or modified from time to time  |
| <b>“Non-Interested Directors”</b> | : | The Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the Proposed IPT Transaction, being Mr. Lee It Hoe, Mr. Ong Lay Khiam and Mr. Ang Peng Koon, Patrick. These Directors also comprise the members of the Audit Committee. |
| <b>“Notice of EGM”</b>            | : | Notice of the EGM dated 1 December 2016  |
| <b>“NTA”</b>                      | : | Net tangible assets  |
| <b>“Project”</b>                  | : | The proposed erection of a 7-Storey Single User Ramp-up Industrial Development with ancillary offices and staff canteen on Lot 01544C MK 07 at Tuas West Avenue  |
| <b>“Proposed IPT Transaction”</b> | : | The proposed consummation of the Contract awarded to Robin Village by PTC, and all transactions contemplated thereunder  |
| <b>“PTC”</b>                      | : | Peck Tiong Choon (Private) Limited, a Controlling Shareholder which holds an aggregate direct and deemed interest in 303,459,480 Shares, which is equivalent to approximately 66.8% of the total number of issued Shares (excluding treasury shares), as at the Latest Practicable Date          |
| <b>“REDAS”</b>                    | : | Real Estate Developers’ Association of Singapore   |
| <b>“Relevant Period”</b>          | : | The current financial year beginning 1 January 2016 up to the Latest Practicable Date  |
| <b>“Robin Village”</b>            | : | Robin Village Development Pte Ltd, an indirect wholly-owned subsidiary of the Company  |
| <b>“Securities Accounts”</b>      | : | The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent   |
| <b>“SFA”</b>                      | : | The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time  |
| <b>“SGX-ST”</b>                   | : | Singapore Exchange Securities Trading Limited  |
| <b>“Shareholders”</b>             | : | Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited         |
| <b>“Shares”</b>                   | : | Ordinary shares in the capital of the Company  |

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## DEFINITIONS

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|   |   |  |
|---|---|--|
| “ <b>Substantial Shareholder</b> ”                    | : | A person who has an interest or interests in voting Shares in the Company representing not less than five per cent. (5%) of all the voting Shares                |
| “ <b>Surbana</b> ”                                    | : | Surbana Jurong Consultants Pte Ltd   |
| “ <b>sub-account holder</b> ”                         | : | A holder of an account maintained with a Depository Agent  |
| “ <b>TSC</b> ”  | : | Tiong Seng Contractors (Private) Limited, a wholly-owned subsidiary of the Company   |
| “ <b>TSS</b> ” or “ <b>Tiong Seng Shareholdings</b> ” | : | Tiong Seng Shareholdings Pte Ltd   |
| “ <b>VDC</b> ”  | : | Virtual design and construction  |
| “ <b>Wan Seng</b> ”                                   | : | Wan Seng Enterprises Pte Ltd, which holds approximately 2.80% of the total number of issued Shares (excluding treasury Shares) as at the Latest Practicable Date |

### **Currencies, units and others**

|  |   |  |
|--|---|--|
| “ <b>S\$</b> ”, “ <b>SGD</b> ” or “ <b>\$</b> ” and “ <b>cents</b> ” | : | Singapore dollars and cents respectively |
| “ <b>%</b> ” or “ <b>per cent.</b> ”                                 | : | Percentage and per centum                |

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, the SFA or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the said Companies Act, the Listing Manual, the SFA or statutory modification, as the case may be, unless the context otherwise requires.

Words importing the singular number shall include the plural number where the context admits and *vice versa*. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day or date in this Circular is a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

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## LETTER TO SHAREHOLDERS

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### TIONG SENG HOLDINGS LIMITED

(Incorporated in Singapore on 15 April 2008)  
(Company Registration No. 200807295Z)

#### Directors:

Ong Lay Khiam (Non-Executive Chairman and Lead Independent Director)  
Pek Lian Guan (Executive Director and Chief Executive Officer)  
Pay Sim Tee (Executive Director)  
Lee It Hoe (Non-Executive Director)  
Ang Peng Koon, Patrick (Independent Director)

#### Registered Office:

510 Thomson Road  
#08-00 SLF Building  
Singapore 298135

1 December 2016

To: **The Shareholders of Tiong Seng Holdings Limited**

Dear Sir / Madam,

#### 1. INTRODUCTION

On 11 November 2016, the Company announced that its indirect wholly-owned subsidiary, Robin Village Development Pte Ltd ("**Robin Village**"), has been awarded the contract for the proposed erection of a 7-Storey Single User Ramp-up Industrial Development with ancillary offices and staff canteen on Lot 01544C MK 07 at Tuas West Avenue (the "**Project**") by the Controlling Shareholder of the Company, Peck Tiong Choon (Private) Limited ("**PTC**"), at the contract sum of S\$38,541,911.28 (the "**Contract Sum**") (the "**Contract**"). The gross floor area of the premises is 31,888.74 square metres.

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek independent Shareholders' approval at the EGM to be held on 16 December 2016, notice of which is set out on page 28 of this Circular, for the Proposed IPT Transaction. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Circular.

The IFA has been appointed to advise the Non-Interested Directors (as defined herein), all of whom comprise the members of the Audit Committee, on whether the Proposed IPT Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders. The IFA's letter to the Non-Interested Directors is set out in Appendix I to this Circular.

#### 2. THE PROPOSED IPT TRANSACTION

##### 2.1 Details of Interested Person

PTC is a private company incorporated in Singapore since 1972 and is wholly-owned by the members of the Pek family. It is the holding company of a group of companies engaging in Heavy Vehicles/Heavy Equipment related activities supporting the Civil Engineering, Construction, Marine and Petro chemical industries. Further, PTC has subsidiaries set up in the People's Republic of China engaging in property development. As at the Latest Practicable Date, PTC holds an aggregate direct and deemed interest in 303,459,480 ordinary shares in the capital of the Company ("**Shares**"), which is equivalent to approximately 66.8% of the total number of issued Shares (excluding treasury Shares). Accordingly, PTC, being a Controlling Shareholder of the Company, is deemed to be an Interested Person of the Company pursuant to Chapter 9 of the Listing Manual.

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## LETTER TO SHAREHOLDERS

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### 2.2 Details of the Tender Process

In relation to the Project, PTC had appointed Surbana as the consultant and the tender agent on 23 June 2015 to conduct the tender process, evaluate the bids and make the appropriate recommendation to PTC regarding the identified firm to execute the Project.

The Quantity Surveying unit of Surbana is registered under BCA Public Sector Panel 1 of Consultant – Quantity Surveying and is a member firm of the Singapore Institute of Surveyors and Valuers (SISV).

The tender was conducted by way of private invitations issued by Surbana to selected construction firms in Singapore. The criteria for the shortlisting of the tenderers, amongst others, include:

- (a) track records of the firms;
- (b) financial capacity of the firms; and
- (c) qualification in the BCA registry as contractors with the appropriate tendering limit, with a minimum BCA grading of B1 under General Building.

In September 2015, PTC issued a letter of intent to Tiong Seng Contractors (Private) Limited (“**TSC**”) with the intention to appoint TSC as its project manager for the Project for a fee and to seek others as sub-contractors for the construction work for the Project. In October 2015, Surbana invited three (3) construction firms in Singapore to bid as sub-contractors for the structural works for the Project. The Group was not invited to bid as it was intended for them to only act as the project manager for the Project.

However, as PTC had several changes in its requirements, no contract was awarded and it had eventually decided to call for a tender as main contractor for the main building works for the Project. The successful tenderer will, *inter alia*, be the main contractor for the Project and take over the whole site including all the facilities and buildings that are constructed on site.

Accordingly, on 29 February 2016, Surbana invited TSC, in addition to the aforesaid three (3) construction firms, to participate in the tender and TSC, together with two (2) out of the three (3) construction firms, submitted their bids. TSC has the highest BCA grading of A1 while the other two (2) bidders are graded A2 and B1, respectively.

