



KOH BROTHERS GROUP LIMITED
(Unique Entity Number: 199400775D)

RESPONSES TO QUESTIONS FROM SHAREHOLDERS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON 29 APRIL 2025

The Board of Directors (the "**Board**") of Koh Brothers Group Limited (the "**Company**") refers to:

- (a) the annual report of the Company for the financial year ended 31 December 2024;
- (b) the notice of annual general meeting ("**AGM**") issued on 9 April 2025 informing shareholders that the Company's AGM will be convened and held by way of a physical meeting on Tuesday, 29 April 2025 at 3.00 pm; and
- (c) questions received from shareholders ahead of the Company's AGM to be held on 29 April 2025 at 3.00 pm.

The Company would like to thank shareholders for submitting their questions in advance of our AGM. Please refer to **Appendix A** for the list of questions received from shareholders, and the Management's and the Board's responses to these questions.

By Order of the Board

Koh Keng Siang
Executive Chairman and Group CEO

24 April 2025

APPENDIX A
KOH BROTHERS GROUP LIMITED
RESPONSES TO QUESTIONS FROM SHAREHOLDERS

1. What are the key contributing factors for the net loss in FY 2024 following the turnaround to profitability in 2H 2024? Please elaborate on the Group's plans to its financial performance in FY 2025.

The Group narrowed its net loss attributable to shareholders to \$5.5 million in FY 2024, down from \$22.0 million in FY 2023. Contributing factors include the improved gross profit margin and other gains as well as increased contribution from the share of profit from joint ventures.

The Group anticipates that the construction industry will remain challenging, amid an intensified competitive environment and escalating operational costs. In response, we will remain focused on recovering costs associated with variation orders from clients while closely monitoring the progress of ongoing construction projects as part of our strategy and endeavors to turnaround to profitability. To address these challenges, we are prioritising cost containment measures to better manage higher business costs, as well as operational streamlining efforts to improve competencies, foster innovative work solutions and improve overall efficiencies. The Group is also actively pursuing several tenders to replenish our construction order book. If successful, the projects are expected to contribute positively to our financial performance.

As for our Bio-Refinery and Renewable Energy division, through our indirectly owned Catalyst-listed subsidiary, Oiltek International Ltd, we will continue to leverage its capabilities, integrated technology know-how, and proven track record to secure more projects of a larger scale in both existing and new markets.

For our Real Estate division, we remain dedicated to our prudent approach of seeking out distinctive development opportunities, in collaboration with experienced partners.

Collectively, our diversified business segments and strategies position us to navigate the evolving landscape and deliver long-term value to all our stakeholders.

2. With rising global volatility and the return of protectionist measures like the Trump-era tariffs, what impact do these developments have on the Group, and how are they being mitigated?

The Group remains vigilant amid growing global trade uncertainties. While we do not have significant direct exposure to US tariffs, broader protectionist policies will dampen overall market sentiment, business and consumer confidence.

We will navigate and mitigate these risks by focusing on cost containment measures to better manage higher business costs, as well as operationally streamline efforts to improve competencies, develop innovative work solutions and increase efficiencies.

3. With both Van Holland and Hyll on Holland fully sold and completed, what are the Group's plans to replenish its real estate pipeline?

We remain dedicated to our prudent approach of seeking out distinctive development opportunities.

Given that interest rates remain high, coupled with higher land and construction costs, uncertain demands and ongoing cooling measures, the Group anticipates that the private residential market will remain challenging. Looking ahead, the Group will adopt a cautious approach and exercise selectivity in our land bank replenishment.

4. Please share the Average Room Rate (ARR) and Average Occupancy Rate (AOR) in FY 2024 and how does the Group aim to improve this in FY 2025? Please share the Group's outlook of the Leisure and Hospitality sector and will this trend sustain?

Both ARR and AOR remained stable despite macroeconomic headwinds. According to the Singapore Tourism Board, the tourism sector posted record receipts in 2024. International visitor arrivals in 2025 are projected to hit between 17 million and 18.5 million despite potential headwinds stemming from geopolitical tensions and macroeconomic challenges.

Building on this positive outlook, we expect our Leisure & Hospitality Division to continue contributing positively to the Group's performance.

5. How will the proceeds from the divestment of the land in Johor be used?

As stated in the Company's announcement to SGXNET dated 24 February 2025, the Company expects to receive net proceeds of approximately \$20,138,000 (after deducting sales commission, estimated professional fees, tax, other related expenses and outstanding bank loan) from the divestment.

The Land is currently vacant and the divestment of this non-core asset allows the Company to streamline its operation and focus on its core business activities. The net proceeds from the sale of the land will be used for general working capital requirement of the Group.

6. How will the prolonged high-interest rate environment impact the Group's performance?

A prolonged high-interest rate environment is expected to increase borrowing costs, which will impact the Group's financing expenses and overall profitability.

With a healthy cash position coupled with a lower net gearing ratio of 0.37 times in FY 2024, the Group remains committed to prudent capital management, cost optimisation, and maintains a resilient balance sheet to effectively navigate challenges and minimise potential impact on our performance.