

CIRCULAR DATED 15 MAY 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Koh Brothers Eco Engineering Limited (the "**Company**"), you should immediately inform the purchaser or transferee or bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular with the Notice of EGM (as defined herein) and the Proxy Form (as defined herein) may be accessed at the Company's website at http://www.kohbrotherseco.com/html/ir_annual.php and SGXNet.

This Circular 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 Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

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



KOH BROTHERS ECO ENGINEERING LIMITED

(Company Registration No. 197500111H)
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO:**

- (1) THE PROPOSED ALLOTMENT AND ISSUE OF 810,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO PENTA-OCEAN CONSTRUCTION CO., LTD. AT THE ISSUE PRICE OF S\$0.047 FOR EACH NEW SHARE PURSUANT TO THE TERMS AND SUBJECT TO THE CONDITIONS OF THE SUBSCRIPTION AGREEMENT (AS DEFINED HEREIN); AND**
- (2) THE PROPOSED ADOPTION OF THE POC IPT MANDATE (AS DEFINED HEREIN).**

Financial Adviser and Placement Agent
to Koh Brothers Eco Engineering Limited
in respect of the Proposed Subscription



SAC CAPITAL PRIVATE LIMITED
(Company Registration No. 200401542N)
(Incorporated in the Republic of Singapore)

Independent Financial Adviser
in respect of the POC IPT Mandate



RHT CAPITAL PTE. LTD.
(Company Registration No. 201109968H)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgment of the Proxy Form	:	28 May 2021 at 10.00 a.m.
Last date and time to pre-register online to attend the EGM remotely	:	28 May 2021 at 10.00 a.m.
Date and time of EGM	:	31 May 2021 at 10.00 a.m.
Place of EGM	:	The EGM will be held by electronic means.

This Circular has been made available on SGXNet and the Company's website and may be accessed at the URL http://www.kohbrotherseco.com/html/ir_annual.php. **Printed copies of this Circular, the Notice of EGM and the Proxy Form will NOT be despatched to Shareholders.**

To minimise physical interactions and COVID-19 transmission risks, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) observing and/or listening to the EGM proceedings via "live" audio-and-visual webcast or "live" audio-only stream; (b) submitting relevant questions in advance of the EGM; and (c) appointing the Chairman of the EGM ("Chairman") as proxy to attend, speak and vote on their behalf at the EGM. Please refer to Section 10 of this Circular and the Notice of EGM for further information, including the steps to be taken by Shareholders to participate at the EGM. The Notice of EGM may also be accessed at the Company's website at http://www.kohbrotherseco.com/html/ir_annual.php and on the SGXNet.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet.

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DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

- "2017 Warrants"** : The Company's renounceable non-underwritten rights cum warrants issue announced on 15 May 2017 and constituted under a deed poll dated 17 October 2017
- "2018 Warrants"** : The Company's renounceable non-underwritten rights cum warrants issue announced on 29 June 2018 and constituted under a deed poll dated 30 August 2018
- "associate"**
- (a) In relation to any individual, including a director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
 - (i) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent);
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
 - (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "Board"** : The board of directors of the Company for the time being
- "Business Day"** : A day (excluding Saturdays, Sundays and public holidays) on which commercial banks are open for business in Singapore
- "Catalist"** : The Catalist Board of the SGX-ST
- "Catalist Rules"** : The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended or modified from time to time
- "CDP"** : The Central Depository (Pte) Limited
- "Circular"** : This circular to Shareholders dated 15 May 2021
- "Companies Act"** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time

"Company"	:	Koh Brothers Eco Engineering Limited
"Completion"	:	Completion of the Proposed Subscription by the Subscriber, and the allotment and issue by the Company, of the Subscription Shares pursuant to the Subscription Agreement
"Completion Date"	:	The date of completion of the Proposed Subscription, being the date falling seven (7) Business Days after the last in time of the conditions set out in Section 2.5(a), (b) and (c) of this Circular have been satisfied or waived (as the case may be) (or such other date as may be agreed between the parties)
"Controlling Shareholder"	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
"Directors"	:	The directors of the Company for the time being
"EAR Group"	:	Has the meaning ascribed to it in paragraph 2.3 of Appendix 1 of this Circular
"EGM"	:	Extraordinary general meeting of the Company to be held on 31 May 2021
"FY"	:	Financial year ended or ending 31 December
"Group"	:	The Company and its subsidiaries
"IFA" or "Independent Financial Adviser"	:	RHT Capital Pte. Ltd., being the independent financial adviser in connection with the POC IPT Mandate
"IFA Letter"	:	The letter dated 15 May 2021 from the IFA to the Directors (who are all deemed to be independent in respect of the POC IPT Mandate) as set out in Appendix 2 to this Circular
"Issue Price"	:	S\$0.047 per Subscription Share
"KBGL"	:	Koh Brothers Group Limited
"KBGL Shareholder Approval"	:	The approval of the shareholders of KBGL in general meeting for the potential dilution of KBGL's percentage shareholding in the Company as a result of the issuance and allotment of the Subscription Shares to the Subscriber
"Latest Practicable Date"	:	12 May 2021, being the latest practicable date prior to the uploading of this Circular on SGXNet and the Company's website
"LPS"	:	Loss per share

"Maximum Scenario"	:	The scenario in which all of the outstanding Warrants as at the Latest Practicable Date are exercised and that all of the outstanding Share Awards as at the Latest Practicable Date are vested as at the Completion Date
"Maximum Scenario Enlarged Share Capital"	:	The enlarged issued and paid-up share capital of the Company of 3,232,742,592 Shares assuming the Maximum Scenario
"Minimum Scenario"	:	The scenario in which none of the outstanding Warrants as at the Latest Practicable Date are exercised and that none of the outstanding Share Awards as at the Latest Practicable Date are vested as at the Completion Date
"Minimum Scenario Enlarged Share Capital"	:	The enlarged issued and paid-up share capital of the Company of 2,817,613,004 Shares assuming the Minimum Scenario
"Minority Shareholders"	:	Has the meaning ascribed to it in paragraph 2.3 of Appendix 1 of this Circular
"NAV"	:	Net asset value
"NTA"	:	Net tangible assets
"Net Proceeds"	:	Has the meaning ascribed to it in Section 2.8 of this Circular
"Notice of EGM"	:	The notice of EGM set out on pages 48 to 50 of this Circular
"Partial Scenario"¹	:	The scenario in which none of the outstanding 2017 Warrants as at the Latest Practicable Date are exercised, all of the outstanding 2018 Warrants as at the Latest Practicable Date are exercised and all of the outstanding Share Awards as at the Latest Practicable Date are vested as at the Completion Date
"Partial Scenario Enlarged Share Capital"	:	The enlarged issued and paid-up share capital of the Company of 2,894,589,120 Shares assuming the Partial Scenario
"POC Interested Persons"	:	Has the meaning ascribed to it in paragraph 3.1 of Appendix 1 to this Circular
"POC Interested Person Transactions"	:	Has the meaning ascribed to it in paragraph 2.3 of Appendix 1 to this Circular
"POC IPT Mandate"	:	The proposed general mandate pursuant to Chapter 9 of the Catalist Rules for the Group to enter into the POC Interested Person Transactions with the POC Interested Persons
"Proposed Subscription"	:	The proposed allotment and issue of the Subscription Shares to the Subscriber at the Issue Price, on and subject to the terms of

¹ Unlike the 2017 Warrants, the 2018 Warrants are in-the-money. Accordingly, the Company has not provided information relating to the enlarged share capital of the Company on the assumption that all of the outstanding 2017 Warrants as at the Latest Practicable Date are exercised, none of the outstanding 2018 Warrants as at the Latest Practicable Date are exercised and that all of the outstanding Share Awards as at the Latest Practicable Date are vested as at the Completion Date.

the Subscription Agreement

"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SFA"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Awards"	:	Share awards granted to the Company's employees under the Koh Brothers Eco Engineering Limited Performance Share Plan 2017
"Shareholders"	:	Means: (a) where the Depository is named in the register of members of the Company as the holder of shares, a Depositor in respect of the number of shares standing to the credit of his name in the Depository Register; and (b) in any other case, a person whose name appears on the register of members maintained by the Company pursuant to Section 190 of the Companies Act and/or any other applicable law
"Shares"	:	Ordinary shares in the capital of the Company
"Subscriber"	:	Penta-Ocean Construction Co., Ltd.
"Subscription Agreement"	:	The subscription agreement dated 15 March 2021 entered into between the Company and the Subscriber in relation to the Proposed Subscription
"Substantial Shareholder"	:	A person who has an interest in one or more voting shares in a company, and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares of the company
"Warrants"	:	2017 Warrants and 2018 Warrants

Currencies, Units and Others

"JPY"	:	Japanese yen
"S\$"	:	Singapore dollars
"%"	:	Percentage or per centum

The terms "**Depositor**", "**Depository**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term "subsidiary" shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in figures included in this Circular between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Circular is a reference to S\$ unless otherwise stated.

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to the Proposed Subscription and the proposed adoption of the POC IPT Mandate.

KOH BROTHERS ECO ENGINEERING LIMITED

(Company Registration No. 197500111H)
(Incorporated in the Republic of Singapore)

Directors

Koh Keng Siang (*Non-Executive and Non-Independent Chairman*)
Shin Yong Seub (*Executive Director and Chief Executive Officer*)
Koh Choon Leng (*Non-Executive and Independent Director*)
Tan Hwa Peng (*Non-Executive and Independent Director*)
Lee Sok Khian John (*Non-Executive and Non-Independent Director*)

Registered Office

11 Lorong Pendek
Koh Brothers
Building
Singapore 348639

15 May 2021

To: Shareholders of Koh Brothers Eco Engineering Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Background Information

On 15 March 2021, the Directors announced that the Company had entered into the Subscription Agreement pursuant to which, and subject to the terms and conditions therein stated, the Company has agreed to allot and issue to the Subscriber 810,000,000 Subscription Shares at the Issue Price of S\$0.047 for each Subscription Share, amounting to an aggregate consideration of S\$38,070,000, which shall be satisfied by the Subscriber in cash.

A copy of the announcement issued by the Company in relation to the Proposed Subscription is available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

1.2 Ordinary Resolution 1 – The Proposed Subscription

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of 2,007,613,004 Shares, each fully paid-up. The Company does not have any treasury shares and subsidiary holdings. As at the Latest Practicable Date, the Company has 338,153,472 outstanding 2017 Warrants, expiring on 12 November 2021, and 75,777,456 outstanding 2018 Warrants, expiring on 25 September 2023. The 2018 Warrants are in-the-money.

Immediately following Completion:

- (a) on the assumption that none of the outstanding Warrants as at the Latest Practicable Date are exercised and that none of the outstanding Share Awards as at the Latest Practicable Date are vested as at the Completion Date (the "**Minimum Scenario**"), the Company will have an enlarged issued and paid-up share capital of 2,817,613,004 Shares (the "**Minimum Scenario Enlarged Share Capital**"). The Subscription Shares would represent approximately 28.75% of the Minimum Scenario Enlarged Share Capital of the Company;
- (b) on the assumption that all of the outstanding Warrants as at the Latest Practicable Date are exercised and that all of the outstanding Share Awards as at the Latest Practicable Date are vested as at the Completion Date (the "**Maximum Scenario**"), the Company will have an enlarged issue and paid-up share capital of 3,232,742,592 Shares (the

"Maximum Scenario Enlarged Share Capital"). The Subscription Shares would represent approximately 25.06% of the Maximum Scenario Enlarged Share Capital of the Company; and

- (c) on the assumption that none of the outstanding 2017 Warrants as at the Latest Practicable Date are exercised, all of the outstanding 2018 Warrants as at the Latest Practicable Date are exercised² and that all of the outstanding Share Awards as at the Latest Practicable Date are vested as at the Completion Date ("**Partial Scenario**"), the Company will have an enlarged issued and paid-up share capital of 2,894,589,120 Shares (the "**Partial Scenario Enlarged Share Capital**"). The Subscription Shares would represent approximately 27.98% of the Partial Scenario Enlarged Share Capital of the Company.

