

**INNOVATING
SUSTAINABLE FOUNDATIONS**

ANNUAL REPORT 2024

**KOH BROTHERS
GROUP LIMITED (KBG)**

**Annual General Meeting
(Resolution 9)**

29 April 2025

Resolution 9



- To take all necessary steps to procure Koh Brothers Eco Engineering Limited (“KBE”), a 54.8%-owned subsidiary, to distribute in specie all of its 97,445,805 ordinary shares (or such number that exists following any corporate actions) in Oiltek International Limited (“Oiltek”) to the shareholders of KBE, and for the Company, upon receipt of such shares, to similarly distribute the Oiltek shares to its own shareholders on a pro-rata basis.

Oiltek – A Growing Company



- Our Catalyst-listed subsidiary, Oiltek International Limited (“Oiltek”), was officially listed on 3 March 2022.
- **Early stage of growth** trajectory and continues to hold long-term value potential
 - Experienced record levels of revenue and bottom line.
 - Robust order book.
- Oiltek serves fast-growing sectors offering a **promising industry outlook**
 - Edible & Non-Edible Oil Refinery Segment
 - Renewable Energy Segment
 - Sustainability Business
- **Transferring its listing to SGX Mainboard**
 - This will enhance Oiltek’s corporate image both locally and overseas.
 - Provides Oiltek with a wider platform and more opportunities for future fund raising and provides access to larger and more diverse investors including institutional and overseas investors.



Rationale for Having Controlling Stake



- **Maintaining Controlling Stake in the Best Interest of all Shareholders vs Fractional Interest**
 - Allows KBG to decide on major corporate decisions, such as mergers, acquisitions, and strategic direction related to Oiltek.
- **Unified Voice is Beneficial for Oiltek and all Stakeholders**
 - Stability to support Oiltek's growth ambitions and is in the interest of all stakeholders.
- **Capitalising on growth potential of the Bio-Refinery and Renewable Energy Business**
 - Capitalising on the strong performance of Oiltek via KBG's ownership in Oiltek would be in the best interests of the Group.

Maintaining current structure provides greater financial flexibility and stability to support Oiltek's growth ambitions for the benefit of all stakeholders.

Rationale for Having Controlling Stake



- **Efficient allocation of capital and resources while still participating in the growth of the businesses of Oiltek**
 - The Group will not be required to fund the expansion of Oiltek, thus allowing the Group to concentrate its resources on expanding its other businesses and to pursue new opportunities.
- **Collaboration and Synergy**
 - A controlling stake allows for better collaboration and synergy between Oiltek and KBG, leading to improved efficiency and resource utilisation.
- **Greater stakeholders' confidence and attract long-term investors and business partners.**

These advantages collectively contribute to a stronger, more cohesive corporate structure, enhancing the overall value of Oiltek, and KBG's stability.

Uncertainty Due to Fractional Interest



- **Premature Divestment Not in Interest of all Stakeholders**
 - Forfeiture of long-term value upside given that Oiltek is well-positioned to deliver over time and is well-supported by a promising industry outlook for the Bio-Refinery and Renewable Energy segment.
- **Introduction of Uncertainties that could Hinder the Growth of Oiltek**
 - Potential disruption to strategic plans.
 - Impacts Oiltek's ability to execute long-term growth initiatives effectively.

Not in the interest of all stakeholders to have fractional interest which could result in potential conflicts in Oiltek's growth directions.

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**KOH BROTHERS
GROUP LIMITED (KBG)**

**Annual General Meeting
(Resolution 10)**

29 April 2025

Resolution 10



- To appoint a financial adviser to evaluate and propose strategic options to unlock shareholder value.

Review Avenues to Maximise Value



- The Company has carefully considered the proposed resolution regarding the appointment of a Financial Advisor and is of view that such an appointment is not necessary.
- The Board comprises of Directors with a diverse mix of expertise, including legal, banking, finance, accounting, economic analyst and engineering. This collective experience equips the Board to make well-informed decisions in the best interests of the Group and its shareholders.
- We have always engaged professional consultants as and when required.

The Group will continue to safeguard the interest of all shareholders.

Review Avenues to Maximise Value



- Recently, as part of our capital management efforts, our indirect wholly-owned subsidiary, G & W Industries (M) Sdn Bhd, has entered into a sale and purchase agreement to dispose a piece of freehold vacant land in Johor Bahru, Malaysia, for a total cash consideration of RM81.5 million (approximately \$24.6 million). The Group is expected to recognise a net gain of approximately \$15.3 million.
- On fulfilment of the conditions precedent, completion is expected in the current financial year.

The Group will continue to look for opportunities to maximise value, and to safeguard the interest of all shareholders.