Following the evaluation of the respective quotations and merits of the bidders, Surbana had in April 2016, recommended to PTC that TSC be considered for the award for the Project.

Subsequent to the recommendation by Surbana, PTC held discussions with each of the tenderers to fine-tune, clarify and finalise the negotiation of the contract price. Pursuant to these final discussions, the contract was awarded to TSC at the Contract Sum, which is comparable to the two (2) quotations received from the other two (2) bidders, both being approximately S\$38.3 million, as well as Surbana’s budgeted amount of approximately S\$38.3 million for the Project.

TSC has always been a strong advocate of the precast method of construction due to its positive impact on productivity. Accordingly, TSC will always propose to its client to adopt the precast method, rather than the traditional cast in-situ method. However, in this instance, after due consideration, PTC preferred to have the Project constructed by the traditional cast in-situ method. As this method of construction is not aligned with TSC’s usual method of construction, TSC had proposed, and PTC had accepted, for Robin Village, which has a General Builder Licence Class 1 and is graded C3, to undertake the Project instead.

For the avoidance of doubt, even though one of the criteria for the tender is to have a minimum BCA grading of B1 under General Building, which TSC qualifies, it is a common industry practice to allow the Group’s other subsidiaries (or even sub-contractors outside of the Group) to take part in the construction work, and Robin Village is allowed to take part in the construction projects of any value as it has a General Builder Licence Class 1. Therefore, TSC had proposed, and PTC had accepted, for Robin Village to undertake the Project instead.



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## LETTER TO SHAREHOLDERS

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From a business strategy perspective, the Group's view is that it will be beneficial to not only have an established contractor like TSC, but also to make use of opportunities to build up the track record of its subsidiaries. In this relation, undertaking the Project will help to build up the construction track record of Robin Village, thereby attracting future business opportunities for Robin Village and the Group.

On 6 May 2016, PTC issued the letter of award to Robin Village as the main contractor for the Project for the Contract Sum.

### 2.3 Details of the Proposed IPT Transaction

#### 2.3.1 Contract Price

The Contract Sum is a lump sum amount of S\$38,541,911.28, which excludes GST only, and takes into account, *inter alia*, the cost of structural works, the prime cost sums, site preparation works, piling works and general conditions and preliminaries. Unless there is a change in the scope of work or any other unforeseen circumstances, it is not envisaged that there will be any variation of the Contract Sum.

#### 2.3.2 Contract Period

The Project shall be completed by 3 July 2017, which takes into account the time needed for authorities' approvals, mobilisation, construction works and demobilisation.

As mentioned in Section 2.2 above, PTC had engaged in separate negotiations with each bidder to fine-tune the details of the Project and as between PTC and the Group, 3 July 2017 was mutually accepted and agreed upon to be the estimated completion date of the Contract.

Barring any unforeseen circumstances including but not limited to inclement weather, variation by PTC or other matters not within the control of Robin Village, the estimated completion date is achievable and has been taken into consideration at the point of tender. Notwithstanding the foregoing, the Group has the discretion to submit for an extension of time beyond 3 July 2017 to complete the Project at the occurrence of any of the aforementioned events.

#### 2.3.3 Retention Sum

The retention sum shall be five per cent. (5%) of the Contract Sum, being approximately S\$1,927,095.56, of which two point five per cent. (2.5%) or approximately S\$963,547.78 shall be released upon the issuance of the temporary occupation permit by the relevant authorities, which is expected to be on or around 3 July 2017, and the remaining two point five per cent. (2.5%) shall be released by the end of the 12 months' defects liability period, which is expected to be on 3 July 2018.

#### 2.3.4 Conditions of Contract

It is provided for in the Contract that the standard form agreement (the REDAS Design-and-Build Contract, 3rd Edition) published by the Real Estate Developers' Association of Singapore will govern the formal agreement to be entered into with PTC pursuant to the terms of the Contract.

#### 2.3.5 Performance Bond

It is envisaged that under the terms of the Proposed IPT Transaction, a performance bond in the sum equivalent to five per cent. (5%) of the Contract Sum will be obtained from a financial institution or bank.

#### 2.3.6 Liquidated Damages

It is envisaged that the terms of the Proposed IPT Transaction would include liquidated damages of S\$7,300 per calendar day for any delays from the estimated completion date of the Contract, i.e. 3 July 2017.

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## LETTER TO SHAREHOLDERS

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### 2.4 Degree of independence in the negotiations between the Group and PTC

The majority of the Board members of the Company, namely Mr. Lee It Hoe, Mr. Ong Lay Khiam and Mr. Ang Peng Koon, Patrick, are not related to the Pek family, and these Directors constitute the Audit Committee and are not accustomed to act on the instructions of PTC and/or its Associates. Further, only Mr. Pay Sim Tee, an executive Director of the Company, is the common director on the board of directors of both the Company and PTC. As such, the majority of the Board is different from the board of directors of PTC.

In the negotiations on the Contract with PTC, the Group was represented by Mr. Pek Lian Guan, the chief executive officer of the Company and who principally oversees the construction activities of the Group, and Mr. Lim Han Kwong. Mr. Lim Han Kwong is one of the Senior Project Managers and Business Unit Heads of the Group responsible for the tender and the execution of the Project and is not related to the Pek family. Mr. Pek Lian Guan will only be involved in the Project in a supervisory capacity, similar to all other projects undertaken by the Group. Mr. Lim Han Kwong will be principally responsible for the day-to-day execution of the Project.

As disclosed in Section 5 below, Mr. Pek Lian Guan is a 6.6% shareholder of PTC. Notwithstanding the foregoing, Mr. Pek Lian Guan is merely a shareholder and has no involvement in the management or operation of the day-to-day activities of PTC. Further, as minority shareholder of PTC, he has no influence on the affairs of PTC. Accordingly, the Board is of the view that Mr. Pek Lian Guan's interest in PTC is minimal and there is no material risk in allowing him to negotiate and deal with PTC for the purposes of the Project.

In addition, the Company has engaged an independent third-party professional, the IFA, to advise and recommend on the terms of the Proposed IPT Transaction. The Audit Committee had also considered the terms and rationale of the Proposed IPT Transaction before making their recommendation. Based on their evaluation, as set out in Sections 7 and 8 in this Circular, both the IFA and the Audit Committee are of the view that the Proposed IPT Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. The IFA's letter to the Non-Interested Directors is set out in Appendix I to this Circular.

PTC was represented by Mr. Pay Sim Tee, who is also the managing director and a controlling shareholder of PTC, and another member of the Pek family. As disclosed in the Company's offering prospectus dated 7 April 2010, although Mr. Pay Sim Tee, the executive Director of the Company, is also a director of PTC, he is not involved in the day-to-day operations of PTC and is only involved in major management operation decisions of PTC.

Since Mr. Pay Sim Tee is an executive Director, he had disclosed all his interests in PTC to the Board and had accordingly abstained from all Board deliberations relating to the Project, other than to clarify operational matters in relation to the Project. He will continue to abstain from all Board deliberations relating to the Project as and when such deliberations arise. In addition, he was not and will not be involved in the Project in his capacity as the executive Director of the Company.

The Proposed IPT Transaction will not be treated any differently from the other past or present transactions between the Group and PTC conducted under the General Mandate, nor differently from other similar transactions with other unrelated third parties. Any disputes arising from the Proposed IPT Transaction will be resolved in accordance with the terms of the REDAS Design-and-Build Contract, which conforms to standard industry practices. In the event of major disputes that cannot be resolved, it will be referred to the Audit Committee in a timely manner for the Audit Committee's consideration to determine the appropriate cause of action.

In light of the reasons above, there is and will be a certain degree of independence in the negotiations and conduct by the Group in relation to the Project.