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

Section 161(1) of the Companies Act provides that the directors of a company shall not, without the prior approval of the company in general meeting, exercise any power of the company to issue shares. Further, Rule 805(1) of the Catalist Rules provides that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer, except where a general mandate for such issue has been obtained from shareholders in general meeting.

As such, the Proposed Subscription is subject to Shareholders' approval pursuant to Rules 803 and 805(1) of the Catalist Rules and Section 161 of the Companies Act. The Company will not be relying on the general shareholders' mandate to issue Shares passed at the Company's annual general meeting held on 27 April 2021.

Shareholders should note that following the allotment and issue of the Subscription Shares, the Subscriber will become one of the Controlling Shareholders of the Company. KBGL will remain the largest shareholder³ of the Company, with a shareholding interest of approximately 54.82% of the Minimum Scenario Enlarged Share Capital, approximately 53.36% of the Partial Scenario Enlarged Share Capital and approximately 54.54% of the Maximum Scenario Enlarged Share Capital.

The Proposed Subscription is subject to Shareholders' approval at the EGM by an ordinary resolution (the "**Ordinary Resolution 1**").

1.3 Ordinary Resolution 2 – The Proposed POC IPT Mandate

As at the Latest Practicable Date, the Group has existing contracts with the Subscriber and/or its associates in the ordinary course of business.

Following the Proposed Subscription, the Subscriber will become one of the Controlling Shareholders and an interested person of the Company as defined under Chapter 9 of the Catalist Rules. Accordingly, the performance of the obligations under the existing contracts and the entry into any subsequent contracts between the Group and the Subscriber and/or its associates will constitute interested person transactions under Chapter 9 of the Catalist Rules. Further details of the POC Interested Person Transactions and the POC IPT Mandate are set out in Section 3 and Appendix 1 of this Circular.

Accordingly, the Company will be seeking the approval of the Shareholders for the adoption of the POC IPT Mandate at the EGM.

² Please refer to Footnote 1.

³ As at the Latest Practicable Date, KBGL holds 218,444,432 2017 Warrants.

The POC IPT Mandate is subject to Shareholders' approval at the EGM by Ordinary Resolution 2 and is conditional upon the passing of Ordinary Resolution 1.

1.4 Opinion of the Independent Financial Adviser

The IFA has been appointed to advise the Directors on whether the methods or procedures for determining transaction prices in respect of the proposed POC IPT Mandate are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders (as described in paragraph 2.3 of Appendix 1). The IFA Letter is set out in Appendix 2 to this Circular.

1.5 Listing and Quotation Notice from the SGX-ST

The Company has made an application to the SGX-ST, via its Sponsor, for the listing of and quotation for the Subscription Shares on the Catalist and will make the necessary announcement(s) once the listing and quotation notice (the "LQN") for the listing and quotation of the Subscription Shares on the Catalist has been obtained from the SGX-ST.

The listing and quotation notice granted by the SGX-ST to the Company is not to be taken as an indication of the merits of the Proposed Subscription, the Subscription Shares, the Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

1.6 Extraordinary General Meeting

The Directors are convening the EGM to seek Shareholders' approval for the Proposed Subscription and the POC IPT Mandate as set out in the Notice of EGM on pages 48 to 50 of this Circular. The purpose of this Circular is to provide Shareholders with the relevant information relating to the same.

1.7 The Sponsor and the SGX-ST

The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

2. THE PROPOSED SUBSCRIPTION

2.1 Private Placement

The Proposed Subscription will be undertaken by way of a private placement in accordance with Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

2.2 The Subscriber

This Section 2.2 is based on information provided by and/or representations made by the Subscriber.

2.2.1 **Information on the Subscriber**

The Subscriber is incorporated in Japan and is listed on the first section of the Tokyo Stock Exchange with a market capitalisation of approximately JPY221,089,000,000 as at the Latest Practicable Date and a capital of approximately JPY30,449,000,000 as at 31 March 2021. The Subscriber is a leading general contractor operating in Japan and overseas. It specialises in marine works and land reclamation. The Subscriber also builds residential, commercial, and institutional buildings.

The Proposed Subscription was introduced to the Subscriber by SAC Capital Private Limited, the financial adviser to the Company in relation to the Proposed Subscription. The Company will be paying SAC Capital Private Limited as an adviser and placement agent an amount of approximately 2.6% of the Issue Price for each Subscription Share.

As at the Latest Practicable Date, the Subscriber does not own any Shares and is not directly or indirectly interested in any Shares in the Company. The Subscriber will not be holding the Subscription Shares as an agent for, trustee or as a nominee of, a third party or otherwise on behalf of any other person or entity. The Subscriber is not an associate of any Director, the chief executive officer or any Controlling Shareholder of the Company. The Subscriber does not fall within the category of persons listed in Rule 812(1) of the Catalist Rules.

Save for collaborations between the Group and the Subscriber in civil construction projects in the ordinary course of business (including the joint venture collaboration between the Company's subsidiary and the Subscriber for the Deep Tunnel Sewerage System Phase 2 project worth S\$520 million (which was announced on 28 September 2017)), as at the Latest Practicable Date:

- (a) to the best of the Subscriber's knowledge and belief, none of the Subscriber nor its directors or substantial shareholders has any connection or business relationship with the Company or any of its Directors or Substantial Shareholders; and
- (b) as far as the Company is aware, none of the Company nor its Directors or Substantial Shareholders has any connection or business relationship with the Subscriber or its directors or substantial shareholders.

2.2.2 **The Subscriber's Moratorium**

To further demonstrate the Subscriber's commitment, under the Subscription Agreement, the Subscriber has agreed that for a period of 12 months commencing from the Completion Date, it shall not:

- (a) offer, sell, contract to sell, grant any option to purchase, grant security over, encumber or otherwise dispose of, directly or indirectly, any of the Subscription Shares (or any securities convertible into or exchangeable for Shares or which carry rights to subscribe or purchase Shares) in the Company;
- (b) enter into a transaction (including a derivative transaction) with a similar economic effect to a sale of Shares; or
- (c) publicly announce any intention to do any of the above.

2.3 **The Subscription Shares**

The Subscription Shares, when allotted and issued, shall be free from all encumbrances and shall rank *pari passu* in all respects with the then existing issued Shares of the Company, except that they will not rank for any dividends, distributions or entitlements the record date for which falls on

or before the completion of the Proposed Subscription (“**Completion**”).

Upon the allotment and issuance of the Subscription Shares, the Company’s existing issued and paid-up share capital will increase from 2,007,613,004 Shares as at the Latest Practicable Date to 2,817,613,004 Shares (in the Minimum Scenario), 3,232,742,592 Shares (in the Maximum Scenario) and 2,894,589,120 Shares (in the Partial Scenario). The Subscription Shares would represent approximately 28.75% of the Minimum Scenario Enlarged Share Capital of the Company, approximately 25.06% of the Maximum Scenario Enlarged Share Capital of the Company and approximately 27.98% of the Partial Scenario Enlarged Share Capital of the Company.

2.4 Issue Price

The Issue Price is higher by approximately 30.56% as compared to the volume weighted average price of S\$0.036 per Share for trades done on the Catalist on 12 March 2021⁴, being the preceding full market day prior to the signing of the Subscription Agreement on 15 March 2021. As compared to the consolidated NAV per Share as at 31 December 2020 (based on the unaudited consolidated financial statements of the Group for FY2020), the Issue Price is lower by approximately 9.44%.

The Issue Price was arrived at following arm's length negotiations between the Company and the Subscriber and on a willing buyer willing seller basis, where the Company took into account, *inter alia*, the advice of the financial adviser to the Company in relation to the Proposed Subscription, SAC Capital Private Limited.

2.5 Conditions Precedent

Completion is conditional upon:

- (a) the issuance of the LQN from the SGX-ST for the listing and quotation of the Subscription Shares on the Catalist having been obtained and if such approval or issuance is subject to conditions, such conditions being reasonably acceptable to the parties and if required by the SGX-ST, such conditions being fulfilled or satisfied before Completion, and such approval remaining in full force and effect;
- (b) the Company having obtained at the EGM the approval of the Shareholders specifically for the allotment and issue of the Subscription Shares to the Subscriber, pursuant to Rule 803 of the Catalist Rules and Section 161 of the Companies Act, such approval not having been revoked or amended and if such approval is subject to any conditions and where such conditions affect any party, such conditions being reasonably acceptable to the party concerned, and if such conditions are required to be fulfilled on or before the date of Completion, they are so fulfilled;
- (c) KBGL, the parent company of the Company, having obtained the approval of shareholders of KBGL in general meeting for the potential dilution of KBGL’s percentage shareholding in the Company, as a result of the issuance and allotment of the Subscription Shares to the Subscriber (“**KBGL Shareholder Approval**”), or the grant of a waiver from the SGX-ST from having to obtain the KBGL Shareholder Approval on or before the date of Completion;
- (d) the allotment, issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority (including, without limitation, the Monetary Authority of Singapore and the SGX-ST) in Singapore, which is applicable to either party, including but not limited to the provisions of the Catalist Rules or the SFA;

⁴ There were no trades done in the Shares on 15 March 2021, being the date the Subscription Agreement was signed, as the Company had called for a trading halt on 15 March 2021.

- (e) the issue of the Subscription Shares to the Subscriber not resulting in the percentage of issued Shares being held by less than 10% of the public (computed in accordance with the Catalist Rules);
- (f) the warranties in the Subscription Agreement given by the Company remaining true and correct in all material respects as at the date of Completion; and
- (g) all covenants and undertakings of the Company under the Subscription Agreement having been complied with as at the Completion Date.

If any of the conditions is not satisfied on or before 30 June 2021 (or such later date as the parties may agree), the Subscription Agreement shall lapse, and no party shall have any claim whatsoever against the other party save for any antecedent breach of the Subscription Agreement.

Pursuant to the terms of the Subscription Agreement, Completion is to take place on the date falling seven (7) Business Days after the last in time of the conditions set out in Section 2.5(a), (b) and (c) of this Circular have been satisfied or waived (as the case may be) (or such other date as may be agreed between the parties).

2.6 Board Seat

In connection with the Proposed Subscription, after Completion, the Company shall, upon receiving a written request from the Subscriber, and subject to the recommendation of the nominating committee of the Company, the approval of the Board and the Company's Sponsor, and compliance with applicable requirements under the Constitution of the Company and the Catalist Rules, procure the appointment of a director nominated by the Subscriber onto the Board of the Company. If such director is nominated by the Subscriber and appointed onto the Board of the Company, the Board, with the participation of the director nominated by the Subscriber, will deliberate further on the Group's strategy for growth, which will include bidding for more capital-intensive projects and other potential growth opportunities.

2.7 Rationale of the Proposed Subscription

The Company is undertaking the Proposed Subscription to strengthen its financial position by increasing the Group's capital base and for working capital requirements. This will provide the Group with additional resources to bid for more capital-intensive projects and pursue potential growth opportunities. The Group has a strong track record in construction and civil engineering capabilities and intends to continue to pursue higher-value projects to support the Group's long-term growth. The Proposed Subscription will also enable the Group to push the boundaries on the Group's suite of capabilities to leverage on the growth in public sector construction activities in Singapore.

The Company believes that the Subscriber is a strong investor with a global perspective, and views the Proposed Subscription as an affirmation and endorsement of the Group's business model and growth strategy. Prior to the Proposed Subscription, the Group operates separately and independently from the Subscriber. Following the completion of the Proposed Subscription, the Group and the Subscriber will reassess future business opportunities and business plans going forward.

