



KOH BROTHERS GROUP LIMITED
(Company Registration No. 199400775D)

**RESPONSES TO QUESTIONS FROM SHAREHOLDERS FOR THE ANNUAL
GENERAL MEETING TO BE HELD ON 29 APRIL 2024**

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 2023; and
- (b) the notice of annual general meeting ("**AGM**") issued on 11 April 2024 informing shareholders that the Company's AGM will be convened and held through a physical meeting on Monday, 29 April 2024 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 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 2024

APPENDIX A
KOH BROTHERS GROUP LIMITED
RESPONSES TO QUESTIONS FROM SHAREHOLDERS

- 1. The Group incurred a loss of S\$21.96 million in FY2023. Could the Company advise the steps taken to improve its financial performance?**

We are not at liberty to provide financial forecasts. The ongoing unrest in the Middle East and amidst the Russia-Ukraine war, elevated interest rates, and persistent inflationary pressures, have all weighed on economic growth. The heightened uncertainty from ongoing geopolitical tensions could lead to further downside risks.

Notwithstanding this, the Group remains focused on cost management and operational streamlining efforts to improve competencies, develop innovative work solutions and increase efficiencies. We will navigate the challenging environment by leveraging on our strong track record and strategic partnerships, to tender for higher value construction projects.

- 2. The AR indicates that the loss "was mainly attributed to the finalisation of construction projects and prolonged construction period for certain projects, resulting in higher material, manpower and subcontractor costs." Does the Company expect to continue to face such challenges in the coming year? Have material, manpower and subcontractor costs stabilised or do they still remain elevated?**

Given the inflationary backdrop, persistent supply chain disruptions and labour shortages, it is likely that construction costs will continue to escalate.

To address the challenges of prolonged construction periods, we have implemented strategies that encompasses various aspects of project planning and execution. This includes assessing market risk factors and adopting technology for efficiency. By employing these measures collectively, we can better navigate and mitigate the impact of rising costs while maintaining project quality.

- 3. What is the Company's view of the current property market situation? Is the Company expecting any new land acquisitions in Singapore or the region over the near-term? What is your land bank replenishment strategy?**

The Company noted that the property market has been affected by deteriorating sentiment among residential property developers. Response to recent land tenders has been muted perhaps due to high interest rate, higher construction costs, uncertain demands and several rounds of cooling measures which led to higher Additional Buyer's Stamp Duty rates.

The Group expects the private residential market to remain challenging. We will continue to carefully identify promising and attractive sites to bolster our land bank and explore potential partnerships with other developers to diversify risks.

- 4. Is the tepid demand for land tenders a bad omen for the property sector in Singapore? Can the Company please comment on the implications for the company? Please explain and elaborate.**

Please see 3 above.

- 5. Will the Company return to profitability next year or does the Company foresee 2024 to be a similarly bad year? Please share your thoughts and comments.**

The Group endeavours to return to profitability next year. However, we are cautious as the ongoing macro uncertainties including high interest rate environment still remain. Inflationary pressures especially in the construction sector has not eased thus dampening the outlook of a full recovery.

In the meantime, the Group will actively continue to work closely with our clients to finalise variation orders for our construction projects. We will also optimise our operations and expand our capabilities to meet the evolving needs of the construction industry.

Collectively, we will navigate the challenging environment by leveraging on our strong track record and strategic partnerships, to tender for higher value construction projects and increase our land bank.