## LETTER TO SHAREHOLDERS

### 3. RATIONALE AND BENEFIT

The Non-Interested Directors of the Company are of the view that the Group should not turn down the opportunity to bid for a project without due consideration simply because PTC is an Interested Person. Further, the Contract will benefit the Company in terms of its utilisation of its excess capacity, thereby contributing positively to the Group's financial results, especially in view of the current general slowdown in the construction industry in Singapore.

The Contract will allow the Group to utilise its newly acquired knowledge in virtual design and construction (“VDC”) which will enable the integration of multi-disciplinary concepts in the construction process. VDC widely adopts Building Information Modelling, which allows design and/or construction clashes to be detected early, even before its actual construction, thereby reducing abortive costs. Such early detection is not possible under the traditional design and construction processes. For the avoidance of doubt, VDC may be employed in both the traditional cast in-situ method and the precast method of construction. Further, the costs of construction will not be increased by adopting VDC. As VDC is a relatively new concept in Singapore, the use of such technology will help the Group to differentiate itself from its competitors.

### 4. OTHER INTERESTED PERSONS TRANSACTIONS

Save for the Proposed IPT Transaction and the transactions entered into by the Group with PTC and/or its Associates that are conducted under the General Mandate, there are no other interested person transactions (excluding transactions less than S\$100,000) that were entered into by the Group with PTC and/or its Associates for the current financial year beginning 1 January 2016 up to the Latest Practicable Date (the “Relevant Period”). For the Relevant Period, the aggregate value of all interested person transactions (excluding transactions less than S\$100,000) entered into by the Group with PTC and/or its Associates that are conducted under the General Mandate is approximately S\$8,130,000.00.

Save as disclosed above, there are no other interested person transactions (excluding transactions less than S\$100,000) that were entered into by the Group with any Interested Person other than PTC and/or its Associates for the Relevant Period. As such, the current total of all interested person transactions for the Relevant Period, including this Proposed IPT Transaction, is approximately S\$46,672,000.00.

### 5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and Substantial Shareholders in the Shares as recorded in the Register of Directors' Shareholdings and Register of Members, respectively, as at the Latest Practicable Date, are as follows:

|                                      | Number of Shares |                 | Number of Shares |                  |
|--------------------------------------|------------------|-----------------|------------------|------------------|
|                                      | Direct Interest  | Deemed Interest | Total Interest   | % <sup>(1)</sup> |
| <b>Directors</b>                     |                  |                 |                  |                  |
| Pek Lian Guan                        | -                | 1,272,500       | 1,272,500        | 0.3              |
| Pay Sim Tee                          | -                | -               | -                | -                |
| Lee It Hoe <sup>(2)</sup>            | -                | 286,275,330     | 286,275,330      | 63.0             |
| Ong Lay Khiam                        | 318,000          | -               | 318,000          | 0.1              |
| Ang Peng Koon, Patrick               | 265,000          | -               | 265,000          | 0.1              |
| <b>Substantial Shareholders</b>      |                  |                 |                  |                  |
| Estate of Pek Ah Tuan <sup>(3)</sup> | 3,604,920        | 32,261,520      | 35,866,440       | 7.9              |
| Tiong Seng Shareholdings             | 271,197,960      | -               | 271,197,960      | 59.7             |
| PTC <sup>(4)</sup>                   | 32,261,520       | 271,197,960     | 303,459,480      | 66.8             |

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## LETTER TO SHAREHOLDERS

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### Notes:

- (1) The percentage shareholding is based on the total issued share capital of the Company of 454,439,549 Shares as at the Latest Practicable Date.
- (2) Lee It Hoe is deemed interested in the Shares held by his associate, namely, his brother, Lee Yew Sim (762,630 Shares). Lee It Hoe is also deemed interested in the Shares held by him on trust for the estate of his mother, Lim Kim Eng (1,582,350 Shares), and the 12,732,390 Shares held by Wan Seng as Wan Seng's shareholders are accustomed or under an obligation whether formal or informal to act in accordance with his directions, instructions and wishes in relation to their Shares in Wan Seng. In addition, Lee It Hoe is deemed interested in the Shares held by TSS as his associates are collectively entitled to exercise control of approximately 22.7% of the Shares in TSS.
- (3) The estate of Pek Ah Tuan, together with the associates of the late Pek Ah Tuan, collectively hold approximately 33.6% of the shares in PTC and is therefore deemed interested in the Shares held by PTC pursuant to Section 7 of the Companies Act and Section 4 of the SFA. The executors of the estate of Pek Ah Tuan are Pek Dien Kee, Pek Lian Huat, Pek Lian Guan and Pek Chik Lay.
- (4) PTC holds approximately 47.8% of the shares in TSS and is therefore deemed interested in the Shares held by TSS pursuant to Section 7 of the Companies Act and Section 4 of the SFA. As at the Latest Practicable Date, the shareholders of PTC are Soh San San, Pek Dien Kee, Pea Sin Hup, Pay Sim Tee, the estate of Pek Ah Tuan, Tan Swee Fui, Kum Ler, Pea Sin Yeow, Pay Teow Seng, Pek Lian Huat, Pay Teow Hock, Pek Lian Guan and Pay Teow Heng.

The 32,261,520 Shares of PTC are registered in the name of United Overseas Bank Nominees Pte Ltd.

Mr. Pay Sim Tee, the executive Director of the Company, is the managing director and shareholder of PTC, the Interested Person within the meaning of Chapter 9 of the Listing Manual in relation to the Proposed IPT Transaction. Mr. Pek Lian Guan, the chief executive officer and executive Director of the Company, is a cousin of Mr. Pay Sim Tee and also a shareholder of PTC. As at the Latest Practicable Date, Mr. Pay Sim Tee and Mr. Pek Lian Guan hold 4,205,486 and 1,802,351 ordinary shares in the capital of PTC, representing approximately 15.3% and 6.6% of the total number of issued shares in PTC respectively. Save as disclosed in this Circular, none of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed IPT Transaction.

## 6. REQUIREMENTS UNDER THE LISTING MANUAL

Based on the latest audited consolidated financial statements of the Group for FY2015, the NTA of the Group was \$258,465,000. Consequently, as the value of the Contract is \$38,541,911.28 or approximately 14.9 % of the Group's NTA, the Proposed IPT Transaction is in excess of 5% of the Group's NTA which, unless an exception under Chapter 9 of the Listing Manual is applicable, would have to be subject to the approval of independent Shareholders, in accordance with Rule 906(1)(a) of the Listing Manual.

Pursuant to discussions held with the Board and professional advice sought on the appropriate treatment of the Contract, clarifications were then made with the SGX-ST regarding the application of the rules in Chapter 9 of the Listing Manual and if the exemption provided therein applies. In the event that the Proposed IPT Transaction can be exempted under Rule 916(5) of the Listing Manual, the Company will benefit from some cost and time savings associated with not needing to hold an EGM to seek independent Shareholders' approval for the same.

According to Rule 916(5) of the Listing Manual, shareholders' approval is not required for the receipt of a contract which was awarded by way of public tender, by an interested person if:

- (a) the bidder entity at risk announces the prices of all bids submitted; and
- (b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awardee (or if the awardee is unlisted, the listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

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## LETTER TO SHAREHOLDERS

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However, on 25 October 2016, the SGX-ST had confirmed that the Company cannot avail itself to the exemption under Rule 916(5) of the Listing Manual as the conditions therein have not been met. Accordingly, the Company is proposing to seek independent Shareholders' approval for the Proposed IPT Transaction at the forthcoming EGM.

### 7. IFA'S OPINION

Having considered the factors set out in the IFA Letter, which is set out in Appendix I to this Circular, the IFA is of the view that the Proposed IPT Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

### 8. NON-INTERESTED DIRECTORS' RECOMMENDATIONS

In light of the reasons set out in Section 5 of this Circular, both Mr. Pek Lian Guan and Mr. Pay Sim Tee shall abstain from deliberating and making any recommendation to Shareholders in respect of the Proposed IPT Transaction.