2.8 Use of Proceeds of the Proposed Subscription

2.8.1 Based on the Issue Price, the gross proceeds for the Proposed Subscription is approximately S\$38.07 million. The estimated net proceeds ("**Net Proceeds**") from the Proposed Subscription, after deducting estimated expenses payable in relation to the Proposed Subscription, will amount to approximately S\$36.87 million.

2.8.2 The Company intends to utilise the Net Proceeds in the following manner:

- (a) approximately 70% for the Group's general working capital including but not limited to matters such as funding new projects, capital improvements, the repayment of loans and the Group's operating costs; and
 - (b) approximately 30% for business expansion including financing new business ventures through joint venture, partnership, acquisitions and/or strategic investments.
- 2.8.3 Pending the utilisation of the Net Proceeds for such purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time.
- 2.8.4 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status update on the use of the Net Proceeds in the Company's half and full-year financial statements issued under Rule 705 of the Catalist Rules and its annual report(s). Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been utilised in its announcements on use of proceeds and in its annual report(s). Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

2.9 Financial Effects of the Proposed Subscription

The unaudited pro forma financial effects of the Proposed Subscription on the Group as set out below are purely for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the Company or the Group after the completion of the Proposed Subscription.

The pro forma financial effects set out below have been prepared based on the audited consolidated financial statements of the Group for FY2020, as well as the following bases and assumptions.

2.9.1 Share Capital

The effect of the Proposed Subscription on the issued share capital of the Company as at the Latest Practicable Date is as follows:

	Before the Proposed Subscription	After the Proposed Subscription		
		Minimum Scenario	Partial Scenario	Maximum Scenario
Number of Shares ('000)	2,007,613	2,817,613	2,894,589	3,232,743
Issued share capital (\$S'000)	97,034	133,744	137,990	174,592

2.9.2 Loss per Share

Assuming that the Proposed Subscription was completed on 1 January 2020, the effect on the consolidated loss per Share ("**LPS**") of the Group for FY2020 would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription		
		Minimum Scenario	Partial Scenario	Maximum Scenario
Net loss attributable to equity holders (S\$'000)	(11,779)	(11,779)	(11,779)	(11,779)
Weighted average number of Shares as at 31 December 2020 ('000)	1,979,514	2,789,514	2,875,205	3,213,360
LPS (Singapore cents) ⁽¹⁾	(0.60)	(0.42)	(0.41)	(0.37)

Note:

(1) LPS is computed based on net loss attributable to equity holders of the Company.

2.9.3 Net Asset Value

Assuming that the Proposed Subscription was completed on 31 December 2020, the effect on the consolidated NAV per Share as at 31 December 2020 after adjusting for the Subscription Shares and the Net Proceeds would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription		
		Minimum Scenario	Partial Scenario	Maximum Scenario
NAV (S\$'000) ⁽¹⁾	103,764	140,634	144,859	178,674
Number of Shares as at 31 December 2020 ('000)	1,998,897	2,808,897	2,894,588	3,232,743
NAV per Share (Singapore cents)	5.19	5.01	5.00	5.52

Note:

(1) NAV is based on net assets attributable to equity holders of the Company.

3. THE PROPOSED ADOPTION OF THE POC IPT MANDATE

3.1 Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, a listed company may seek a shareholders' general mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons, but will not cover the transactions relating to the purchase or sale of assets, undertakings or businesses.

Due to the time-sensitive nature of commercial transactions, such a general mandate will enable a listed company, in its ordinary course of business, to enter into certain categories of transactions with interested persons, provided such interested person transactions are made on normal commercial terms and are not prejudicial to the interests of the listed company and its minority shareholders.

Please also refer to Appendix 1 of this Circular for more information on the Catalist Rules pertaining to interested person transactions.

3.2 The KBGL IPT Mandate and Proposed Adoption of the POC IPT Mandate

At the annual general meeting of the Company held on 27 April 2021, Shareholders approved the renewal of a mandate (the “**KBGL IPT Mandate**”) to enable the Company, its subsidiaries and associated companies that are “entities at risk” (as that term is used in the Catalist Rules), or any of them, to enter into certain interested person transactions with KBGL (being the existing Controlling Shareholder of the Company) and/or its associates (the “**Mandated Interested Persons**”) as set out in the KBGL IPT Mandate. The KBGL IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier. Particulars of the KBGL IPT Mandate were set out in the Appendix to the Letter to Shareholders dated 12 April 2021.

As the terms of the KBGL IPT Mandate only encompass transactions entered into and/or proposed to be entered into by the Group with the Mandated Interested Persons, but do not cover transactions that may be entered into by the Group with the Subscriber and/or its associates following the completion of the Proposed Subscription, the Directors propose to table, for the Shareholders’ consideration and approval, the proposed POC IPT Mandate for the recurrent transactions that are proposed to be entered into by the Group with the Subscriber and/or its associates (the “**POC Interested Person Transactions**”) as set out in paragraph 3.2 of Appendix 1 to this Circular, provided that such interested person transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders. If approved by Shareholders at the EGM, the proposed POC IPT Mandate will be in addition to the KBGL IPT Mandate.

3.3 The Proposed POC IPT Mandate

Details of the proposed POC IPT Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices with the interested persons as set out in the POC IPT Mandate and other general information relating to Chapter 9 of the Catalist Rules, are set out in Appendix 1 to this Circular.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors’ shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, and as at the date of the EGM (on the assumption that their voting rights will not change between the Latest Practicable Date and the date of the EGM), the interests of the Directors in Shares and Shares comprised in unexercised Warrants and unvested Share Awards, and the interests of the Substantial Shareholders in Shares and Shares comprised in unexercised Warrants and unvested Share Awards before and after the completion of the Proposed Subscription, assuming the (a) Minimum Scenario, (b) Partial Scenario and (c) Maximum Scenario and that there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, will be as follows:

	Before the Proposed Subscription							
	Number of Shares				Number of Shares comprised in Warrants		Number of Shares comprised in unvested Share Awards	
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
Directors								
Koh Keng Siang ⁽²⁾⁽³⁾	13,120,000	0.65	1,544,629,607	76.94	7,204,041	218,444,432	-	-
Shin Yong Seub	1,590,970	0.08	-	-	-	-	88,690	-
Koh Choon Leng	-	-	-	-	-	-	-	-
Tan Hwa Peng	-	-	-	-	-	-	-	-
Lee Sok Khian John	-	-	-	-	-	-	-	-
Substantial Shareholders (other than Directors)								
Koh Brothers Group Limited ⁽³⁾	1,544,627,607	76.94	-	-	218,444,432	-	-	-

(a) Minimum Scenario

	After the Proposed Subscription							
	Number of Shares				Number of Shares comprised in Warrants		Number of Shares comprised in unvested Share Awards	
	Direct Interest	% ⁽⁴⁾	Deemed Interest	% ⁽⁴⁾	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
Directors								
Koh Keng Siang ⁽²⁾⁽³⁾	13,120,000	0.47	1,544,629,607	54.82	7,204,041	218,444,432	-	-
Shin Yong Seub	1,590,970	0.06	-	-	-	-	88,690	-
Koh Choon Leng	-	-	-	-	-	-	-	-
Tan Hwa Peng	-	-	-	-	-	-	-	-
Lee Sok Khian John	-	-	-	-	-	-	-	-
Substantial Shareholders (other than Directors)								
Koh Brothers Group Limited ⁽³⁾	1,544,627,607	54.82	-	-	218,444,432	-	-	-

(b) Partial Scenario

After the Proposed Subscription								
	Number of Shares				Number of Shares comprised in Warrants		Number of Shares comprised in invested Share Awards	
	Direct Interest	% ⁽⁵⁾	Deemed Interest	% ⁽⁵⁾	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
Directors								
Koh Keng Siang ⁽²⁾⁽³⁾	17,508,846	0.60	1,544,629,607	53.36	2,815,195	218,444,432	-	-
Shin Yong Seub	1,679,660	0.06	-	-	-	-	-	-
Koh Choon Leng	-	-	-	-	-	-	-	-
Tan Hwa Peng	-	-	-	-	-	-	-	-
Lee Sok Khian John	-	-	-	-	-	-	-	-
Substantial Shareholders (other than Directors)								
Koh Brothers Group Limited ⁽³⁾	1,544,627,607	53.36	-	-	218,444,432	-	-	-

(c) Maximum Scenario

After the Proposed Subscription								
	Number of Shares				Number of Shares comprised in Warrants		Number of Shares comprised in invested Share Awards	
	Direct Interest	% ⁽⁶⁾	Deemed Interest	% ⁽⁶⁾	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
Directors								
Koh Keng Siang ⁽²⁾⁽³⁾	20,324,041	0.63	1,763,074,039	54.54	-	-	-	-
Shin Yong Seub	1,679,660	0.05	-	-	-	-	-	-
Koh Choon Leng	-	-	-	-	-	-	-	-
Tan Hwa Peng	-	-	-	-	-	-	-	-
Lee Sok Khian John	-	-	-	-	-	-	-	-
Substantial Shareholders (other than Directors)								
Koh Brothers Group Limited ⁽³⁾	1,763,072,039	54.54	-	-	-	-	-	-

Notes:

- (1) Based on the existing total number of issued and paid-up Shares of the Company as at the Latest Practicable Date of 2,007,613,004 Shares (assuming that none of the outstanding 2017 Warrants and 2018 Warrants are exercised and that none of the outstanding Share Awards are vested).
- (2) Koh Keng Siang is deemed interested in (i) 2,000 Shares held by his spouse and (ii) 1,544,627,607 Shares held by Koh Brothers Group Limited.
- (3) Koh Keng Siang has a direct interest in 7,204,041 Shares to be issued upon the exercise of 2,815,195 2017 Warrants and 4,388,846 2018 Warrants held by him and a deemed interested in 218,444,432 Shares to be issued upon the exercise of 218,444,432 2017 Warrants held by KBGL.
- (4) Based on the enlarged issued share capital comprising 2,817,613,004 Shares immediately after Completion (assuming the Minimum Scenario).
- (5) Based on the enlarged issued share capital comprising 2,894,589,120 Shares immediately after Completion (assuming the Partial Scenario).
- (6) Based on the enlarged issued share capital comprising 3,232,742,592 Shares immediately after Completion (assuming the Maximum Scenario).

Pursuant to Rule 920 of the Catalist Rules, an interested person and any associate of the interested person shall abstain from voting on a shareholders' resolution approving any mandate in respect of any interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolutions unless specific voting instructions had been given by the Shareholders. The Company will disregard any votes cast on a resolution by the persons required to abstain from voting.

None of the Directors nor (so far as the Directors are aware) any Controlling Shareholders of the Company as at the Latest Practicable Date has any interest, direct or indirect, in the proposed POC IPT Mandate (other than their direct or indirect shareholdings in the Company).

5. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Chapter 9 of the Catalist Rules, RHT Capital Pte. Ltd. has been appointed as the IFA to advise the Directors in respect of the proposed adoption of the POC IPT Mandate.

A copy of its letter dated 15 May 2021 to the Directors (the "IFA Letter") is set out in Appendix 2 to this Circular and Shareholders are advised to read the IFA Letter carefully.

Shareholders are advised to read the following extract in conjunction with, and in the context of the full text of the IFA Letter.

"4. OUR OPINION

In arriving at our recommendations in respect of the Proposed POC IPT Mandate, we have taken into consideration, inter alia, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (i) *Rationale and benefits of the adoption of the Proposed POC IPT Mandate;*
- (ii) *The POC Interested Persons to be covered;*
- (iii) *Nature and scope of the Proposed POC IPT Mandate;*
- (iv) *Guidelines and review procedures for the POC Interested Person Transactions with the POC Interested Persons;*

(v) *Validity period of the Proposed POC IPT Mandate; and*

(vi) *Disclosures in the annual report.*

Having regard to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that, the guidelines and review procedures for determining the terms of the Proposed POC IPT Mandate are sufficient to ensure that all POC Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Proposed POC IPT Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed POC IPT Mandate, and we do not warrant the merits of the Proposed POC IPT Mandate.”

