KOH BROTHERS ECO ENGINEERING LIMITED
(Unique Entity Number: 197500111H)
(Incorporated in Singapore)

ANNOUNCEMENT ON LEGAL PROCEEDINGS

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Koh Brothers Eco Engineering Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**"), wishes to inform and update the shareholders of the Company ("**Shareholders**") of the following legal proceedings involving Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd ("**KBCE**"), a wholly-owned subsidiary of the Company:

(a) arbitration proceedings commenced by KBCE against its joint venture partner in respect of a construction project (the "**SCA Arbitration**");

(b) the claim commenced by a former subcontractor against KBCE and Mr Koh Keng Siang ("**Mr Koh**") (the "**Sub-Con Claim**"); and

(c) arbitration proceedings commenced by joint venture partners against KBCE in respect of the Consortium Arbitration (as defined below),

(collectively, the "**Proceedings**").

2. SCA ARBITRATION

2.1 KBCE entered into a joint venture agreement (the "**JVA**") with a construction and engineering company (the "**JV Partner**") to jointly bid for, and subsequently carry out, a construction project. The joint venture was successful in its bid and was awarded the project.

2.2 The joint venture subsequently engaged KBCE as subcontractor to carry out certain works for the project under a subcontract (the "**SCA Subcontract**").

2.3 Disputes arose under both the SCA Subcontract and the JVA, which resulted in KBCE commencing arbitrations against the JV Partner under the JVA ("**JVA Arbitration**") and against the JV Partner as a constituent part of the joint venture under the SCA Subcontract ("**SCA Arbitration**").

2.4 Under the SCA Arbitration, KBCE claimed for work done (including variation orders) and underpayment under the SCA Subcontract amounting to approximately S$37.8 million. On the other hand, the JV Partner counterclaimed for breach, overpayment and liquidated damages for delay amounting to approximately S$37.1 million.

2.5 Under the JVA Arbitration, KBCE sought (amongst others) a declaration that certain salary payments were unapproved and/or overpaid to personnel seconded by the JV Partner for the project, and disclosure of the JV's books of account and records. The JV Partner counterclaimed (amongst others) for financing costs, overpayment of salaries to KBCE's personnel and reimbursement of payments. The JV Partner also counterclaimed for an indemnity (in the proportion of KBCE's share in the joint venture) for the amounts that the JV Partner may be ordered to pay to KBCE on behalf of the joint venture in the SCA Arbitration (the "**Indemnity Counterclaim**").

2.6 In the partial award dated 22 November 2024, which was subsequently corrected on 31 December 2024 (the "**JVA Partial Award**"), the JVA Tribunal dismissed the parties' respective overpayment claims and the JV Partner's financing costs claim, but allowed the JV Partner's tax claims, determining that the JV Partner was entitled to S$622,080.00 in reimbursement of income tax together with simple interest at 5.33% per annum from 1 August 2022 until payment and S$1,430,091.22 in costs. KBCE fully paid these amounts on 3 January 2025, and the costs have been fully recognised and charged to the profit & loss account in KBCE's audited financial statements for the financial year ended 31 December 2024. The JVA Tribunal reserved its jurisdiction over the JV Partner's Indemnity Counterclaim and deferred its determination pending the SCA Tribunal's award in the SCA Arbitration.

2.7 On 14 July 2025, the SCA Tribunal issued a partial award (the "**SCA Partial Award**") valuing the claims and counterclaims in the SCA Arbitration without making any dispositive orders for payment (i.e., as to who should pay whom and how much). The SCA Tribunal found that it had no jurisdiction to decide the apportionment of amounts between the joint venture parties under the JVA, and required the parties to bring the question of any indemnity or contribution of claims and counterclaims under the JVA to the JVA Tribunal.

2.8 On 22 August 2025, following application from the parties, the SCA Tribunal issued a memorandum to correct the SCA Partial Award, as well as an additional award for pre-award interest. The effect of the memorandum and additional award is that the claims by KBCE and counterclaims by JV Partner under the SCA Subcontract are valued at approximately S$2.1 million and S$20.5 million respectively (excluding pre and post-award interest).

