



LOW KENG HUAT (SINGAPORE) LIMITED
(the “Company”)
Company Registration No : 196900209G
(Incorporated in the Republic of Singapore)

RESPONSE TO QUESTIONS FROM SHAREHOLDERS

The Board of Directors of Low Keng Huat (Singapore) Limited (the “Company” or “LKHS”, and together with its subsidiaries, the “Group”) refers to the questions received from shareholders ahead of the Company’s Annual General Meeting to be held on 31 May 2021 at 11.00 a.m. via live webcast. The Company wishes to provide its response below.

- 1 What’s the outlook of the service apartment industry, now that Lyf@Farrer is going to commence operation?

Citadines Balestier commenced business in Q3 previous year and its average occupancy was 80% for current year. Despite the circuit breaker measures imposed in Singapore, occupancy at Citadines Balestier was higher than expected due to accommodation demand from foreign workers affected by Malaysia border closures and returnees from overseas serving out Stay Home Notices in hotels. We expect its occupancy to stabilise at 50% to 60% subject to the nature and frequency of lockdowns by government.

- 2 Is the company significantly affected by the manpower shortage facing the construction sector? How is the company managing the situation?

The recent deteriorating COVID-19 situation in India might impact the manpower situation in the construction and real estate industry. Our 2 wholly owned residential development projects are Uptown @ Farrer at Perumal Road and Klimt Cairnhill at Cairnhill Road and their expected TOP are Q2 this year and Q3 FY2025 respectively. We do not expect significant delays in Uptown @Farrer as it is expected to obtain TOP by Q2 this year. Construction of Klimt Cairnhill will be affected by the shortage of manpower situation caused by the recent deteriorating COVID-19 pandemic in India. We are working closely with our sub-contractors to manage the manpower shortage and seek alternative sources of manpower. Dalvey Haus, our joint venture development project at Dalvey Road with 17 condominium units should not be

significantly affected by the manpower shortage as it is a smaller project and their expected TOP is Q4 FY2024.

- 3 The Hotel and F&B is a drag on the company performance for the last few years. Is the company looking at it strategically and see whether it should still be in these businesses?
Duxton Perth Hotel has been affected in the last few years due to the slowdown in the commodity mining industry in Perth. It is further hit by the lockdowns imposed in Australia in 2020 to stop the health epidemic caused by COVID-19. We will continue to manage and operate Duxton Perth and remain mindful of strategic opportunities.
- 4 Does the company plan to participate in more government land sale (GLS) tenders this year?
The Company intends to continue to participate in GLS tenders. We have just tendered for the GLS Ang Mo Kio Avenue 1 land plot on 25 May 2021 but we were not successful. We will continue to be selective in our tender participation and will remain disciplined in capital management so as to maintain stable and sustainable distributions to shareholders while achieving long term growth.

BY ORDER OF THE BOARD

CHIN YEOK YUEN
Company Secretary
30 May 2021

