HOCK LIAN SENG HOLDINGS LIMITED
(Company Registration No. 200908903E)
(Incorporated in the Republic of Singapore)

RESPONSES TO QUERIES FROM SHAREHOLDERS FOR THE ANNUAL GENERAL MEETING ("AGM") TO BE HELD ON 23 APRIL 2025

The Board of Directors of Hock Lian Seng Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the queries raised by the shareholders of the Company in relation to the Company's AGM for the financial year ended 31 December 2024 ("**FY2024**") and appends the replies as follows:

Question 1:

The order book for the civil engineering segment peaked at around $1 billion in 2021. Since then, it has declined to $553 million as of 31 December 2024. What are the main challenges the company faces in replenishing its order book? Should shareholders be concerned about this downtrend?

The replenishment of the order book has been impacted by various factors such as longer tender cycles, management focus in execution of the large-scale projects on hand, more competitive tendering environment and a selective approach on our part to pursue contracts with sustainable margins and manageable risk profiles.

While the headline number may appear to signal a downtrend, it is important to note that we are maintaining a disciplined approach to bidding. We continue to actively participate in upcoming tenders and have a healthy pipeline of opportunities in Singapore.

We believe our strategic positioning, strong execution track record, and longstanding client relationships will support the rebuilding of the order book over time. While the current level is lower than the peak, we do not view this as a cause for concern but rather a reflection of our focus on quality over quantity.

Question 2:

How likely is it that raw material prices will be affected by the recent tariffs implemented by the USA?

The recent tariffs implemented by the USA could potentially impact global raw material prices, depending on the specific materials targeted and the duration of the measures. While it is still early to assess the full impact, we are closely monitoring the situation and actively evaluating any potential effects on our supply chain and procurement costs.

We have diversified sourcing strategies in place, which help us mitigate risks associated with price volatility. At this point, while there may be some near-term fluctuations in pricing, we believe our proactive approach and supplier partnerships will help us manage the impact effectively.

Question 3:

Are there any plans to undertake new property development projects in FY2025?

The Group is continuously evaluating opportunities for new property development projects.

We remain focused on identifying developments that align with our core strengths and offer sustainable returns. While market conditions, regulatory frameworks, and land availability will influence the timing and scale of new development projects, we are actively exploring potential sites and partnerships.

Any new project will be assessed with careful consideration of current market demand, construction costs, affordability to the buyers and financial viability.

Question 4:

The number of units sold at Shine@TuasSouth slowed down in 2H2024 compared to 1H2024. Has demand for it slowed down?

It is correct that the pace of unit sales at Shine@TuasSouth moderated in 2H2024 compared to 1H2024. This was primarily due to a combination of external market factors, including cautious buyer sentiment amid economy uncertainties.

That said, we continue to see healthy interest in the project, particularly for well-located units and premium layouts. Marketing efforts remain ongoing, and we are adapting our strategies where appropriate to sustain buyer engagement.

Question 5:

Has the rental price per square foot for the units at Shine@TuasSouth experienced a downtrend in recent months?

While rental and sales take-up have slowed down, rental rates remain strong. We will continue to actively market the units for both sale and lease to optimise occupancy and value.

Question 6:

What percentage of total units at Ark@Gambas had been sold and leased out by the end of FY2023 and FY2024, respectively?

Ark@Gambas comprises a total of 294 units. As at 31 December 2024, 7 units remained unsold, representing a take-up rate of 97.6%, compared to 9 unsold units (96.9% sold) as at 31 December 2023. All unsold units were fully leased out as at both year-end dates.

By Order of the Board

Cheok Hui Yee
Company Secretary
17 April 2025