2.9 As the SCA Tribunal did not make any dispositive orders for payment, after discussion with its legal counsel, KBCE decided to file an application to the High Court of Singapore to set aside the SCA Partial Award on the basis that the SCA Tribunal had wrongly abdicated and/or delegated his duty to decide who is to pay on these claims and counterclaims (and for how much).

2.10 The Company did not make any separate announcements on the JVA Arbitration, the SCA Arbitration, and their respective partial awards, taking into consideration the confidential nature of the arbitration proceedings and the circumstances surrounding the disputes. In addition, such claims and counterclaims (including disputes on variation orders and delay) arise in the ordinary course of business and are frequently heavily contested, and any disclosure of the details of such claims and counterclaims may affect the Company's strategy to negotiate and settle the matter. Moreover, the amounts ultimately settled or awarded may differ materially from the amounts originally claimed and accordingly, the Company considered that it would be prejudicial to the interests of the Company to disclose its assessment of the quantum of the claims and counterclaims under the arbitrations at that stage of the dispute resolution process, especially when the Company was applying to set aside the SCA Partial Award. Nonetheless, brief information concerning the SCA Arbitration was disclosed in Page 16 of the 1H2025 Unaudited Interim Consolidated Financial Statements of the Company announced on 8 August 2025 without specific details.

2.11 On 9 December 2025, the SCA Tribunal issued a partial award on costs (the "**SCA Partial Award on Costs**"), valuing the costs in relation to the SCA Arbitration at S$5,333,026.88 and US$4,117,240.57, but again without making a dispositive order for payment. Similar to the SCA Partial Award, the SCA Tribunal found that it had no jurisdiction to decide on the apportionment of costs between the parties and required the parties to bring the question of any indemnity or contribution to the JVA Tribunal. As such, KBCE filed an application to the High Court of Singapore to set aside the SCA Partial Award on Costs as well (the applications to set aside the SCA Partial Award and SCA Partial Award on Costs shall be collectively referred to as the

"**Setting Aside Applications**").

2.12 The SCA Arbitration and the SCA Partial Award were disclosed in Page 17 of the FY2025 Unaudited Interim Consolidated Financial Statements of the Company for the Six Months and Full Year ended 31 December 2025 announced on 13 February 2026. A similar disclosure was also made in Page 93 of the Company's Annual Report for FY2025 (under Contingent Liabilities).

2.13 On 23 July 2026, the JVA Tribunal issued an award declaring amongst other things, that the JV Partner is entitled to the sums of S$5,151,278.35 and US$4,117,240.57), in respect of the costs valued in the SCA Partial Award on Costs, but decided that it has no jurisdiction to consider (and apportion) the value of the counterclaims brought by JV Partner and did not make any apportionment of the value of the counterclaims in the SCA Partial Award.

2.14 On 6 August 2026, the High Court dismissed the Setting Aside Applications and hence, the SCA Partial Award and SCA Partial Award on Costs (collectively the "**SCA Awards**") remain binding on parties.

2.15 Nonetheless, as the JVA Tribunal has found that it has no jurisdiction to decide the issue of allocation of the value of the counterclaims brought by the JV Partner in the SCA Arbitration, the dispute between the parties remains unresolved and ongoing.

2.16 On 7 August 2026, the JV Partner applied to the SCA Tribunal for final payment orders to be made in a Final Award in respect of matters under the SCA Awards.

2.17 The Company is still in discussion with its legal counsel regarding the appropriate course of action moving forward. However, given the latest developments, the Company has decided to provide a more detailed update to the shareholders on the SCA arbitration and its related legal proceedings.

2.18 Based on the valuation of the JV Partner's counterclaims against KBCE in the SCA Partial Award, KBCE's estimated maximum exposure in respect of the JV Partner's counterclaims under the SCA Arbitration is approximately S$20.5 million (excluding any pre and post-award interest and legal costs). There are also outstanding issues in relation to the joint venture account between KBCE and the JV Partner, which as far as the Company is aware holds more than S$40 million in funds which have yet to be distributed. In light of the latest developments, the Company will review its legal position and seek advice from its legal counsel on the appropriate course of action, while assessing the potential financial implications of the SCA Arbitration on the Company's financial position for the financial year ending 31 December 2026.