Having considered, *inter alia*, the terms, rationale and benefits of the Proposed IPT Transaction and the recommendation of the IFA as set out in Appendix I to this Circular, the Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the Proposed IPT Transaction, being Mr. Lee It Hoe, Mr. Ong Lay Khiam and Mr. Ang Peng Koon, Patrick (the "**Non-Interested Directors**"), all of whom comprise the members of the Audit Committee, are of the opinion that the Proposed IPT Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the opinion of the Audit Committee on the Proposed IPT Transaction does not differ from that of the IFA.

As the Non-Interested Directors are also of the view that the Proposed IPT Transaction is in the best interests of the Company, they recommend that the independent Shareholders vote in favour of the ordinary resolution in relation to the Proposed IPT Transaction.

### 9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 28 of this Circular, will be held on 16 December 2016 at 9.30 a.m. at 510 Thomson Road, #12-00 SLF Building, Singapore 298135 for the purpose of considering and, if thought fit, passing, with or without modification, the ordinary resolution relating to the Proposed IPT Transaction.

### 10. ABSTENTION FROM VOTING

As at the Latest Practicable Date, PTC and its only Associate which holds Shares in the Company, being TSS, hold an aggregate of 303,459,480 Shares, representing approximately 66.8% of the total number of issued Shares (excluding treasury Shares). PTC will abstain, and has undertaken to ensure that TSS will abstain, from voting on the ordinary resolution in relation to the Proposed IPT Transaction. They shall also decline to accept appointment as proxy for any Shareholder to vote on the ordinary resolution relating to the Proposed IPT Transaction, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

### 11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf will find, attached to the Notice of EGM, a proxy form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 510, Thomson Road, #08-00, SLF Building, Singapore 298135, not later than 48 hours before the time fixed for holding the EGM.

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## LETTER TO SHAREHOLDERS

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The appointment of a proxy or proxies by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the EGM.

### 12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed IPT Transaction, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

### 13. CONSENTS

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter as Appendix I to this Circular, the IFA Letter, and references to its name, in the form and context in which it appears in the Circular and the IFA Letter.

### 14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 510, Thomson Road, #08-00, SLF Building, Singapore 298135, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (i) the Constitution of the Company;
- (ii) the annual report of the Company for FY2015;
- (iii) the letter of award from PTC to Robin Village;
- (iv) REDAS Design and Build Conditions of Contract, 3<sup>rd</sup> Edition (October 2010); and
- (v) the letter from the IFA to the Non-Interested Directors dated 1 December 2016.

Yours faithfully  
For and on behalf of the Board of Directors of  
**TIONG SENG HOLDINGS LIMITED**

Pek Lian Guan  
Executive Director and CEO

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## APPENDIX I – IFA’S LETTER TO THE NON-INTERESTED DIRECTORS

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### PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)  
(Incorporated in the Republic of Singapore)  
96 Robinson Road #13-01 SIF Building  
Singapore 068899

1 December 2016

To: The Non-Interested Directors of Tiong Seng Holdings Limited  
(deemed to be independent in respect of the Proposed Interested Person Transaction)

|                           |  |
|---------------------------|--|
| Mr Ong Lay Khiam          | (Non-Executive Chairman and Lead Independent Director) |
| Mr Lee It Hoe             | (Non-Executive Director)                               |
| Mr Ang Peng Koon, Patrick | (Independent Director)                                 |

Dear Sirs,

#### AWARD OF CONSTRUCTION CONTRACT TO THE GROUP BY THE CONTROLLING SHAREHOLDER OF THE COMPANY, PECK TIONG CHOON (PRIVATE) LIMITED

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of Tiong Seng Holdings Limited (“Shareholders”) dated 1 December 2016 (“Circular”).*

#### 1. INTRODUCTION

On 11 November 2016, Tiong Seng Holdings Limited (“**Company**”, together with its subsidiaries, “**Group**”) announced that its indirect wholly-owned subsidiary, Robin Village Development Pte Ltd (“**Robin Village**”), has been awarded the contract (“**Contract**”) for the proposed erection of a 7-storey single user ramp-up industrial development with ancillary offices and staff canteen on Lot 01544C MK 07 at Tuas West Avenue (“**Project**”) by the controlling shareholder of the Company, Peck Tiong Choon (Private) Limited (“**PTC**”), at the contract sum of S\$38,541,911.28 (“**Contract Sum**”).

As at the Latest Practicable Date, PTC holds an aggregate direct and deemed interest in 303,459,480 ordinary shares in the capital of the Company (“**Shares**”), representing 66.8% of the total issued share capital of the Company comprising 454,439,549 Shares (excluding treasury shares). Accordingly, pursuant to Chapter 9 of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), PTC, being a controlling Shareholder, is deemed an interested person of the Company (“**Interested Person**”) and the award of the Contract by PTC to the Robin Village would constitute an interested person transaction (“**Proposed Interested Person Transaction**”).

In accordance with Rule 906 of the Listing Manual, Shareholders’ approval must be obtained for any interested person transaction of a value equal to or more than 5.0% of the Group’s latest audited net tangible assets (“**NTA**”) or when aggregated with other interested person transactions with the same interested person during the same financial period, the value is equal to or more than 5.0% of the Group’s latest audited NTA. In obtaining such approval, pursuant to Rule 919 of the Listing Manual, the interested person and its associates are required to abstain from voting on the resolution approving the interested person transaction.

Based on the Group’s latest audited accounts for the financial year ended 31 December 2015 (“**FY2015**”), the NTA attributable to owners of the Company was approximately S\$258.5 million. As the Contract Sum represents 14.9% of the Group’s latest audited NTA, pursuant to Rule 906 of the Listing Manual, the Proposed Interested Person Transaction is subject to the approval of Shareholders who are deemed independent in respect of the Proposed Interested Person Transaction (“**Independent Shareholders**” or “**Minority Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened. The Proposed Interested Person Transaction is also subject to the opinion of an independent financial adviser (“**IFA**”).

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## APPENDIX I – IFA’S LETTER TO THE NON-INTERESTED DIRECTORS

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Provenance Capital Pte. Ltd. (“**Provenance Capital**”) has been appointed as the IFA to render an opinion on whether the Proposed Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.

As an Interested Person, PTC will abstain, and has undertaken to ensure that its associates will abstain, from voting on the ordinary resolution in relation to the Proposed Interested Person Transaction at the EGM.

Mr Pay Sim Tee, the Executive Director of the Company, is the Managing Director and shareholder of PTC. Mr Pek Lian Guan, the Chief Executive Officer and Executive Director of the Company, is a cousin of Mr Pay Sim Tee and a shareholder of PTC. Both Mr Pay Sim Tee and Mr Pek Lian Guan will abstain from deliberating and making any recommendation on the Proposed Interested Person Transaction as Directors of the Company. The remaining Directors, namely, Mr Ong Lay Khiam, Mr Lee It Hoe and Mr Ang Peng Koon, Patrick who are members of the audit committee of the Company, are deemed to be independent for the purpose of making a recommendation on the Proposed Interested Person Transaction (“**Non-Interested Directors**”).

This letter (“**Letter**”) is addressed to the Non-Interested Directors and sets out, *inter alia*, our evaluation and opinion on the Proposed Interested Person Transaction. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, the details of the Proposed Interested Person Transaction and the recommendation of the Non-Interested Directors.

### 2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Non-Interested Directors in respect of the Proposed Interested Person Transaction. We are not and were not involved or responsible, in any aspect, of the negotiations in relation to the Proposed Interested Person Transaction nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Interested Person Transaction, and we do not, by this Letter, warrant the merits of the Proposed Interested Person Transaction other than to express an opinion on whether the Proposed Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.