The IFA has advised the Directors to recommend to the Shareholders to vote in favour of the proposed adoption of the POC IPT Mandate.

Shareholders are advised to read the IFA Letter in its entirety carefully and consider it in the context of this Circular before deciding on whether to approve the proposed adoption of the POC IPT Mandate.

6. OPINION OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Company currently comprises Mr Koh Choon Leng, Mr Koh Keng Siang, and Mr Tan Hwa Peng. The Chairman of the Audit and Risk Committee is Mr Koh Choon Leng. None of the members of the Audit and Risk Committee have any interests in the proposed POC IPT Mandate and are deemed to be independent for the purposes of the proposed adoption of the POC IPT Mandate.

The Audit and Risk Committee, having reviewed, among other things, the terms, rationale for and the details of, the proposed POC IPT Mandate and after considering the advice of the IFA as set out at Appendix 2 to this Circular, concurs with the IFA and is of the opinion that the proposed POC IPT Mandate is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.

7. DIRECTORS' OPINION AND RECOMMENDATIONS

7.1 The Directors are of the reasonable opinion that as at the Latest Practicable Date, barring unforeseen circumstances and after taking into consideration:

- (a) the Group's internal resources, operating cash flow and present banking facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the Company has decided to undertake the Proposed Subscription for the reasons set out in Section 2.7 above; and
- (b) the Group's internal resources, operating cash flow, present banking facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7.2 Proposed Subscription. The Directors, having carefully considered the terms and rationale of, and the financial effects of, the Proposed Subscription, are of the opinion that the Proposed Subscription is in the best interests of the Company. Accordingly, they recommend that

Shareholders vote in favour of Ordinary Resolution 1, being the Ordinary Resolution relating to the Proposed Subscription to be proposed at the EGM.

- 7.3 Proposed Adoption of the POC IPT Mandate.** The Directors, having fully considered, *inter alia*, the scope, guidelines and review procedures, the rationale for and the benefits of the proposed POC IPT Mandate, the opinion of the IFA given in the IFA Letter in respect of the proposed POC IPT Mandate, and all the other relevant information set out in this Circular, concur with the advice of the IFA given in the IFA Letter. They are of the opinion that the proposed adoption of the POC IPT Mandate to permit entry into the POC Interested Person Transactions (as described in paragraph 3.2 of Appendix 1) between the EAR Group (as described in paragraph 2.3 of Appendix 1) and the POC Interested Persons (as described in paragraph 3.1 of Appendix 1) in the ordinary course of its business will enhance the efficiency of the Group and is in the best interests of the Company. For the reasons set out in paragraph 2 of Appendix 1, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 2, being the Ordinary Resolution relating to the proposed adoption of the POC IPT Mandate to be proposed at the EGM.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 48 to 50 of this Circular, will be convened and held by way of electronic means on Monday, 31 May 2021 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolutions set out in the Notice of EGM on pages 48 to 50 of this Circular.

9. NO DESPATCH OF PRINTED COPIES OF CIRCULAR, NOTICE OF EGM AND PROXY FORM

No printed copies of this Circular, the Notice of EGM and the Proxy Form in respect of the EGM will be despatched to Shareholders. Copies of this Circular, the Notice of EGM and the Proxy Form have been uploaded to the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. A Shareholder will need an Internet browser and PDF reader to view these documents on the Company's website and on SGXNET.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

10.1 No Attendance at EGM

To minimise physical interactions and COVID-19 transmission risks, Shareholders will not be able to attend the EGM in person.

10.2 Alternative Arrangements

Instead, alternative arrangements have been put in place to allow Shareholders who pre-register to participate at the EGM by (a) observing and/or listening to the EGM proceedings via "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions related to the resolutions tabled for approval, in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Shareholders may begin to pre-register at <https://complete-corp.com/koh-brothers-eco-egm/> for the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings and/or submit any questions that are related to the resolutions tabled for approval via the pre-registration website at <https://complete-corp.com/koh-brothers-eco-egm/>, by email to kohbrotherseco-egm@complete-

corp.com or by post to the Company's registered address at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639 (Attn: The Company Secretary). Shareholders are to pre-register for the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings by 10.00 a.m. on 28 May 2021.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Subscription, the proposed POC IPT Mandate and the Group in relation to the Proposed Subscription and the proposed POC IPT Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

To the best of the knowledge and belief of SAC Capital Private Limited, the financial adviser to the Company in relation to the Proposed Subscription, this Circular constitutes full and true disclosure of all material facts about the Proposed Subscription and the Group in relation to the Proposed Subscription, and SAC Capital Private Limited is not aware of any facts the omission of which would make any statement in this Circular misleading.

13. CONSENT FROM THE FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

SAC Capital Private Limited, the financial adviser and placement agent to the Company in respect of the Proposed Subscription, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

RHT Capital Pte. Ltd., the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter set out in Appendix 2 to this Circular and references to its name in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

14. DOCUMENTS FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents are available for inspection by Shareholders at the registered office of the Company at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Subscription Agreement;
- (b) the IFA Letter;
- (c) the written consents of the IFA and SAC Capital Private Limited;

- (d) the annual report of the Company for FY2020; and
- (e) the Constitution of the Company.

The annual report of the Company for FY2020 may also be accessed at the Company's website at http://www.kohbrotherseco.com/html/ir_annual.php or via SGXNet.

Yours faithfully

KOH BROTHERS ECO ENGINEERING LIMITED

For and on behalf of the Board of Directors

Koh Keng Siang

Non-Executive and Non-Independent Chairman

APPENDIX 1 – THE POC IPT MANDATE

1. Chapter 9 of the Catalyst Rules

- 1.1 Chapter 9 of the Catalyst Rules governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. Under this Chapter, a listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for a transaction, when the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds.
- 1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and hence are excluded from the ambit of Chapter 9, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:
- (a) 5.0% of the listed company's latest audited consolidated NTA; or
 - (b) 5.0% of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Catalyst Rules) during the same financial year.
- 1.3 Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2020, the consolidated NTA of the Group was approximately S\$96,907,000. In relation to the Company, for the purposes of Chapter 9 of the Catalyst Rules, in the current financial year and until such time as the consolidated audited financial statements of the Group for the financial year ending 31 December 2021 are published, 5.0% of the latest audited consolidated NTA of the Group would be approximately S\$4,845,000.
- 1.4 Chapter 9 of the Catalyst Rules, however, permits a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses), that may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.
- 1.5 Under the Catalyst Rules:
- (a) an **"entity at risk"** means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (**"listed group"**), or the listed group and its interested person(s), has control over the associated company;
 - (b) (in the case of a company) an **"interested person"** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder. The SGX-ST may also deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (i) a transaction with an entity at risk, and (ii) an agreement or arrangement with an interested person in connection with that transaction;

- (c) (in the case of a company) an **“associate”** in relation to an interested person who is a director, chief executive officer or controlling shareholder means an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30.0% or more, and, where a controlling shareholder is a corporation, means its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30.0% or more;
- (d) an **“approved exchange”** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules;
- (e) an **“interested person transaction”** means a transaction between an entity at risk and an interested person; and
- (f) a **“transaction”** includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

2. Rationale for the Proposed POC IPT Mandate and Benefits to EAR Group

- 2.1 Upon completion of the Proposed Subscription, Penta-Ocean Construction Co., Ltd. (the **“Subscriber”** or **“POC”**) will have a shareholding interest of approximately 28.75% of the Minimum Scenario Enlarged Share Capital, approximately 25.06% of the Maximum Scenario Enlarged Share Capital or approximately 27.98% of the Partial Scenario Enlarged Share Capital. Accordingly, following completion of the Proposed Subscription, the Subscriber will become one of the Controlling Shareholders and an interested person of the Group for the purposes of Chapter 9 of the Catalist Rules. Please refer to Section 1.2 of this Circular for further details on the shareholding interests of the Subscriber following completion of the Proposed Subscription.
- 2.2 The Group has in the ordinary course of its business, entered into transactions with the Subscriber and/or its associates. Post-Completion, the Company envisages that the Group will continue to enter into transactions with the Subscriber and/or its associates from time to time where appropriate, in the ordinary course of business.
- 2.3 In view of the time-sensitive nature of commercial transactions in general, the Directors are of the view that post-Completion, it would be advantageous for the Company to obtain the POC IPT Mandate to enable:
 - (a) the Company;
 - (b) subsidiaries of the Company (other than a subsidiary that is listed on the SGX-ST or an approved exchange, if any); and
 - (c) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange, if any) over which the Group, or the Group and interested person(s) of the Company has or have control,

(together, **“EAR Group”**), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions (the **“POC Interested Person Transactions”**, each a **“POC Interested Person Transaction”**) set out in paragraph 3.2 below with the POC Interested Persons (as defined below), provided such POC Interested Person Transactions are carried out on normal

commercial terms and are not prejudicial to the interests of the Company and its Shareholders (excluding those who are POC Interested Persons) (“**Minority Shareholders**”).

- 2.4 The proposed POC IPT Mandate (if approved and renewed on an annual basis) will eliminate, amongst others, the need for the Company to convene separate general meetings on each occasion to seek Shareholders’ approval as and when POC Interested Person Transactions arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the Company’s corporate objectives and adversely affecting the EAR Group’s business opportunities.
- 2.5 The Board is of the view that the POC Interested Person Transactions are and will be carried out on an arm’s length basis as the terms of the POC Interested Person Transactions are and will be comparable to the terms of the transactions that the EAR Group enters and will be entering into with other unrelated parties.
- 2.6 The Board having considered, *inter alia*, the terms and rationale for the POC IPT Mandate, is of the view that it will be beneficial to the EAR Group to transact with the POC Interested Persons. Disclosure will be made where required under the prevailing Catalist Rules, in the Company’s annual report and financial results on the aggregate value of the POC Interested Person Transactions conducted pursuant to the POC IPT Mandate during the relevant financial period, and in the annual reports for the subsequent financial years during which the POC IPT Mandate is in force or announced where required pursuant to the prevailing Catalist Rules.

3. Scope of the Proposed POC IPT Mandate

3.1 POC Interested Persons

The proposed POC IPT Mandate will apply to any POC Interested Person Transaction that is carried out between the EAR Group and the following interested persons (collectively, the “**POC Interested Persons**” and each, a “**POC Interested Person**”):

- (a) the Subscriber. Following Completion, the Subscriber will become one of the Controlling Shareholders of the Company, with a shareholding interest of approximately 28.75% of the Minimum Scenario Enlarged Share Capital, approximately 25.06% of the Maximum Scenario Enlarged Share Capital or approximately 27.98% of the Partial Scenario Enlarged Share Capital;
- (b) the following subsidiaries of the Subscriber:

Subsidiaries	Subscriber's shareholding interest in the capital of the subsidiary as at the Latest Practicable Date (%)
Penta-Ocean Dredging Co., Ltd.	100
Penta-Ocean Marine Holdings Pte. Ltd.	100
Andromeda Five Pte. Ltd.	100
Cassiopeia Five Pte. Ltd.	100
Mercury Five Pte. Ltd.	100
Mars Five Pte. Ltd.	100
Cherry Five Pte. Ltd.	100
UG M&E Pte. Ltd.	100
Angkuttlaut Ltd.	100

(c) the following associates of the Subscriber:

Associates	Subscriber's shareholding interest in the capital of the associate as at the Latest Practicable Date (%)
Penta-Ocean (Malaysia) SDN. BHD. ⁽¹⁾	30
POKB JV ⁽²⁾	65

Notes:

- (1) The Subscriber has a 30% shareholding interest in Penta-Ocean (Malaysia) SDN. BHD.. The balance 70% is held by a third party which is not related to the Company.
- (2) POKB JV is a contractual joint venture in which the Subscriber has a 65% interest, with the remaining 35% being held by Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. (a wholly-owned subsidiary of the Company).