3. SUB-CON CLAIM

3.1 The Sub-Con Claim is brought by a former subcontractor (the "**Subcontractor**") of KBCE who was engaged by KBCE for a construction project.

3.2 The Subcontractor's employment under the subcontract was subsequently terminated by KBCE pursuant to the terms of the subcontract and/or at law.

3.3 Following the termination, the Subcontractor commenced an action in the Singapore High Court against KBCE, as the first defendant, and Mr Koh, as the second defendant, and alleged, amongst other things, that KBCE had repudiated the subcontract and KBCE and Mr Koh have conspired to injure the Subcontractor by terminating the Subcontractor's employment under the subcontract. The Subcontractor is seeking damages for lost profit estimated to be in the region of S$9.18 million to S$13.78 million, or alternatively damages on a quantum meruit basis, together with interest and costs.

3.4 KBCE and Mr Koh deny the Subcontractor's claims in their entirety. KBCE has also brought a counterclaim against the Subcontractor for all losses, damages, and additional costs arising from the breaches and/or termination of the Subcontractor's employment under the Sub-Contract to be assessed. As at the date of this announcement, KBCE is still in the process of formulating and quantifying its counterclaim against the Subcontractor, which is currently estimated to be more than the amount of the Sub-Con Claim. As at the date of this announcement, the Subcontractor, Mr Koh and KBCE have agreed to attend a mediation session on a date to be confirmed.

3.5 The Company has considered the information currently available and the Company's assessment of its legal position. Based on such assessment, the Company is of the view that no provision is required to be made at this point in time for the Sub-Con Claim.

4. CONSORTIUM ARBITRATION

4.1 An arbitration was commenced by joint venture partners (the "**Consortium JV Partners**") against KBCE pursuant to a consortium agreement ("**Consortium Agreement**") entered into between the parties for a construction project (the "**Consortium Arbitration**"). The dispute concerns KBCE’s alleged breach of the Consortium Agreement by neglecting, refusing and/or failing to pay its proportionate share of the Consortium JV Partners' demand for capital injections.

4.2 The Consortium JV Partners are seeking, *inter alia*, approximately S$23.3 million, or in the alternative, approximately S$20.7 million for KBCE's alleged breach of the Consortium Agreement.

4.3 KBCE has raised defences against the Consortium JV Partners and disputes liability as well as the quantum of claims against it and intends to vigorously defend the arbitration. No award has been made under the Consortium Arbitration and the hearing for the Consortium Arbitration has been rescheduled from 26 August 2026 to a date to be confirmed by the tribunal. The Company did not make any separate announcements on the Consortium Arbitration previously as it is of the view that any disclosure of the details of such claim may affect the Company's strategy in defending, negotiating and seeking to resolve the matter and would also be prejudicial to the interests of the Company. In light of the current stage and developments in the Consortium Arbitration, the Company has determined that it is appropriate to provide an update to shareholders on the matter, while limiting the disclosure of details that could potentially prejudice the Company’s interests or ongoing legal strategy.

4.4 In this connection, having considered the information currently available and the Company's assessment of its legal position, the Company is presently unable to determine with sufficient certainty the financial impact of the Consortium Arbitration.

5. FINANCIAL POSITION, LIQUIDITY AND GOING CONCERN

In assessing the impact of the above cases on the Group's ability to continue as a going concern, the Company has considered the Group's overall financial position and liquidity, including its net assets position of approximately $124.7 million as at 30 June 2026, available financial resources, expected operating cash flows (in particular taking into account that it is unlikely that any definitive conclusion will be reached in respect of the Sub-Con Claim and the Consortium Arbitration within the next 12 months), and the Group's ability to continue its business operations. The Company does not expect the above cases to give rise to a material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern, subject to the availability of KBCE's share of the monies in the joint venture account to be used for offset against the settlement amounts in the SCA Arbitration.

The Company will update its shareholders if there are any material developments in relation to the above matters and will also consider whether it is in the interests of the Company to do so, in accordance with the requirements of the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Shareholders and potential investors should exercise caution when trading in the shares of the Company. They should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take or when dealing in their shares in the Company.

BY ORDER OF THE BOARD

Shin Yong Seub
Executive Director and Chief Executive Officer

18 August 2026

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*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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