We have confined our evaluation to the terms of the Proposed Interested Person Transaction. It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Interested Person Transaction or to compare their relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the responsibility of the Directors and/or the management of the Company (“**Management**”) although we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In connection with the Project, PTC had appointed an independent tender agent, Surbana Jurong Consultants Pte Ltd (“**Surbana**”), to conduct a tender process to select qualified contractors to submit their tenders, and to make recommendation to PTC on the award of the contract in relation to the Project. We have been furnished with the quotation recommendation report prepared by Surbana dated 6 April 2016 (“**Recommendation Report**”) and the letter of award from PTC to Robin Village dated 6 May 2016 (“**Letter of Award**”). In this regard, we have placed sole reliance on the information contained therein. We are not involved and assume no responsibility for the Recommendation Report and the Letter of Award. We have not made any independent verification of the matters or bases set out in the Recommendation Report and the Letter of Award.

In the course of our evaluation, we have held discussions with the Directors and Management and/or their professional advisers (where applicable) and have examined and relied on



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## APPENDIX I – IFA’S LETTER TO THE NON-INTERESTED DIRECTORS

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publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and the professional advisers of the Company (where applicable), including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries, to the best of their respective knowledge and belief, information and representations as provided by the Directors and Management are accurate and have confirmed to us that, upon making all reasonable enquiries and to their best knowledge and beliefs, all material information available to them in connection with the Proposed Interested Person Transaction, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Interested Person Transaction, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Proposed Interested Person Transaction have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and judgment as were deemed necessary and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Proposed Interested Person Transaction, the Company and the Group that we have relied upon in arriving at our recommendation or advice has been obtained from publicly available information and/or from the Directors and the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company and/or the Group at any time or as at 25 November 2016, being the Latest Practicable Date as referred to in the Circular. Nevertheless, we have made such reasonable enquiries and judgment as were deemed necessary and have found no reason to doubt the accuracy or reliability of the information and representations.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Interested Person Transaction. Such review or comment, if any, remains the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us) in arriving at our advice as set out in this Letter. We have not obtained from the Company and/or the Group any projection of the future performance including financial performance of the Company and/or the Group and further, we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view herein as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after the completion of the Proposed Interested Person Transaction or if the Group does not proceed with the Proposed Interested Person Transaction.

Our view as set out in this Letter is based upon the market, economic, industry, monetary and other conditions (if applicable) prevailing as of the Latest Practicable Date and the information and representations provided to us as of the Latest Practicable Date. In arriving at our

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## APPENDIX I – IFA’S LETTER TO THE NON-INTERESTED DIRECTORS

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opinion, with the consent of the Directors and/or the Company, we have taken into account certain factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcements relevant to the Proposed Interested Person Transaction which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendations, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Independent Shareholder or any specific group of the Independent Shareholders. As each Independent Shareholder may have different investment objectives and profiles, we recommend that any individual Independent Shareholder or group of the Independent Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any purposes, other than at the forthcoming EGM and for the purpose of the Proposed Interested Person Transaction, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter pursuant to Rule 921(4) of the Listing Manual. It is addressed to the Non-Interested Directors in connection with their consideration of the Proposed Interested Person Transaction and their advice to the Minority Shareholders arising thereof. The recommendations made to the Minority Shareholders in relation to the Proposed Interested Person Transaction remain the responsibility of the Non-Interested Directors.

**Our opinion in relation to the Proposed Interested Person Transaction should be considered in the context of the entirety of this Letter and the Circular.**

### 3. INFORMATION ON THE COMPANY AND THE GROUP

The Company is incorporated and domiciled in Singapore and is listed on the Mainboard of the SGX-ST on 16 April 2010.

The Group is primarily involved in building construction and civil engineering in Singapore and property development in the People’s Republic of China (“China”). In respect of its activities in Singapore, the Group has two main subsidiaries incorporated in Singapore, namely Tiong Seng Contractors (Private) Limited (“TSC”) and Robin Village.

TSC is a wholly-owned subsidiary of the Company which is involved in general building construction works including hotels, mixed developments, residential and industrial, and deep tunnel sewerage systems and provision of civil engineering services. It is a registered contractor with the Building Construction Authority (“BCA”) under General Building and Civil Engineering A1 and licensed as a General Builder Class 1. Thus, TSC is able to tender for projects with unlimited contract value and also to undertake public sector construction projects with unlimited contract value.

Robin Village is a wholly-owned subsidiary of TSC, and is primarily involved with pre-casting works in Singapore. It is a registered contractor with the BCA under General Building C3 and

## APPENDIX I – IFA’S LETTER TO THE NON-INTERESTED DIRECTORS

licensed as a General Builder Class 1 which allows it to tender for projects of up to S\$650,000 in contract value and to undertake construction projects of any value.

In respect of the Proposed Interested Person Transaction, TSC had submitted the tender for the Project. The Contract was eventually awarded to TSC and subsequently assigned to Robin Village.

### 4. FINANCIAL INFORMATION OF THE GROUP

#### 4.1 Financial performance of the Group

Set out below is the summary of the financial results of the Group for the financial years ended 31 December 2014 (“FY2014”) and 31 December 2015 (“FY2015”) and for the 9-month period ended 30 September 2015 (“9M2015”) and 30 September 2016 (“9M2016”):

| S\$'000   | Audited         |               | Unaudited    |              |
|---|-----------------|---------------|--------------|--------------|
|   | FY2014          | FY2015        | 9M2015       | 9M2016       |
| Revenue   | 668,754         | 563,800       | 362,392      | 551,126      |
| <b>Profit after income tax</b>                        | <b>(29,626)</b> | <b>14,705</b> | <b>7,758</b> | <b>9,565</b> |
| Profit / (loss) attributable to owners of the Company | (15,279)        | 10,237        | 7,340        | 10,090       |
| Non-controlling interests                             | (14,347)        | 4,468         | 418          | (525)        |
|   | <b>(29,626)</b> | <b>14,705</b> | <b>7,758</b> | <b>9,565</b> |

**Source:** Audited results for FY2014 and FY2015 are extracted from the Company’s annual report for FY2015 and unaudited results for 9M2015 and 9M2016 are extracted from the Company’s results announcement for 9M2016.

#### FY2014 vs FY2015

Revenue declined by approximately 15.7% from S\$668.7 million in FY2014 to S\$563.8 million in FY2015 due mainly to the differences in stages of revenue recognition for construction contracts. The decline was partially mitigated by the increase in sales in the three development properties in China, namely the Sunny International Project, the Equinox Project and the Tianmen Jinwan Project.

Net loss of S\$29.6 million in FY2014 was due mainly to a one-off allowance of S\$34.6 million for diminution in the value in the property development segment. Net profit of S\$14.7 million in FY2015 was due to improved gross profit margins in the construction segment as a result of an improvement in the overall project mix, as well as in the property development segment arising from the sale recognition of 408 units in the Sunny International Project, and the non-recurrence of the one-off allowance of S\$34.6 million in FY2014.

#### 9M2015 vs 9M2016

Revenue increased by approximately 52.1% from S\$362.4 million in 9M2015 to S\$551.1 million in 9M2016 due mainly to increase in revenue in both the construction and property development segments. The revenue increase in the construction segment is due to differences in stages of revenue recognition, while the revenue increase in the property development segment is due to the recognition of sales in the Sunny International Project and the Tranquility Project.

Net profit increased by approximately 23.3% from S\$7.8 million in 9M2015 to S\$9.6 million in 9M2016 due to the increased gross profit margins experienced in an improvement of overall construction project mix, and the revenue recognition of sales in the Sunny International Project and the Tranquility Project.

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## APPENDIX I – IFA’S LETTER TO THE NON-INTERESTED DIRECTORS

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The Company had in its 9M2016 results announcement disclosed that the Group has an order book of approximately S\$1.2 billion as at 30 September 2016 which is expected to extend till year 2020. We also note that revenue from construction segment for 9M2016 (S\$429.0 million) represents 77.8% of total revenue of the Group for 9M2016 (S\$551.1 million).