3.2 Categories of POC Interested Person Transactions

The categories of POC Interested Person Transactions which will be covered by the proposed POC IPT Mandate include:

(a) General Transactions

General transactions by the EAR Group relating to the provision to, and obtaining from, the POC Interested Persons of the following products and services in the normal course of business of the EAR Group in providing services for (i) water and wastewater treatment; (ii) hydro-engineering projects and/or (iii) construction (including but not limited to building, renewable energy, land and marine infrastructure) activities:

- (1) the engagement and/or provision of contractor services and supplier services in respect of (A) water and wastewater treatment; (B) hydro-engineering projects and (C) construction (including but not limited to building, renewable energy, land and marine infrastructure) activities;
- (2) the rental, sale or purchase (as the case may be) of materials, plants, machinery and equipment (which is in the ordinary course of business, and save for those transactions which fall under the ambit of Chapter 10 of the Catalist Rules) for (A) water and wastewater treatment; (B) hydro-engineering projects and (C) construction (including but not limited to building, renewable energy, land and marine infrastructure) activities;
- (3) the engagement and/or provision of logistics and transportation services;
- (4) the engagement and/or provision of drainage system services, including but not limited to design, fabrication, delivering, installing and testing systems;
- (5) the engagement and/or provision of project development and/or management services, including but not limited to application for relevant permits, licences and approvals, management of tender process, advice on appointment of consultants, liaison with relevant authorities, liaison with consultants and contractors, supervision of work and the engagement and provision of financial and administrative support services related to such projects;
- (6) the engagement and/or provision of services for (A) water and wastewater treatment; (B) hydro-engineering projects and (C) construction (including but not limited to building, renewable energy, land and marine infrastructure) projects, including, amongst others, labour, design, supply, modelling, delivery, diversion, installation, testing and commission;

- (7) the provision and/or the obtaining of performance bonds in relation to obligations which are incidental to or in connection with transactions described in subparagraphs (1) to (6) above and which are in the ordinary course of business; and
- (8) the provision or obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in subparagraphs (1) to (7) above.

(b) Management, Technical and Support Services

These transactions relate to the provision and/or obtaining of management, technical and support services in the area of professional, administrative and support services, including but not limited to, corporate events, potential and/or existing business development, business relations, investment/project risk review, information technology, and management information systems, intellectual property rights, human resource and staff management, insurance, corporate communications (including investor relations), taxation, accounting, internal audit, central purchasing, corporate secretarial services and any other professional, administrative and support services that may arise from time to time.

By having access to such services, the EAR Group will benefit through savings in terms of reduced overheads and greater economies of scale (such as bulk discounts enjoyed by POC on a group basis). In addition, the EAR Group is able to obtain expertise in the areas of project/investment risk review, business relations and business development through the extensive global network of the POC Interested Persons and their top executives. The ability to tap on such expertise and experience is important for the EAR Group's ability to respond in a timely manner to take advantage of opportunities as and when they arise.

(c) Other Services

Such transactions include:

- (1) the leasing of premises and obtaining of property maintenance services; and
- (2) the provision or obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraph (1) above.

For the avoidance of doubt, the proposed POC IPT Mandate does not extend to the purchase or sale of assets, undertakings or businesses between the EAR Group and the POC Interested Persons. The proposed POC IPT Mandate will also not cover any POC Interested Person Transaction that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions. The proposed POC IPT Mandate would, however, cover POC Interested Person Transactions with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Catalist Rules and treated as if they were one POC Interested Person Transaction which has a value of S\$100,000 or more.

Transactions by the Group with the POC Interested Persons that do not fall within the ambit of the POC IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

For the avoidance of doubt, pursuant to Rule 916 of the Catalist Rules, investments into joint venture with interested persons as well as the provision of loans to a joint venture with interested persons are, subject to compliance with the relevant conditions specified in the Catalist Rules, exempted from complying with Rule 906 of the Catalist Rules.

4. Guidelines and Review Procedures for the POC Interested Person Transactions

4.1 Review Procedures

The Directors have confirmed that the EAR Group has in place, *inter alia*, internal control systems, review and approval procedures to ensure that transactions with its interested persons (including the POC Interested Persons) are made on normal commercial terms and/or on an arm's length basis, consistent with the EAR Group's usual business practices and policies and not prejudicial to the interests of the Company and its Minority Shareholders. The Audit and Risk Committee of the Company (which currently comprises Mr Koh Choon Leng (Chairman), Mr Koh Keng Siang, and Mr Tan Hwa Peng) will also review and approve the POC Interested Person Transactions where applicable, and ensure that all future POC Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the EAR Group or the Minority Shareholders.

The following review procedures will be implemented after having regard to the nature of POC Interested Person Transactions and the criteria for establishing review procedures, which is to ensure that such review procedures are adequate and/or commercially practicable in ensuring that the POC Interested Person Transactions are conducted on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and Minority Shareholders:

- (a) all POC Interested Person Transactions shall be conducted in accordance with the EAR Group's usual business practices and policies, consistent or comparable with the usual margins or historical margins or costs (where applicable), rates (including commission) or prices extended to or received by the EAR Group for the same or substantially similar type of transactions between the EAR Group and unrelated third parties, and the terms shall not be more favourable to the POC Interested Person compared to those extended to or received from unrelated third parties after taking into account the speed of and cost for timely response and mobilisation, credit terms, quality, requirements, specifications, scope, size, complexity and resources required for implementation of the projects for which POC Interested Persons are providing goods or services, preferential or relatively advantageous access to assets and buyers, asset type, restrictions and array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks;
- (b) when purchasing any products or obtaining any services (including the leasing of premises) from a POC Interested Person, in order to ensure that the interests of the EAR Group or the Minority Shareholders are not disadvantaged, comparison will be made with at least two quotations from unrelated/independent third party(ies) as a basis for comparison, from independently verifiable and reliable sources as approved by the Audit and Risk Committee from time to time ("**Approved Independent Sources**"), with advice from relevant employees of the Company with management responsibilities comprising personnel from the finance department and other relevant departments.

The list of Approved Independent Sources will be maintained by the relevant departments and reviewed by the Audit and Risk Committee periodically. Specifically, for the provision of corporate guarantee(s) by a POC Interested Person, a comparison shall be made with the fees, premium or charges paid or payable by the EAR Group to the bank or other financial institution for the provision of relevant or equivalent performance bond or guarantee with similar or comparable terms including, *inter alia*, duration and guaranteed amount. The purchase price or fee or rates for the products or services, after taking into account factors mentioned in paragraph (a) above, shall not be higher than the most favourable price or fee of the two other quotations (wherever possible or available) from the Approved Independent Sources. Credit terms of the purchases will be comparable to those offered by unrelated third parties. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time of goods or services, industry norms, specifications, scope, size, complexity and resources required for implementation of the projects for which POC Interested Persons are providing goods or services, preferential or relatively advantageous access to

assets and buyers, asset type, restrictions, array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks will be taken into consideration;

- (c) when selling any products or supplying any services (including the leasing of premises) to a POC Interested Person, the price or fee or profit margins and terms of two other successful transactions of a similar nature (or comparable nature) with non-POC Interested Persons will be used as comparison to ensure that the interests of the EAR Group or the Minority Shareholders are not disadvantaged. The price or fee or margin for the supply of products or services shall not be lower than the lowest price or fee of the two other successful transactions with non-POC Interested Persons, taking into account all pertinent factors, including but not limited to speed of and cost for timely response and mobilisation, quantity, credit records of the customer, terms of sale or supply, strategic purpose of the transaction, specifications, scope, size, complexity and resources required for implementation of the projects for POC Interested Persons, preferential or relatively advantageous access to assets and buyers, asset type, restrictions, array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks and other qualitative considerations; and
- (d) in circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions of similar goods or services due to the nature of the goods or services to be purchased or provided, any two Directors of the Company with no interest, direct or indirect, in the proposed POC Interested Person Transaction will, subject to the approval thresholds as set out in paragraph 4.2 below, take such necessary steps which would include but are not limited to (i) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided by the POC Interested Persons are fair and reasonable; and (ii) evaluate and weigh the benefits of, and rationale for transacting with the POC Interested Persons, taking into account factors such as, but not limited to, the nature of the services, track record, delivery schedules, requirements and specifications of the Group or the customer, duration of contract, quality, reliability, previous working experience taking into account mobilisation cost and timely response, specifications, scope, size, complexity and resources required for implementation of the projects for which POC Interested Persons are providing goods or services, preferential or relatively advantageous access to assets and buyers, asset type, restrictions and structure for investments, array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks, project restrictions and structure or the results of and returns from the underlying projects.

4.2 Approval and Review Threshold

The following approval procedures will be implemented to supplement existing internal control procedures for the POC Interested Person Transactions to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms. For the avoidance of doubt, where the approving party as stipulated herein is interested in the transaction to be approved, he/she will inform the Audit and Risk Committee and such disclosures should be documented. In the event any equivalent person with the relevant experience and responsibility, as stated below for the various thresholds cannot be determined, the approving authority shall be decided by the Audit and Risk Committee.

Individual and aggregate transactions review and approval thresholds shall be as follows:

- (a) Where the individual or aggregate value of the POC Interested Person Transactions is equal to or more than S\$100,000 but less than 20.0% of the Group's latest audited NTA, all subsequent POC Interested Person Transactions shall require the prior approval of either the Financial Controller (or equivalent person) or Chief Executive Officer for the Group. POC Interested Person Transactions that have been approved by the Audit and Risk Committee need not be aggregated for the purpose of such approval.

- (b) Where the individual or aggregate value of the POC Interested Person Transactions is equal to or more than 20.0% but less than 50.0% of the Group's latest audited NTA, all subsequent POC Interested Person Transactions shall require the prior approval of both the Financial Controller (or equivalent person) or the Chief Executive Officer and at least one (1) Director, who is not interested in the transaction and a member of the Audit and Risk Committee. POC Interested Person Transactions that have been approved by the Audit and Risk Committee need not to be aggregated for the purpose of such approval.
- (c) Where the individual or aggregate POC Interested Person Transactions is equal to or more than 50.0% of the Group's latest audited NTA, all subsequent POC Interested Person Transactions will be subject to the prior approval of the Audit and Risk Committee and recommendation of the Financial Controller (or equivalent person) or the Chief Executive Officer. If a member of the Audit and Risk Committee is interested in any POC Interested Person Transactions, he shall abstain from participating in the review of that particular transaction. POC Interested Person Transactions that have been approved by the Audit and Risk Committee need not be aggregated for the purpose of such approval. For avoidance of doubt, the Audit and Risk Committee shall be responsible for such approvals.
- (d) All approvals must strictly follow the review procedures as stipulated in paragraphs 4.1 and 4.2 and must be documented. The documentation, including the reasons for approval where necessary, must be accompanied with supporting documents to serve as audit trails, which will be subject to internal and/or external audit.

In addition, the Financial Controller (or equivalent person), who is a key executive of the Company as disclosed in the Company's annual report, will review (and document such reviews) all POC Interested Person Transactions (including POC Interested Person Transactions that are less than S\$100,000 in value) and its register on a quarterly basis or such other periods as approved by the Audit and Risk Committee.

The threshold limits set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at after considering the operational efficiency for the day-to-day business operations of the Group and the internal control for POC Interested Person Transactions. The threshold limits act as an additional safeguard to supplement the review procedures which will be implemented by the Company for POC Interested Person Transactions.

4.3 Additional Controls

The additional controls will apply to the POC Interested Person Transactions as stated below.

