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

RESPONSES TO SHAREHOLDERS ON SUBSTANTIAL AND RELEVANT QUESTIONS FOR THE EXTRAORDINARY GENERAL MEETING TO BE HELD ON 31 MAY 2021

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

(a) the notice of extraordinary general meeting ("**EGM**") issued on 15 May 2021 informing shareholders that the Company's EGM will be convened and held by way of electronic means on Monday, 31 May 2021 at 10.00 am; and

(b) the accompanying announcement issued by the Company on 15 May 2021 setting out, *inter alia*, the alternative arrangements relating to attendance at the EGM via electronic means.

The Company would like to thank shareholders for submitting their questions. Please refer to **Appendix A** for the list of questions received from shareholders and the Company's responses to these questions.

By Order by the Board

Koh Keng Siang
Non-Executive and Non-Independent Chairman

30 May 2021

This document has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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.

The contact person for the Sponsor is Mr. Ng Joo Khin (Telephone number: 6389 3000; Email address: jookhin.ng@morganlewis.com).

APPENDIX A
KOH BROTHERS ECO ENGINEERING LIMITED
EXTRAORDINARY GENERAL MEETING – 31 May 2021
Q&A SEGMENT

No.	Question	Response
1.	**What did the Company take into account when determining the Issue Price of the Subscription shares?**	• In determining the issue price (the "**Issue Price**") of the subscription shares to be issued and allotted to Penta-Ocean Construction Co., Ltd. ("**POC**"), the Company took into account the advice of its financial advisor, SAC Capital Private Limited. A number of factors were considered, and these include the following: 1) The size of the placement 2) The profile of the potential investor 3) The relative pricing options 4) The prevailing market price 5) Net asset value per share • The Issue Price of S$0.047 is approximately 30.56% higher than the volume weighted average price of S$0.036 per share for trades done on the Catalist Board of the SGX-ST on 12 March 2021, being the preceding full market day prior to the signing of the subscription agreement on 15 March 2021. • The Issue Price is approximately 9.44% below the consolidated net asset value per share as at 31 December 2020. It also represents a premium of approximately 38.2% to the volume weighted average price of S$0.034 per share for all trades done on the Catalist Board of the SGX-ST during the period of 30 market days prior to the signing of the subscription agreement on 15 March 2021. • When compared against the volume weighted average price of S$0.034 and S$0.0335 per share for all trades done on the Catalist Board of the SGX-ST during the period of 60 market days and 90 market days prior to the signing of the Subscription Agreement on 15 March 2021, the Issue Price represents a premium of approximately 38.1% and 40.2% respectively. • The Issue Price was mutually agreed upon after a negotiation process, taking into consideration the Company's financial positions, general market conditions, potential synergetic value, the Company's trading share price performance prior to the announcement of the Proposed Subscription and the SGX-ST listing rules, before being approved by the boards of directors of both the Company and Koh Brothers Group Limited, the largest shareholder of the Company.

No.	Question	Response
2.	**Has the Company considered a rights issue to prevent dilution among the shareholders?**	• The Company reviews its capital requirements periodically and has considered all available fundraising options. The Company had undertaken rights cum warrants issue exercises in November 2017 and September 2018. In its latest rights issue exercise in September 2018, the subscription rate was approximately 76.42%. • In a rights issue, there is no certainty on the eventual amount of funds to be raised and there is a risk of a further depression on the Company's share price.
3.	**Did Penta-Ocean Construction Co., Ltd ("POC") have any business relationship with the Company prior to the Proposed Subscription (as defined in the Circular to Shareholders dated 15 May 2021)?**	• Save for collaborations between the Group and POC in civil construction projects in the ordinary course of business (including the joint venture collaboration between the Company's subsidiary, Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd., and POC for the Deep Tunnel Sewerage System Phase 2 project worth S$520 million (which was announced on 28 September 2017)), POC does not have any business relationship with the Company prior to the Proposed Subscription.
4.	**As there is an Interested Persons Transaction Mandate involving POC and the Company, what are the expected areas of collaboration between POC and KBE going forward?**	• The board of directors of the Company, with the participation of the board representative from POC, will deliberate further on the Group's strategy in due course. This may include bidding for more capital-intensive projects and other potential growth opportunities. The Proposed Subscription also enables the Group to expand its existing suite of capabilities to leverage on the growth in public sector construction activities in Singapore.