In comparison, the Proposed Interested Person Transaction of S\$38.5 million is not significant to the Group as it represents less than 9.0% and 7.0% of the construction revenue and total revenue of the Group for 9M2016.

### 4.2 Financial position of the Group

Set out below is a summary of the financial position of the Group as at 30 September 2016:

| <b>S\$'000</b>                               | <b>As at 30 September 2016<br/>(unaudited)</b> |
|--|--|
| Current assets                               | 683,664  |
| Non-current assets                           | 193,820  |
| <b>Total assets</b>                          | <b>877,484</b>                                 |
| Current liabilities                          | 457,764  |
| Non-current liabilities                      | 113,150  |
| <b>Total liabilities</b>                     | <b>570,914</b>                                 |
| Equity attributable to owners of the Company | 250,835  |
| Non-controlling interests                    | 55,735   |
| <b>Total equity</b>                          | <b>306,570</b>                                 |
| <b>Net Asset Value (“NAV”)</b>               | <b>250,835</b>                                 |
| <b>Net Tangible Assets (“NTA”)</b>           | <b>249,536</b>                                 |

*Source: Company’s annual report for FY2015 and results announcement for 9M2016*

As at 30 September 2016, the Group’s current assets comprised mainly development properties (49.2%) and trade receivables (27.2%), in aggregate, representing 76.4% of total current assets. Non-current assets comprised mainly property, plant and equipment, representing 59.0% of total non-current assets.

The Group’s current liabilities comprised mainly trade and other payables (73.1%) and loans and borrowings (18.4%), in aggregate, representing 91.5% of total current liabilities. Its non-current liabilities comprised mainly non-current loan and borrowings, representing 77.1% of non-current liabilities.

The NAV of the Group as at 30 September 2016 is S\$250.8 million and the NTA of the Group (after deducting intangible assets of S\$1.3 million) as at 30 September 2016 is S\$249.5 million.

In comparison, the Proposed Interested Person Transaction constitutes 15.4% of the Group’s NTA as at 30 September 2016.

For the purpose of Chapter 9 of the Listing Manual, the value of the Proposed Interested Person Transaction is compared against the Group’s latest audited NTA of S\$258.5 million as at 31 December 2015. As the above represents 14.9% of the Group’s latest audited NTA, pursuant to Rule 906 of the Listing Manual, the Proposed Interested Person Transaction is subject to the approval of Shareholders at the EGM and the opinion of the IFA.

### 5. THE PROPOSED INTERESTED PERSON TRANSACTION

In relation to the Project, PTC had appointed Surbana as the consultant and the tender agent on 23 June 2015 to conduct the tender process, evaluate the bids and recommend to PTC the identified firm to execute the Project.

Surbana, its Quantity Surveying unit, is registered with BCA Public Sector Panel 1 of Consultant – Quantity Surveying, and is a member firm of the Singapore Institute of Surveyors and Valuers (SISV).

A copy of the Recommendation Report prepared by Surbana was made available to us.

#### The tender process

We note that the tender was conducted by way of private invitations issued by Surbana to selected construction firms in Singapore. Criteria for the shortlisting of the tenderers, amongst others, include:

- (a) Track records of the firms;
- (b) Financial capacity of the firms; and
- (c) Qualification in the BCA registry as contractors with the appropriate tendering limit, with a minimum BCA grading of B1 under General Building.

In September 2015, PTC issued a letter of intent to TSC with the intention to appoint TSC as its project manager for the Project for a fee and to seek others as sub-contractors for the construction work for the Project. In October 2015, Surbana invited three construction firms in Singapore, Company X, Company Y and Company Z to bid as sub-contractors for the structural works (“**Mode 1**”) for the Project. The Group was not invited to bid as it was intended for them to only act as the project manager for the Project.

No contract was awarded as PTC then had a change in its requirements and in February 2016, Surbana invited the above Company X, Company Y and Company Z to re-submit quotations as main contractors for the structural works package with possession of the whole site (“**Mode 2**”) for the Project.

No contract was again awarded as PTC had further changed its requirements and eventually decided to call for a tender under **Mode 3**, that is, tender as main contractor for the main building works for the Project. The successful tenderer will, *inter alia*, be the main contractor for the Project and take over the whole site including all the facilities and buildings that are constructed on site.

Accordingly, on 29 February 2016, Surbana invited TSC, in addition to Company X, Company Y and Company Z to participate in the tender under Mode 3. TSC, Company X and Company Y submitted their bids. Company Z did not submit its bid for the Project. We note that TSC has the highest BCA grading of A1 while Company X and Company Y are graded A2 and B1 respectively.

Following the evaluation of the respective quotations and merits of the bidders, Surbana had in April 2016, recommended to PTC that TSC be considered for the award for the Project.

Subsequent to the recommendation by Surbana, PTC held discussions with each of the tenderers to fine-tune, clarify and finalise the negotiation of the contract price. Pursuant to these final discussions, the contract was awarded to TSC at S\$38,541,911.28, which is comparable to the two quotations received from Company X and Company Y, both being approximately S\$38.3 million, as well as Surbana’s budgeted amount of approximately S\$38.3 million for the Project.

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## APPENDIX I – IFA’S LETTER TO THE NON-INTERESTED DIRECTORS

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On 6 May 2016, PTC issued the Letter of Award to Robin Village as the main contractor for the Project for the above Contract Sum.

### Shareholders’ approval at the EGM

Subsequent to the receipt of the Letter of Award, discussions were held with the Board and professional advice sought on the appropriate treatment of this successful tender.

Clarifications were then made with the SGX-ST for the Proposed Interested Person Transaction as to the application of the rules in Chapter 9 of the Listing Manual and if the exemption provided within the Chapter applies. Pursuant to the above rule, shareholders’ approval is not required if the Project is awarded by way of a public tender by an interested person, and if (a) the bidder announces the prices of all bids submitted; and (b) the majority of the directors on both boards of the bidder and awardee are different and are not accustomed to act on the instructions of the interested person or its associates and have completely different members on their respective audit committees.

In the event that the Proposed Interested Person Transaction can be exempted under Rule 916(5) of the Listing Manual, the Company will benefit from some cost and time savings associated with holding an EGM to seek Shareholders’ approval.

On 25 October 2016, the SGX-ST had confirmed that the Company cannot avail itself to the exemptions under Rule 916(5) of the Listing Manual for the Proposed Interested Person Transaction, as the conditions under the Rule have not been met. Accordingly, the Company had proceeded to seek Shareholders’ approval for the Proposed Interested Person Transaction at the forthcoming EGM.

### Salient terms of the Contract

The salient terms of the Contract are as follows:

- (i) Scope of work shall be the design of (where the extent is provided for in the Contract), construction, completion, testing and commissioning with a defects liability period of 12 months;
- (ii) Contract Sum of S\$38,541,911.28 excluding GST is fixed for all works and items in order to complete the Project by 3 July 2017;
- (iii) Progress payment to be made based on monthly interim valuation of progress of works completed on site in accordance with the conditions of the contract;
- (iv) Performance bond is equivalent to 5% of the Contract Sum;
- (v) The liquidated damages will be S\$7,300 per calendar day for any delays from the estimated contract completion date;
- (vi) Retention sum will be equivalent to 5% of the Contract Sum, of which 2.5% is to be released upon the issuance of the temporary occupation permit by the relevant authorities and the remaining 2.5% to be released by the end of the 12 months’ defects liability period; and
- (vii) The standard form agreement (the REDAS Design-and-Build Contract, 3<sup>rd</sup> Edition) published by the Real Estate Developers’ Association of Singapore will govern the formal agreement to be entered into with PTC pursuant to the terms of the Contract.

Further information on the details of the Proposed Interested Person Transaction can be found in Section 2 of the Circular.