- (a) The finance department of the Group will maintain a register of transactions carried out with POC Interested Persons pursuant to the proposed POC IPT Mandate (recording and documenting the identity of the interested persons, basis, including the quotations and supporting evidence or records or details obtained to support such basis, on which they were entered into as well as the approving authority). For avoidance of doubt, the quotations and supporting evidence or records or supporting details obtained may be kept or maintained by other relevant departments. The POC Interested Person Transactions register shall be prepared, maintained, monitored and reviewed on a monthly basis, by the Financial Controller (or equivalent person) of the Company who is not a POC Interested Person. This is to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures in the proposed POC IPT Mandate. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit and Risk Committee. In addition, any exceptions or departures from the procedures shall be reported and highlighted to the Audit and Risk Committee immediately.
- (b) The Financial Controller (or equivalent person) / Company Secretary will obtain signed letters of confirmation from persons delegated with the approving authority as set out in

paragraph 4.2 above, Controlling Shareholders and the Directors on a periodic basis (annual basis or such other period as may be determined by the Audit and Risk Committee) with respect to their interest in any transactions with the Group.

- (c) The Financial Controller (or equivalent person) / Company Secretary will maintain a list of the Directors and Controlling Shareholders of the Company (which is to be updated immediately if there are any changes) to enable identification of POC Interested Persons. The master list of POC Interested Persons which is maintained shall be reviewed by the Audit and Risk Committee at least on a semi-annual basis.
- (d) The Group's annual or periodic (such periods as may be decided by the Audit and Risk Committee) internal audit plan may incorporate a review of all POC Interested Person Transactions (where applicable), including the established review procedures for monitoring of such POC Interested Person Transactions, entered into during the current financial year pursuant to the proposed POC IPT Mandate and consistent with the Code of Corporate Governance 2018. The approval thresholds as stipulated herein may be delegated with the approval of the Audit and Risk Committee which will be duly documented together with the bases for such approval.
- (e) The Audit and Risk Committee shall periodically review all POC Interested Person Transactions, at least on a semi-annual basis, to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures in the proposed POC IPT Mandate. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit and Risk Committee. The Audit and Risk Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the transactions under review.
- (f) In the event that a member of the Audit and Risk Committee is interested in any POC Interested Person Transaction, he shall abstain from participating in the review of that particular transaction.
- (g) Subject to paragraph 4.3(d) above, the Group's internal auditor shall, on at least a semi-annual basis or such other periods as required by the Audit and Risk Committee, subject to adjustment in frequency, depending on factors such as, inter alia, substantial increment of aggregate transactional value, report to the Audit and Risk Committee on all POC Interested Person Transactions, and the basis of such transactions, entered into with POC Interested Persons during the preceding period. The Audit and Risk Committee shall review such POC Interested Person Transactions at its periodic meetings (not less than twice or such other frequency a year as decided by the Audit and Risk Committee) except where POC Interested Person Transactions are required under the review procedures to be approved by the Audit and Risk Committee prior to the entry thereof.
- (h) The Audit and Risk Committee will conduct periodic reviews (of not less than half-yearly or such other period as may be determined by the Audit and Risk Committee) of the review procedures for the POC Interested Person Transactions. If, during these periodic reviews, the Audit and Risk Committee is of the view that these review procedures are no longer sufficient or appropriate to ensure that the POC Interested Person Transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new review procedures for POC Interested Person Transactions. All POC Interested Person Transactions will be reviewed and approved by the Audit and Risk Committee prior to entry while a fresh mandate is being sought from the Shareholders.
- (i) The Audit and Risk Committee will review the letters of confirmation from key management personnel, Controlling Shareholders and the Directors of the Company and all POC Interested Person Transactions on a periodic basis (annual basis or such other period as may be determined by the Audit and Risk Committee) and the minutes of such review and its outcome shall be taken.

- (j) For purposes of the above review and approval process, any Director who is not considered independent for purposes of the proposed POC IPT Mandate and/or any POC Interested Person Transactions will abstain from voting in relation to any respective resolution, and/or abstain from participating in the Audit and Risk Committee's decision during its review of the established review procedures for the POC Interested Person Transactions or during its review or approval of any POC Interested Person Transactions.

4.4 Further Compliance

The Directors will ensure that all disclosures, approvals and other requirements in respect of the POC Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with.

5. **Validity Period of the Proposed POC IPT Mandate**

If approved by Shareholders at the EGM, the proposed POC IPT Mandate will take effect from the passing of the ordinary resolution in respect of the proposed POC IPT Mandate, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier. The Company intends to seek the approval of Shareholders for the renewal of the proposed POC IPT Mandate at each subsequent annual general meeting. The renewal of such general mandate shall be subject to the satisfactory review by the Audit and Risk Committee of its continued application to the POC Interested Person Transactions.

6. **Disclosures**

- 6.1 The Company will announce the aggregate value of transactions conducted with the POC Interested Persons pursuant to the POC IPT Mandate for each financial period on which the Company is required to report on pursuant to Appendix 7C of the Catalist Rules and within the time required for the announcement of such report in accordance with Rule 920(1)(a)(ii) of the Catalist Rules.
- 6.2 Disclosure will also be made in the annual report of the Company of the aggregate value of the POC Interested Person Transactions pursuant to the POC IPT Mandate during the relevant financial period and in the annual reports for the subsequent financial years during which the POC IPT Mandate is in force, in the following format as stipulated under Rule 907 of the Catalist Rules:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)

APPENDIX 2 – IFA LETTER

RHT CAPITAL PTE. LTD.
(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)
6 Raffles Quay, #24-02
Singapore 048580

15 May 2021

To: The Independent Directors of Koh Brothers Eco Engineering Limited
(deemed to be independent in respect of the Proposed POC IPT Mandate)

Mr Koh Keng Siang	(Non-Executive and Non-Independent Chairman)
Mr Shin Yong Seub	(Executive Director and Chief Executive Officer)
Mr Lee Sok Khian John	(Non-Executive and Non-Independent Director)
Mr Tan Hwa Peng	(Non-Executive and Independent Director)
Mr Koh Choon Leng	(Non-Executive and Independent Director)

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE PROPOSED POC IPT MANDATE

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 15 May 2021 issued by the Company to shareholders of the Company (“Circular”) shall have the same meaning herein.

1. INTRODUCTION

Koh Brothers Eco Engineering Limited (“**Company**”, and together with its subsidiaries and associates, “**Group**”) is a sustainable engineering solutions group that provides engineering, procurement and construction (“**EPC**”) services for infrastructure, water and wastewater treatment, hydro-engineering, bio-refinery and bio-energy projects.

On 15 March 2021, the board of directors (“**Directors**” or “**Board**”) of the Company announced that it had entered into a subscription agreement dated 15 March 2021 (“**Subscription Agreement**”) with Penta-Ocean Construction Co., Ltd. (“**POC**”), pursuant to which, and subject to the terms and conditions therein stated, the Company has agreed to allot and issue to POC, 810,000,000 new ordinary shares in the capital of the Company (“**Subscription Shares**”) at an issue price of S\$0.047 (“**Issue Price**”) for each Subscription Share, amounting to an aggregate consideration of S\$38,070,000, which shall be satisfied by POC in cash (“**Proposed Subscription**”).

Following the allotment and issue of the Subscription Shares, Koh Brothers Group Limited (“**KBGL**”) will remain the largest shareholder of the Company, with a shareholding interest of approximately 55.0% of the enlarged share capital of the Company (before the exercise of any outstanding warrants and outstanding share awards), while POC will have, through the Subscription Shares, a shareholding interest of approximately 28.8% of the enlarged share capital of the Company (before the exercise of any outstanding warrants and outstanding share awards).

We understand that the Proposed Subscription is subject to the approval of the Company’s shareholders (“**Shareholders**”) as the issue of the Subscription Shares exceeds the authority granted to the Directors by Shareholders at the last annual general meeting of the Company held on 27 April 2021 and also pursuant to Rule 803 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), as it relates to “transfer a controlling interest.” Accordingly, upon the completion of the Proposed Subscription, POC would become one of the controlling shareholders of the Company.

Under the definition set out in the Listing Manual Section B: Rules of the Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), POC is an interested person (“**Interested Person**”) of the Company and pursuant to Rule 904(5) of the Catalist Rules, transactions between an entity at risk and interested persons are deemed to be interested person transactions (“**POC Interested Person Transactions**”). Accordingly, the performance of the obligations under the existing contracts and the entry into any subsequent contracts between the Group and POC and/or its associates (“**POC Interested Persons**”) will constitute POC Interested Person Transactions under Chapter 9 of the Catalist Rules. Should the aggregate value of such POC Interested Person Transactions exceed 5.0% of the Group’s audited net tangible assets for the latest audited financial year, the POC Interested Person Transactions would be subjected to approval by shareholders of the Company (“**Shareholders**”).

Chapter 9 of the Catalist Rules, however, permits a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses), that may be carried out with the listed company’s interested persons. A general mandate is subject to annual renewal.

It is envisaged that in the ordinary course of business, transactions between the POC Interested Persons and the Group may likely occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the Group to and from the POC Interested Persons as well as the obtaining and/or sale of goods and services to and/or from the POC Interested Persons.

In view of the recurrent nature of the foregoing transactions, the Company plans to seek a general mandate from Shareholders for these recurrent POC Interested Person Transactions (“**Proposed POC IPT Mandate**”) at an extraordinary general meeting (“**EGM**”) to be convened. The Proposed POC IPT Mandate, if passed, will eliminate, amongst others, the need for the Company to convene separate general meetings on each occasion to seek Shareholders’ approval as and when POC Interested Person Transactions arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the Company’s corporate objectives and adversely affecting the Group’s business opportunities.

Pursuant to Rule 920(1)(b)(v) of the Catalist Rules, the Company is required to appoint an independent financial adviser (“**IFA**”) to opine on whether the methods or procedures for determining transaction prices are sufficient to ensure that the POC Interested Person Transactions pursuant to the Proposed POC IPT Mandate will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, RHT Capital Pte. Ltd. (“**RHTC**”) has been appointed by the Company as the IFA pursuant to Rule 920(1)(b)(v) of the Catalist Rules as well as to advise the Independent Directors (as defined below), on whether the guidelines and review procedures for determining the terms of the Proposed POC IPT Mandate are sufficient to ensure that all POC Interested Person Transactions pursuant to the Proposed POC IPT Mandate will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

As none of the Directors nor any current controlling shareholder of the Company has any interest, direct or indirect, in the Proposed POC IPT Mandate, all of the Directors are deemed to be independent for the purpose of the Proposed POC IPT Mandate (“**Independent Directors**”) and will be making their recommendation on the Proposed POC IPT Mandate.

This letter (“**Letter**”) is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and recommendation on the Proposed POC IPT Mandate. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, the details of the Proposed POC IPT Mandate and the recommendation of the Independent Directors thereon.

2. TERMS OF REFERENCE

The purpose of this Letter is to provide an independent opinion, pursuant to Rule 920(1)(b)(v) of the Catalyst Rules, on whether the guidelines and review procedures for determining the terms of the Proposed POC IPT Mandate are sufficient to ensure that all POC Interested Person Transactions pursuant to the Proposed POC IPT Mandate will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed POC IPT Mandate nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed POC IPT Mandate. We do not, by this Letter, warrant the merits of the Proposed POC IPT Mandate other than to form an opinion on whether the guidelines and review procedures for determining the terms of the Proposed POC IPT Mandate are sufficient to ensure that all POC Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made by the Directors, the management of the Company and the Company's advisers. We have not independently verified such information, or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness and adequacy of such information. We have nevertheless made such reasonable enquiries and exercised our judgement on the reasonable use of such information as we deemed necessary and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Circular which relate to the Proposed POC IPT Mandate and the Company are fair and accurate and that there are no material facts or omissions of which would make any statement in the Circular misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purposes of assessing the guidelines and review procedures of the Proposed POC IPT Mandate and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion in this Letter.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation or appraisal.

Our opinions as set out in this Letter is based upon the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Proposed POC IPT Mandate which may be released by the Company after the Latest Practicable Date.

