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

**RESPONSE TO SGX-ST'S QUERY ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

In response to the query raised by the Singapore Exchange Securities Trading Limited in relation to the Annual Report of Koh Brothers Group Limited (the "Company") for the financial year ended 31 December 2013, the Board of Directors (the "Board") wishes to clarify as follows:-

**Query**

Paragraph 2.4 of the Code of Corporate Governance 2012 (the "Code") states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

It was disclosed that "After rigorous review and taking into account the need for progressive refreshing of the Board, the NC is of the view that Messrs Lee Khoon Choy, Ling Teck Luke and Lai Mun Onn have exercised their independent business judgments in the best interests of the Company and minority shareholders". Please elaborate on the rigorous review and the factors taken into account by the Board in relation to their assessment that "Lee Khoon Choy, Ling Teck Luke and Lai Mun Onn have exercised their independent business judgments".

**Response**

The rigorous review and the factors taken into consideration whether Messrs Lee Khoon Choy, Ling Teck Luke and Lai Mun Onn (the "Directors") are independent Directors include but are not limited to the following:-

a) The Directors do not have any relationship with the Company, its related corporations, substantial shareholders or its officers and Management which could impair their fair judgment;
b) The Directors have continued to demonstrate independence in character and judgment when discharging their duties as Independent Directors and in their conduct of Board affairs; and
c) The Directors, through their years of involvement with the Company, have gained valuable insight and understanding of the Company and together with their diverse experience and expertise, they have contributed and will continue to contribute effectively as Independent Directors by providing educated, impartial and autonomous views at all times.

By Order of the Board

Koh Keng Siang
Managing Director & Group CEO

29 April 2014