### 6. EVALUATION OF THE PROPOSED INTERESTED PERSON TRANSACTION

In our evaluation of the Proposed Interested Person Transaction, we have given due consideration to, *inter alia*, the following key factors:

- (a) rationale for and benefits of the Proposed Interested Person Transaction;
- (b) the tender process;
- (c) independent negotiations between the Group and PTC; and
- (d) comparison of the salient terms of the Proposed Interested Person Transaction.

#### 6.1 Rationale for and benefits of the Proposed Interested Person Transaction

It is not within our terms of reference to comment or express an opinion on the commercial merits of the Proposed Interested Person Transaction or the future prospects of the Group. Nevertheless, we have reviewed the rationale for the Proposed Interested Person Transaction as set out in Section 3 of the Circular which is reproduced below:

*“The Non-Interested Directors of the Company are of the view that the Group should not turn down the opportunity to bid for a project without due consideration simply because PTC is an Interested Person. Further, the Contract will benefit the Company in terms of its utilisation of its excess capacity, thereby contributing positively to the Group’s financial results, especially in view of the current general slowdown in the construction industry in Singapore.*

*The Contract will allow the Group to utilise its newly acquired knowledge in virtual design and construction (“VDC”) which will enable the integration of multi-disciplinary concepts in the construction process. VDC widely adopts Building Information Modelling, which allows design and/or construction clashes to be detected early, even before its actual construction, thereby reducing abortive costs. Such early detection is not possible under the traditional design and construction processes. For the avoidance of doubt, VDC may be employed in both the traditional cast in-situ method and the precast method of construction. Further, the costs of construction will not be increased by adopting VDC. As VDC is a relatively new concept in Singapore, the use of such technology will help the Group to differentiate itself from its competitors.”*

#### 6.2 The tender process

We have reviewed the Recommendation Report by Surbana and the tender process as set out in Section 5 of this Letter, and based on our understanding and discussion with the Management, we note the following:

- (a) Surbana is an independent professional third party appointed by PTC as the consultant and tender agent. The tender process was conducted by way of private invitations by Surbana and Surbana has the discretion to decide on which firms to invite based on their understanding of PTC’s requirements and other criteria including, but not limited to, the track record, financial capacity and BCA grading of the selected firms;
- (b) Surbana, as an independent professional tender agent, had sourced for the relevant qualified construction firms to submit their bids after taking into consideration the requirements of PTC for the Project, which eventually was determined to be Mode 3 for the Project;
- (c) We understand from the Management that save for government-related construction projects, it is a common practice in the construction industry to conduct tenders by way of private invitation as opposed to a public tender basis;

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- (d) We understand from the Management that there were no restrictions placed on Surbana or any influence given by PTC as to which and how many construction firms Surbana may approach to invite to submit a bid;
- (e) We note that TSC has the highest BCA grading of A1 amongst the bidders; and
- (f) Following the evaluation of the respective quotations and merits of the bidders, Surbana had recommended to PTC that TSC be considered for the award of the Contract.

### 6.3 Independent negotiations between the Group and PTC

PTC is a private company, wholly-owned by the members of the Pek family and the board of directors of PTC also comprises members of the Pek family.

The Company’s board of directors comprises two Directors, namely Mr Pek Lian Guan and Mr Pay Sim Tee, who are members of the Pek family and the remaining three Directors have no familial relationship with the Pek family. Mr Pek Lian Guan and Mr Pay Sim Tee are cousins.

In the negotiations on the Contract with PTC, the Group is represented by Mr Pek Lian Guan and Mr Lim Han Kwong. Mr Pek Lian Guan is the CEO of the Company and principally oversees the construction activities of the Group. While he holds 6.6% shareholding interest in PTC, he is not a director of PTC and is not involved in the management of PTC, and for the purpose of the tender, he represented TSC in the negotiations. Mr Lim Han Kwong is the senior project manager and business unit head of the Group responsible for the tender and execution of the Project. He is not related to the Pek family.

Mr Pay Sim Tee holds a controlling interest in PTC and is the managing director of PTC. He is concurrently an Executive Director of the Company. Mr Pay Sim Tee handles the property development business of the Group in China and Papua New Guinea. He and another member of the Pek family represented PTC in the negotiations. We understand from the Company that Mr Pay Sim Tee had abstained from board deliberations relating to the Project other than to clarify operational matters in relation to the Project.

Accordingly, we note that there is a certain degree of independence in the negotiations by the Group in relation to the Project based on the following key considerations:

- (a) Majority of the board members of the Company, namely Mr Lee It Hoe, Mr Ong Lay Khiam and Mr Ang Peng Koon, Patrick are not related to the Pek family. In addition, these Directors constitute the Audit Committee of the Company and are not accustomed to act on the instructions of the Interested Person or its associates;
- (b) Of the two Pek family members who are on the Board of the Company, Mr Pek Lian Guan represented the Group in the negotiation of the Project. The other Pek family member, Mr Pay Sim Tee, is the only common director on the boards of both the Company and PTC, and he had abstained from all board deliberations in relation to the Project. Mr Pay Sim Tee has disclosed all his interests in PTC to the Board and is present at the Company’s board meetings in relation to the Project for the purpose of clarifying operational matters in relation to the Project; and
- (c) Mr Lim Han Kwong is from the management team. He is the senior project manager and business unit head of the Group responsible for the tender and the execution for the Project. He is not related to the Pek family.

As disclosed in Section 5 of the Circular, we note that Mr Lee It Hoe, a Non-Executive Director of the Company, is deemed interested in the Shares held by Tiong Seng Shareholdings Pte Ltd (“TSS”) as his associates are collectively entitled to exercise control of approximately 22.7% of the shares in TSS. In aggregate, Mr Lee It Hoe is deemed interested in 63.0% of the shareholding interest in the Company held through TSS and Mr Lee It Hoe’s associates.



We understand that Mr Lee It Hoe’s late father co-founded the Company with the late Mr Pek Ah Tuan. Mr Lee It Hoe has been representing his family’s interest in the Company as a Non-Executive Director of the Company since its IPO in 2010.

For the purpose of the Proposed Interested Person Transaction, the Company is of the view that Mr Lee It Hoe is not an associate of PTC and hence is deemed independent for the purpose of making a recommendation on the Proposed Interested Person Transaction.

### 6.4 Comparison of the salient terms of the Proposed Interested Person Transaction

#### 6.4.1 Comparison with competitors’ bids and Surbana’s budget for the Project

We note that the awarded contract sum of S\$38.5 million for the Contract is comparable to the other two quotations received from Company X and Company Y, and Surbana’s budgeted amount for the Project.

#### 6.4.2 Comparison with projects undertaken by the Group for unrelated 3<sup>rd</sup> parties

We note that the Contract will be made based on the terms and conditions of the REDAS Design and Build Conditions of Contract published by the Real Estate Developers’ Association of Singapore, Third Edition, October 2010 duly amended by the particular conditions of the Contract. Hence, many of the key terms for the Project are governed by the standard terms for projects of such nature by REDAS.

In our evaluation of the key terms of the Project, Management has provided us with a list of seven construction projects for industrial buildings which the Group had completed for unrelated third parties during the last few years between 2012 and 2016 (“**3<sup>rd</sup> Party Projects**”).

While we note that these 3<sup>rd</sup> Party Projects may not be directly comparable to the Project in terms of the economic conditions and industry cycle at the respective contract dates, design, scale, complexity, site encumbrances, method of construction, construction time and other relevant factors, the comparison with the 3<sup>rd</sup> Party Projects may be useful for illustration purposes only.

