

UPDATE ON INVESTIGATION

The Board of Directors (“**Board**”) of Tiong Seng Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 16 September 2019 in relation to investigations by the Corrupt Practices Investigation Bureau (the “**Investigations**”) involving the Company’s Chief Executive Officer and Executive Director Mr. Pek Lian Guan (“**Mr. Pek**”) and the Director of Tiong Seng Contractors (Private) Limited (“**TSCPL**”) Mr. Pay Teow Heng (“**Mr. Pay**”).

The Board has been informed by Mr. Pek and Mr. Pay that further to the Investigations, they were each charged in court on 24 July 2020 in relation to alleged offences under Section 6(b)¹ read with Section 7² of the Prevention of Corruption Act (Chapter 241) of Singapore (“**PCA**”). Both Mr. Pek and Mr. Pay were each charged on 2 counts of abetting to conspire to corruptly give gratification in the form of loans to an employee of the Land Transport Authority as inducement for advancing the business interest of TSCPL. No charges were filed against TSCPL or any other companies in the Group.

Both Mr. Pek and Mr. Pay are currently on bail and they have informed the Board that they denied having committed the alleged offences and would be taking rigorous steps to defend the charges.

Pending the outcome of the cases, Mr. Pek and Mr. Pay will relinquish their current executive roles, powers and duties in the Group with effect from 31 July 2020. They will also step down from all their board appointments within the Group, including TSCPL. However, given their knowledge and experience with the Group, the Board would like to be able to tap their knowledge and expertise and would be retaining Mr. Pek as Adviser to the Group and Mr. Pay as Operational Consultant to Tiong Seng Civil Engineering (Private) Limited for a period of one (1) year. Their scope of duties will be decided by the Board and they will also receive remuneration commensurate with their new roles as the Board may decide. The Board will re-assess the above arrangement where appropriate in due course.

The Board does not expect Mr. Pek’s and Mr. Pay’s relinquishment of their executive roles and appointments to have a major impact on the Group’s business as the Group has a team of senior management staff who have been working in the Group for many years, and each of them has been responsible for their respective areas of business and has a strong track record in their respective fields. The experience and roles of the management team were set

¹ Pursuant to Section 6(b) of the PCA, if any person corruptly gives or agrees to give or offers any gratification to any agent as an inducement or reward for doing or forbearing to do, or for having done or forborne to do any act in relation to his principal’s affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal’s affairs or business, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$100,000 or to imprisonment for a term not exceeding 5 years or to both.

² Under Section 7 of the PCA, a person convicted of an offence under Section 5 or 6 of the PCA shall, where the matter or transaction in relation to which the offence was committed was a contract or a proposal for a contract with the Government or any department thereof or with any public body or a subcontract to execute any work comprised in such a contract, be liable on conviction to a fine not exceeding S\$100,000 or to imprisonment for a term not exceeding 7 years or to both.

out in the Company's Corporate Strategy Update announced on 10 December 2019 in conjunction with the Group's 60th anniversary celebration. As such, the Group is not reliant on any particular individual, including Mr. Pek and Mr. Pay, for its continued success and growth.

In this regard, the Board has upon the recommendation of the Nominating Committee appointed Mr. Pay Sim Tee to replace Mr. Pek as the Chief Executive Officer of the Company and the Managing Director of TSCPL with effect from 1 August 2020. Mr. Pay Sim Tee is currently an Executive Director of the Company and also an Executive Director of TSCPL. He has more than 40 years of experience with the Group, and is also a current member of the Group's Executive Committee.

The Company will keep shareholders updated as and when there are any material developments on this matter.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company. Shareholders of the Company and potential investors are advised to read all further announcements by the Company and to consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD
TIONG SENG HOLDINGS LIMITED**

Mr Ong Lay Khiam
Non-executive Chairman, Tiong Seng Holdings Limited

24 July 2020