In rendering our opinions, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter set out in the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this Letter set out in the Circular).

This Letter sets out, *inter alia*, our opinions on whether the guidelines and review procedures for determining the terms of the Proposed POC IPT Mandate are sufficient to ensure that all POC Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders and should be considered in the context of the entirety of this Letter and the Circular.

3. THE PROPOSED POC IPT MANDATE

As set out in Paragraph 1 above, upon the completion of the Proposed Subscription, POC will become one of the controlling shareholders of the Company. It is envisaged that in the ordinary course of business, transactions between the POC Interested Persons and the Group may likely occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the Group to and from POC as well as the obtaining and/or sale of goods and services to and/or from the POC Interested Persons.

3.1 Rationale and benefits of the adoption of the Proposed POC IPT Mandate

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed POC IPT Mandate or the future prospects of the Group after adoption of the Proposed POC IPT Mandate. Nevertheless, we have reviewed the rationale for and benefits of adopting the Proposed POC IPT Mandate, of which the full text of the rationale for and the benefits of adopting the Proposed POC IPT Mandate can be found in Section 2 of the Appendix, and which are reproduced in italics below:

“2. Rationale for the Proposed POC IPT Mandate and Benefits to EAR Group

2.1 *Upon completion of the Proposed Subscription, Penta-Ocean Construction Co., Ltd. (the “Subscriber” or “POC”) will have a shareholding interest of approximately 28.75% of the Minimum Scenario Enlarged Share Capital, approximately 25.06% of the Maximum Scenario Enlarged Share Capital or approximately 27.98% of the Partial Scenario Enlarged Share Capital. Accordingly, following completion of the Proposed Subscription, the Subscriber will become one of the Controlling Shareholders and an interested person of the Group for the purposes of Chapter 9 of the Catalist Rules. Please refer to Section 1.2 of this Circular for further details on the shareholding interests of the Subscriber following completion of the Proposed Subscription.*

2.2 *The Group has in the ordinary course of its business, entered into transactions with the Subscriber and/or its associates. Post-Completion, the Company envisages that the Group will continue to enter into transactions with the Subscriber and/or its associates from time to time where appropriate, in the ordinary course of business.*

- 2.3 *In view of the time-sensitive nature of commercial transactions in general, the Directors are of the view that post-Completion, it would be advantageous for the Company to obtain the POC IPT Mandate to enable:*
- (a) *the Company;*
 - (b) *subsidiaries of the Company (other than a subsidiary that is listed on the SGX-ST or an approved exchange, if any); and*
 - (c) *associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange, if any) over which the Group, or the Group and interested person(s) of the Company has or have control,*
- (together, “EAR Group”), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions (the “POC Interested Person Transactions”, each a “POC Interested Person Transaction”) set out in paragraph 3.2 below with the POC Interested Persons (as defined below), provided such POC Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its Shareholders (excluding those who are POC Interested Persons) (“Minority Shareholders”).*
- 2.4 *The proposed POC IPT Mandate (if approved and renewed on an annual basis) will eliminate, amongst others, the need for the Company to convene separate general meetings on each occasion to seek Shareholders’ approval as and when POC Interested Person Transactions arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the Company’s corporate objectives and adversely affecting the EAR Group’s business opportunities.*
- 2.5 *The Board is of the view that the POC Interested Person Transactions are and will be carried out on an arm’s length basis as the terms of the POC Interested Person Transactions are and will be comparable to the terms of the transactions that the EAR Group enters and will be entering into with other unrelated parties.*
- 2.6 *The Board having considered, inter alia, the terms and rationale for the POC IPT Mandate, is of the view that it will be beneficial to the EAR Group to transact with the POC Interested Persons. Disclosure will be made where required under the prevailing Catalist Rules, in the Company’s annual report and financial results on the aggregate value of the POC Interested Person Transactions conducted pursuant to the POC IPT Mandate during the relevant financial period, and in the annual reports for the subsequent financial years during which the POC IPT Mandate is in force or announced where required pursuant to the prevailing Catalist Rules.”*

3.2 The POC Interested Persons to be covered

The Interested Persons to be covered under the Proposed POC IPT Mandate are:

- (a) POC. Following Completion, POC will become one of the controlling shareholders of the Company, with a shareholding interest of approximately 28.75% of the Minimum Scenario Enlarged Share Capital, approximately 25.06% of the Maximum Scenario Enlarged Share Capital or approximately 27.98% of the Partial Scenario Enlarged Share Capital;

(b) the following subsidiaries of POC:

Subsidiaries	POC's shareholding interest in the capital of the subsidiary as at the Latest Practicable Date (%)
Penta-Ocean Dredging Co., Ltd.	100.0
Penta-Ocean Marine Holdings Pte. Ltd.	100.0
Andromeda Five Pte. Ltd.	100.0
Cassiopeia Five Pte. Ltd.	100.0
Mercury Five Pte. Ltd.	100.0
Mars Five Pte. Ltd.	100.0
Cherry Five Pte. Ltd.	100.0
UG M&E Pte. Ltd.	100.0
Angkutlaut Ltd.	100.0

(c) the following associates of POC:

Associates	POC's shareholding interest in the capital of the associate as at the Latest Practicable Date (%)
Penta-Ocean (Malaysia) SDN. BHD. ⁽¹⁾	30.0
POKB JV ⁽²⁾	65.0

Notes:

- (1) POC has a 30.0% shareholding interest in Penta-Ocean (Malaysia) SDN. BHD.. The balance 70.0% is held by a third party which is not related to the Company.
- (2) POKB JV is a contractual joint venture in which POC has a 65.0% interest, with the remaining 35.0% being held by Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. (a wholly-owned subsidiary of the Company).

3.3 Nature and scope of the Proposed POC IPT Mandate

The Proposed POC IPT Mandate will apply to the following categories of transactions with the POC Interested Persons:

(a) General Transactions

General transactions by the EAR Group relating to the provision to, and obtaining from, the POC Interested Persons of the following products and services in the normal course of business of the EAR Group in providing services for (i) water and wastewater treatment; (ii) hydro-engineering projects and/or (iii) construction (including but not limited to building, renewable energy, land and marine infrastructure) activities:

- (1) the engagement and/or provision of contractor services and supplier services in respect of (A) water and wastewater treatment; (B) hydro-engineering projects and (C) construction (including but not limited to building, renewable energy, land and marine infrastructure) activities;
- (2) the rental, sale or purchase (as the case may be) of materials, plants, machinery and equipment (which is in the ordinary course of business, and save for those transactions which fall under the ambit of Chapter 10 of the Catalist Rules) for (A) water and wastewater treatment; (B) hydro-engineering projects and (C) construction (including but not limited to building, renewable energy, land and marine infrastructure) activities;
- (3) the engagement and/or provision of logistics and transportation services;
- (4) the engagement and/or provision of drainage system services, including but not limited to design, fabrication, delivering, installing and testing systems;
- (5) the engagement and/or provision of project development and/or management services, including but not limited to application for relevant permits, licences and approvals, management of tender process, advice on appointment of consultants, liaison with relevant authorities, liaison with consultants and contractors, supervision of work and the engagement and provision of financial and administrative support services related to such projects;
- (6) the engagement and/or provision of services for (A) water and wastewater treatment; (B) hydro-engineering projects and (C) construction (including but not limited to building, renewable energy, land and marine infrastructure) projects, including, amongst others, labour, design, supply, modelling, delivery, diversion, installation, testing and commission;
- (7) the provision and/or the obtaining of performance bonds in relation to obligations which are incidental to or in connection with transactions described in sub-paragraphs (1) to (6) above and which are in the ordinary course of business; and
- (8) the provision or obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in subparagraphs (1) to (7) above.

(b) Management, Technical and Support Services

These transactions relate to the provision and/or obtaining of management, technical and support services in the area of professional, administrative and support services, including but not limited to, corporate events, potential and/or existing business development, business relations, investment/project risk review, information technology, and management information systems, intellectual property rights, human resource and staff secondment, insurance, corporate communications (including investor relations), taxation, accounting, internal audit, central purchasing, corporate secretarial services and any other professional, administrative and support services that may arise from time to time.

By having access to such services, the EAR Group will benefit through savings in terms of reduced overheads and greater economies of scale (such as bulk discounts enjoyed by POC on a group basis). In addition, the EAR Group is able to obtain expertise in the areas of project/investment risk review, business relations and business development through the extensive global network of the POC Interested Persons and their top executives. The ability to tap on such expertise and experience is important for the EAR Group's ability to respond in a timely manner to take advantage of opportunities as and when they arise.

(c) Other Services

Such transactions include:

- (1) the leasing of premises and obtaining of property maintenance services; and
- (2) the provision or obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraph (1) above.

For the avoidance of doubt, the Proposed POC IPT Mandate does not extend to the purchase or sale of assets, undertakings or businesses between the Group and the POC Interested Persons. The Proposed POC IPT Mandate will also not cover any POC Interested Person Transaction that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions.

The Proposed POC IPT Mandate would, however, cover POC Interested Person Transactions with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Catalist Rules and treated as if they were one POC Interested Person Transaction which has a value of S\$100,000 or more.

For the avoidance of doubt, pursuant to Rule 916 of the Catalist Rules, investments into joint venture with Interested Persons as well as the provision of loans to a joint venture with Interested Persons are, subject to compliance with the relevant conditions specified in the Catalist Rules, exempted from complying with Rule 906 of the Catalist Rules.

All transactions that do not fall within the ambit of the Proposed POC IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

3.4 Guidelines and review procedures for the POC Interested Person Transactions with the POC Interested Persons

To ensure that all POC Interested Person Transactions are carried out at an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company has established the following procedures for the review and approval of any POC Interested Person Transactions under the Proposed POC IPT Mandate.

The full text of the review procedures for all POC Interested Person Transactions going forward are set out in Section 4 of Appendix 1 and reproduced in italics below:

“4. Guidelines and Review Procedures for the POC Interested Person Transactions

4.1 Review Procedures

The Directors have confirmed that the EAR Group has in place, inter alia, internal control systems, review and approval procedures to ensure that transactions with its interested persons (including the POC Interested Persons) are made on normal commercial terms and/or on an arm's length basis, consistent with the EAR Group's usual business practices and policies and not prejudicial to the interests of the Company and its Minority Shareholders. The Audit and Risk Committee of the Company (which currently comprises Mr Koh Choon Leng (Chairman), Mr Koh Keng Siang, and Mr Tan Hwa Peng) will also review and approve the POC Interested Person Transactions where applicable, and ensure that all future POC Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the EAR Group or the Minority Shareholders.