Set out below is our analysis of the key terms of the Project compared to those of 3<sup>rd</sup> Party Projects:

- (i) **Contract sum:** The contract sums of the 3<sup>rd</sup> Party Projects range from S\$44.3 million to S\$277.3 million, or an average contract sum of S\$148.8 million. In comparison, the Contract Sum for the Project is much smaller at S\$38.5 million.
- (ii) **Contract sum per gross floor area (“GFA”):** The contract sums per GFA of 3<sup>rd</sup> Party Projects ranges from S\$1,239 per square metres (“psm”) to S\$3,832 psm. We note that the Contract Sum per GFA for the Project of approximately S\$1,209 psm is closer to the lower end of the range for 3<sup>rd</sup> Party Projects. However, we understand from Management that the contract sum per GFA is not directly comparable as each of the projects has different design and construction specifications.
- (iii) **Estimated gross profit margin:** Management has estimated the gross profit margin for the Project to be within but at the lower end of the range of those for 3<sup>rd</sup> Party Projects. This is due to the increased challenges of securing construction contracts in the current tough economic climate and declining construction activities. As a result, the Group has to quote competitively. In addition, as each project has different specifications, it is difficult to make a direct comparison of the contract terms and profit margins across these projects. For example, profit margins will be higher for the construction of industrial buildings that have more complex specifications and stringent requirements, or where expected construction time schedule is tighter.

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- (iv) **Liquidated damages:** In the event that the Group is unable to comply with the stipulated completion date of 3 July 2017 for the Project, it will be required to pay the stated liquidated damages calculated on a per day basis. As a percentage of the Contract Sum for the Project, we note that the liquidated damages are within the range of liquidated damages for 3<sup>rd</sup> Party Projects.

Barring any unforeseen circumstances including but not limited to inclement weather, variation by PTC or other matters not within the control of Robin Village, Management is of the view that the estimated completion date is achievable and this has been taken into consideration at the point of tender for the Project. Notwithstanding the foregoing, the Group has the discretion to request for an extension of time to complete the Project at the occurrence of any of the aforementioned events.

- (v) **Retention amount:** The retention sum for the Project is 5% of the Contract Sum, of which half shall be released upon temporary occupation permit (“TOP”) and the remaining half shall be released by the end of the defects liability period of 12 months. This is generally in line with those of 3<sup>rd</sup> Party Projects, other than for government-related projects which have lower or no retention amounts. The dates for TOP and end of the defects liability period are expected to be on or around 3 July 2017 and on 3 July 2018 respectively.

6.4.3 The Contract Sum of the Project represents 6.8% of the Group’s total revenue in FY2015 and 7.0% of the Group’s total revenue for 9M2016. The Project is also smaller compared to the average size of similar construction contracts for 3<sup>rd</sup> Party Projects. Thus, we note that the Group is not reliant on the revenue contribution from the Project.

### 7. OUR OPINION

In arriving at our opinion in respect of the Proposed Interested Person Transaction, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) rationale for and benefits of the Proposed Interested Person Transaction;
- (b) the tender process;
- (c) independent negotiations between the Group and PTC; and
- (d) comparison of the salient terms of the Proposed Interested Person Transaction.

**Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.**

Our opinion, as disclosed in this Letter, is based solely on publicly available information and information provided by the Directors and the Management and does not reflect any projections of future financial performance of the Company or the Group after the completion of the Proposed Interested Person Transaction. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Interested Person Transaction.

This Letter is prepared pursuant to Rule 921(4) of the Listing Manual. It is addressed to the Non-Interested Directors for their benefit and for the purpose of their consideration of the Proposed Interested Person Transaction. The recommendation to be made by the Non-Interested Directors to the Independent Shareholders shall remain the responsibility of the Non-Interested Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other person may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the

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EGM and for the purpose of the Proposed Interested Person Transaction, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**PROVENANCE CAPITAL PTE. LTD.**

Wong Bee Eng  
Chief Executive Officer

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### TIONG SENG HOLDINGS LIMITED

(Incorporated in Singapore on 15 April 2008)  
(Company Registration No. 200807295Z)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of Tiong Seng Holdings Limited (the “**Company**”) be held at 510 Thomson Road, #12-00 SLF Building, Singapore 298135 on 16 December 2016 at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following Resolution which will be proposed as an Ordinary Resolution.

*All capitalised terms in the Ordinary Resolution and defined in the circular dated 1 December 2016 (the “Circular”) shall, unless otherwise defined in this Notice, bear the respective meanings ascribed thereto in the Circular.*

#### Ordinary Resolution

**AWARD OF CONSTRUCTION CONTRACT WORTH APPROXIMATELY S\$38.5 MILLION TO THE COMPANY’S INDIRECT WHOLLY-OWNED SUBSIDIARY, ROBIN VILLAGE DEVELOPMENT PTE LTD, BY THE CONTROLLING SHAREHOLDER OF THE COMPANY, PECK TIONG CHOON (PRIVATE) LIMITED (A SPECIFIC INTERESTED PERSON TRANSACTION)**

That:

- (a) the terms of the Contract for the Project and the transactions contemplated thereunder which constitute an interested person transaction, be and is hereby approved;
- (b) the Directors and each of them be and are hereby authorised to complete, make such arrangements, do all such acts and things (including executing all such documents as may be required) and exercise such discretion in connection with, relating to or arising from the Proposed IPT Transaction as they or he may from time to time deem fit, with such amendments and modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate.

BY ORDER OF THE BOARD

Pek Lian Guan  
Executive Director and Chief Executive Officer  
1 December 2016

#### Notes:

- (1) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member’s form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

- (2) A proxy need not be a member of the Company.
- (3) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 510 Thomson Road, #08-00, SLF Building, Singapore 298135, not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting. The completion and return of the proxy form by a member will not prevent him from attending and voting in person at the Extraordinary General Meeting if he so wishes. In such event, the relevant proxy form will be deemed to be revoked.
- (4) The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instruction appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the extraordinary general meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the extraordinary general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the extraordinary general meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/ or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# TIONG SENG HOLDINGS LIMITED

(Incorporated in Singapore)  
(Company Registration No. 200807295Z)

## PROXY FORM

(please see notes overleaf before completing this Form)

### IMPORTANT:

1. For investors who have used their CPF monies to buy Tiong Seng Holdings Limited's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by Singapore CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of Extraordinary General Meeting.

\*I/We \_\_\_\_\_ NRIC/ Passport No. \_\_\_\_\_

of \_\_\_\_\_

being a member/members of Tiong Seng Holdings Limited (the "Company"), hereby appoint:

| Name    | NRIC/ Passport No. | Proportion of Shareholdings |   |
|---------|--------------------|-----------------------------|---|
|         |                    | No. of Shares               | % |
| Address |                    |                             |   |

and/or (delete as appropriate)

| Name    | NRIC/ Passport No. | Proportion of Shareholdings |   |
|---------|--------------------|-----------------------------|---|
|         |                    | No. of Shares               | % |
| Address |                    |                             |   |

or failing him/her/them\*, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies, to attend and vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting to be held at 510 Thomson Road, #12-00 SLF Building, Singapore 298135 on 16 December 2016 at 9.30 a.m. and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolution proposed at the Extraordinary General Meeting as indicated below. If no specific direction is given or in the event of any other matter arising at the Extraordinary General Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

**Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.**

\*Delete as appropriate

| Ordinary Resolution  | For | Against |
|--|-----|---------|
| APPROVAL FOR THE AWARD OF CONSTRUCTION CONTRACT WORTH APPROXIMATELY S\$38.5 MILLION TO THE COMPANY'S INDIRECT WHOLLY-OWNED SUBSIDIARY, ROBIN VILLAGE DEVELOPMENT PTE LTD, BY THE CONTROLLING SHAREHOLDER OF THE COMPANY, PECK TIONG CHOON (PRIVATE) LIMITED (A SPECIFIC INTERESTED PERSON TRANSACTION) |     |         |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016

| Total Number of Shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register           |               |
| (b) Register of members    |               |

\_\_\_\_\_  
Signature(s) of Shareholder(s)  
or Common Seal of Corporate Shareholder(s)



**Notes:**

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 510 Thomson Road, #08-00, SLF Building, Singapore 298135, not less than 48 hours before the time appointed for the holding of the General Meeting.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.