

TIONG SENG HOLDINGS LIMITED
(Incorporated in Singapore)
(Co. Reg. No: 200807295Z)

**ANNEXURE A TO THE MINUTES OF THE ANNUAL GENERAL MEETING (“AGM”)
HELD ON 27 APRIL 2026
QUESTIONS AND ANSWERS – Page 1**

**RESOLUTION 1:
DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS AND REPORT OF AUDITORS**

Questions received from a shareholder, Mr. Lee Mun Seng (“Mr. Lee”)

1. With reference to the Annual Report page 173, it was noted that a minimum outstanding order book balance of \$600 million was maintained during the period from 30 June 2026 and \$800 million during the period from 31 December 2026 onwards. Mr. Lee inquired into the strategies and measures undertaken to achieve this level of secured orders.

Mr. Pek Zhi Kai, Executive Director of the Company, responded that:

“The Company is currently facing challenges in securing new projects, compounded by the accumulation of demerit points that may impact its competitiveness in tender processes. Recognising these circumstances, the Bank has continued to support the Company by allowing certain concessions and providing additional flexibility, thereby affording the Company more time to secure new contracts.”

2. Mr. Lee further inquired whether the demerit points are the underlying reason the Company has been unable to secure other new projects, suggesting that its overall strategy or direction may be flawed.

Mr. Pek Lian Guan (“Mr. Pek LG”), Chief Executive Director of the Company, responded that:

“The Company incurred high demerit points following a reported accident in late 2024, and these points will remain on record for 18 months. In public sector tenders, safety performance is a key evaluation criterion. As a result, despite submitting bids for several projects, the Company was disadvantaged and was therefore unable to compete effectively against other tenderers in securing the projects. Our construction segment has therefore faced challenges in securing projects.

In 2025, the Company focused on expediting the completion of existing pre-covid construction projects. Moving forward, the Company will place greater focus on securing new projects, with the target of securing new opportunities by mid-year.

Meanwhile, the Company’s engineering solutions segment has doubled its order book in revenue terms. The Company intends to continue strengthening this segment. During the year, our engineering solutions segment successfully secured a new contract in an overseas market, marking an important milestone in expanding the engineering segment.

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Questions received from a shareholder, Mr. Tan Eng Chua Edwin (“Mr. Tan”)

3. Mr. Tan inquired whether the Company is expecting any further capital expenditure (“CapEx”).

Mr. Pek LG explained that:

“The Company does not anticipate any CapEx as the Company already owns a substantial amount of machinery that remains in use. Should additional equipment be required, the Company will opt to rent rather than purchase”

Question received from a shareholder, Mr. Ng Kwong Chong (“Mr. Ng”)

4. Mr. Ng noted the loss of profit reflected in the financial statements and inquired about the Board’s efforts to improve profitability. He emphasised the importance of strengthening shareholder confidence to ensure that stakeholders remain assured of the Company’s long-term growth and stability.

In response to Mr. Ng’s query, Mr. Pek LG explained that:

“The Company is currently in a challenging financial position following losses incurred in FY2025, primarily attributable to construction-related cost overruns and the timing of revenue recognition for variation order (“VO”) claims. While VO costs have been recognised, the corresponding revenue remains subject to finalisation with clients and is expected to be recognised upon conclusion of negotiations.

Management highlighted that the Group is actively pursuing recovery of such claims and continues to receive support from its banking partners. In addition, the Company is implementing measures to strengthen cost control and improve financial performance, with a focus on achieving a turnaround or breakeven position going forward.

5. Mr. Ng further inquired into the Company’s management of large-scale projects. He emphasized the need for strong project leadership, questioning whether a qualified project manager is in place to provide effective supervision, robust planning and cost-control measures to ensure that projects are executed efficiently and profitability targets are achieved.

In response to Mr. Ng’s query, Mr. Pek LG explained that:

“Projects are not managed solely by a single project manager. In addition to project leadership, oversight is provided through contract, procurement, and finance functions. Decision-making is not concentrated in any one individual; rather, multiple departments are involved throughout each project. Effective control is achieved through the combined efforts of the project team, contract team, and finance team, ensuring that projects are managed comprehensively and aligned with profitability objectives”

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Question received from a shareholder, Mr. Lim Siau Chua (“Mr. Lim”)

6. Mr. Lim requested further details on the Company’s ongoing projects, specifically with regard to the Silvercare project.

Mr. Pek Zhi Kai responded that:

“The Company’s ongoing projects include developments in both the residential and commercial sectors. In light of demographic changes in China, the Company recognises a strategic opportunity to convert existing residential properties by partnering with hospitals to provide services to the aging segment. The Silvercare project is being advanced under this model, requiring minimal capital expenditure. This approach enhances the value of the existing inventory while maintaining low CapEx, thereby strengthening profitability and optimizing resource utilization.

The strategy is to focus on selling current residential inventory and thereafter utilize the balance of land for future development. Sales proceeds will be used to fund subsequent development activities. The Silvercare conversion does not require significant CapEx and manpower resources. The Company will work with service providers to deliver the required services.

Looking ahead, the Company intends to leverage on this concept and experience in Singapore, applying the model of converting existing spaces rather than constructing new buildings, thereby optimizing resources and enhancing profitability.