The following review procedures will be implemented after having regard to the nature of POC Interested Person Transactions and the criteria for establishing review procedures, which is to ensure that such review procedures are adequate and/or commercially practicable in ensuring that the POC Interested Person Transactions are conducted on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and Minority Shareholders:

- (a) *all POC Interested Person Transactions shall be conducted in accordance with the EAR Group's usual business practices and policies, consistent or comparable with the usual margins or historical margins or costs (where applicable), rates (including commission) or prices extended to or received by the EAR Group for the same or substantially similar type of transactions between the EAR Group and unrelated third parties, and the terms shall not be more favourable to the POC Interested Person compared to those extended to or received from unrelated third parties after taking into account the speed of and cost for timely response and mobilisation, credit terms, quality, requirements, specifications, scope, size, complexity and resources required for implementation of the projects for which POC Interested Persons are providing goods or services, preferential or relatively advantageous access to assets and buyers, asset type, restrictions and array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks;*

- (b) *when purchasing any products or obtaining any services (including the leasing of premises) from a POC Interested Person, in order to ensure that the interests of the EAR Group or the Minority Shareholders are not disadvantaged, comparison will be made with at least two quotations from unrelated/independent third party(ies) as a basis for comparison, from independently verifiable and reliable sources as approved by the Audit and Risk Committee from time to time (“**Approved Independent Sources**”), with advice from relevant employees of the Company with management responsibilities comprising personnel from the finance department and other relevant departments.*

The list of Approved Independent Sources will be maintained by the relevant departments and reviewed by the Audit and Risk Committee periodically. Specifically, for the provision of corporate guarantee(s) by a POC Interested Person, a comparison shall be made with the fees, premium or charges paid or payable by the EAR Group to the bank or other financial institution for the provision of relevant or equivalent performance bond or guarantee with similar or comparable terms including, inter alia, duration and guaranteed amount. The purchase price or fee or rates for the products or services, after taking into account factors mentioned in paragraph (a) above, shall not be higher than the most favourable price or fee of the two other quotations (wherever possible or available) from the Approved Independent Sources. Credit terms of the purchases will be comparable to those offered by unrelated third parties. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time of goods or services, industry norms, specifications, scope, size, complexity and resources required for implementation of the projects for which POC Interested Persons are providing goods or services, preferential or relatively advantageous access to assets and buyers, asset type, restrictions, array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks will be taken into consideration;

- (c) *when selling any products or supplying any services (including the leasing of premises) to a POC Interested Person, the price or fee or profit margins and terms of two other successful transactions of a similar nature (or comparable nature) with non-POC Interested Persons will be used as comparison to ensure that the interests of the EAR Group or the Minority Shareholders are not disadvantaged. The price or fee or margin for the supply of products or services shall not be lower than the lowest price or fee of the two other successful transactions with non-POC Interested Persons, taking into account all pertinent factors, including but not limited to speed of and cost for timely response and mobilisation, quantity, credit records of the customer, terms of sale or supply, strategic purpose of the transaction, specifications, scope, size, complexity and resources required for implementation of the projects for POC Interested Persons, preferential or relatively advantageous access to assets and buyers, asset type, restrictions, array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks and other qualitative considerations; and*

- (d) *in circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions of similar goods or services due to the nature of the goods or services to be purchased or provided, any two Directors of the Company with no interest, direct or indirect, in the proposed POC Interested Person Transaction will, subject to the approval thresholds as set out in paragraph 4.2 below, take such necessary steps which would include but are not limited to (i) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided by the POC Interested Persons are fair and reasonable; and (ii) evaluate and weigh the benefits of, and rationale for transacting with the POC Interested Persons, taking into account factors such as, but not limited to, the nature of the services, track record, delivery schedules, requirements and specifications of the Group or the customer, duration of contract, quality, reliability, previous working experience taking into account mobilisation cost and timely response, specifications, scope, size, complexity and resources required for implementation of the projects for which POC Interested Persons are providing goods or services, preferential or relatively advantageous access to assets and buyers, asset type, restrictions and structure for investments, array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks, project restrictions and structure or the results of and returns from the underlying projects.*

4.2 Approval and Review Threshold

The following approval procedures will be implemented to supplement existing internal control procedures for the POC Interested Person Transactions to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms. For the avoidance of doubt, where the approving party as stipulated herein is interested in the transaction to be approved, he/she will inform the Audit and Risk Committee and such disclosures should be documented. In the event any equivalent person with the relevant experience and responsibility, as stated below for the various thresholds cannot be determined, the approving authority shall be decided by the Audit and Risk Committee.

Individual and aggregate transactions review and approval thresholds shall be as follows:

- (a) *Where the individual or aggregate value of the POC Interested Person Transactions is equal to or more than S\$100,000 but less than 20.0% of the Group's latest audited NTA, all subsequent POC Interested Person Transactions shall require the prior approval of either the Financial Controller (or equivalent person) or Chief Executive Officer for the Group. POC Interested Person Transactions that have been approved by the Audit and Risk Committee need not be aggregated for the purpose of such approval.*
- (b) *Where the individual or aggregate value of the POC Interested Person Transactions is equal to or more than 20.0% but less than 50.0% of the Group's latest audited NTA, all subsequent POC Interested Person Transactions shall require the prior approval of both the Financial Controller (or equivalent person) or the Chief Executive Officer and at least one (1) Director, who is not interested in the transaction and a member of the Audit and Risk Committee. POC Interested Person Transactions that have been approved by the Audit and Risk Committee need not to be aggregated for the purpose of such approval.*

- (c) *Where the individual or aggregate POC Interested Person Transactions is equal to or more than 50.0% of the Group's latest audited NTA, all subsequent POC Interested Person Transactions will be subject to the prior approval of the Audit and Risk Committee and recommendation of the Financial Controller (or equivalent person) or the Chief Executive Officer. If a member of the Audit and Risk Committee is interested in any POC Interested Person Transactions, he shall abstain from participating in the review of that particular transaction. POC Interested Person Transactions that have been approved by the Audit and Risk Committee need not be aggregated for the purpose of such approval. For avoidance of doubt, the Audit and Risk Committee shall be responsible for such approvals.*
- (d) *All approvals must strictly follow the review procedures as stipulated in paragraphs 4.1 and 4.2 and must be documented. The documentation, including the reasons for approval where necessary, must be accompanied with supporting documents to serve as audit trails, which will be subject to internal and/or external audit.*

In addition, the Financial Controller (or equivalent person), who is a key executive of the Company as disclosed in the Company's annual report, will review (and document such reviews) all POC Interested Person Transactions (including POC Interested Person Transactions that are less than S\$100,000 in value) and its register on a quarterly basis or such other periods as approved by the Audit and Risk Committee.

The threshold limits set out above are adopted by the Company taking into account, inter alia, the nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at after considering the operational efficiency for the day-to-day business operations of the Group and the internal control for POC Interested Person Transactions. The threshold limits act as an additional safeguard to supplement the review procedures which will be implemented by the Company for POC Interested Person Transactions.

4.3 Additional Controls

The additional controls will apply to the POC Interested Person Transactions as stated below.

- (a) *The finance department of the Group will maintain a register of transactions carried out with POC Interested Persons pursuant to the proposed POC IPT Mandate (recording and documenting the identity of the interested persons, basis, including the quotations and supporting evidence or records or details obtained to support such basis, on which they were entered into as well as the approving authority). For avoidance of doubt, the quotations and supporting evidence or records or supporting details obtained may be kept or maintained by other relevant departments. The POC Interested Person Transactions register shall be prepared, maintained, monitored and reviewed on a monthly basis, by the Financial Controller (or equivalent person) of the Company who is not a POC Interested Person. This is to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures in the proposed POC IPT Mandate. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit and Risk Committee. In addition, any exceptions or departures from the procedures shall be reported and highlighted to the Audit and Risk Committee immediately.*

- (b) *The Financial Controller (or equivalent person) / Company Secretary will obtain signed letters of confirmation from persons delegated with the approving authority as set out in paragraph 4.2 above, Controlling Shareholders and the Directors on a periodic basis (annual basis or such other period as may be determined by the Audit and Risk Committee) with respect to their interest in any transactions with the Group.*
- (c) *The Financial Controller (or equivalent person) / Company Secretary will maintain a list of the Directors and Controlling Shareholders of the Company (which is to be updated immediately if there are any changes) to enable identification of POC Interested Persons. The master list of POC Interested Persons which is maintained shall be reviewed by the Audit and Risk Committee at least on a semi-annual basis.*
- (d) *The Group's annual or periodic (such periods as may be decided by the Audit and Risk Committee) internal audit plan may incorporate a review of all POC Interested Person Transactions (where applicable), including the established review procedures for monitoring of such POC Interested Person Transactions, entered into during the current financial year pursuant to the proposed POC IPT Mandate and consistent with the Code of Corporate Governance 2018. The approval thresholds as stipulated herein may be delegated with the approval of the Audit and Risk Committee which will be duly documented together with the bases for such approval.*
- (e) *The Audit and Risk Committee shall periodically review all POC Interested Person Transactions, at least on a semi-annual basis, to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures in the proposed POC IPT Mandate. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit and Risk Committee. The Audit and Risk Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the transactions under review.*
- (f) *In the event that a member of the Audit and Risk Committee is interested in any POC Interested Person Transaction, he shall abstain from participating in the review of that particular transaction.*
- (g) *Subject to paragraph 4.3(d) above, the Group's internal auditor shall, on at least a semi-annual basis or such other periods as required by the Audit and Risk Committee, subject to adjustment in frequency, depending on factors such as, inter alia, substantial increment of aggregate transactional value, report to the Audit and Risk Committee on all POC Interested Person Transactions, and the basis of such transactions, entered into with POC Interested Persons during the preceding period. The Audit and Risk Committee shall review such POC Interested Person Transactions at its periodic meetings (not less than twice or such other frequency a year as decided by the Audit and Risk Committee) except where POC Interested Person Transactions are required under the review procedures to be approved by the Audit and Risk Committee prior to the entry thereof.*

- (h) *The Audit and Risk Committee will conduct periodic reviews (of not less than half-yearly or such other period as may be determined by the Audit and Risk Committee) of the review procedures for the POC Interested Person Transactions. If, during these periodic reviews, the Audit and Risk Committee is of the view that these review procedures are no longer sufficient or appropriate to ensure that the POC Interested Person Transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new review procedures for POC Interested Person Transactions. All POC Interested Person Transactions will be reviewed and approved by the Audit and Risk Committee prior to entry while a fresh mandate is being sought from the Shareholders.*
- (i) *The Audit and Risk Committee will review the letters of confirmation from key management personnel, Controlling Shareholders and the Directors of the Company and all POC Interested Person Transactions on a periodic basis (annual basis or such other period as may be determined by the Audit and Risk Committee) and the minutes of such review and its outcome shall be taken.*
- (j) *For purposes of the above review and approval process, any Director who is not considered independent for purposes of the proposed POC IPT Mandate and/or any POC Interested Person Transactions will abstain from voting in relation to any respective resolution, and/or abstain from participating in the Audit and Risk Committee's decision during its review of the established review procedures for the POC Interested Person Transactions or during its review or approval of any POC Interested Person Transactions.*

4.4 Further Compliance

The Directors will ensure that all disclosures, approvals and other requirements in respect of the POC Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with."

3.5 **Validity period of the Proposed POC IPT Mandate**

If the Proposed POC IPT Mandate is approved by Shareholders at the EGM, it will take effect from the passing of the ordinary resolution in respect of the Proposed POC IPT Mandate, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier.

The Company intends to seek the approval of Shareholders for the renewal of the Proposed POC IPT Mandate at each subsequent annual general meeting. The renewal of such general mandate shall be subject to the satisfactory review by the Audit and Risk Committee of its continued application to the transactions with the POC Interested Persons.

3.6 Disclosures in the annual report

The Company will announce the aggregate value of transactions conducted with the POC Interested Persons pursuant to the Proposed POC IPT Mandate for each relevant financial period on which the Company is required to report on pursuant to Appendix 7C of the Catalyst Rules and within the time required for the announcement of such report in accordance with Rule 920(1)(a)(ii) of the Catalyst Rules.

Disclosure will also be made in the annual report of the Company of the aggregate value of the POC Interested Person Transactions conducted with the POC Interested Persons pursuant to the Proposed POC IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the Proposed POC IPT Mandate is in force in accordance with Rule 920(1)(a)(i) of the Catalyst Rules.

The name of the POC Interested Persons and the corresponding aggregate value of the POC Interested Person Transactions shall be presented in the following format in accordance with Rule 907 of the Catalyst Rules:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalyst Rules	Aggregate value of all Interested Person Transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalyst Rules (excluding transactions less than S\$100,000)

4. OUR OPINION

In arriving at our recommendations in respect of the Proposed POC IPT Mandate, we have taken into consideration, *inter alia*, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (i) Rationale and benefits of the adoption of the Proposed POC IPT Mandate;
- (ii) The POC Interested Persons to be covered;
- (iii) Nature and scope of the Proposed POC IPT Mandate;
- (iv) Guidelines and review procedures for the POC Interested Person Transactions with the POC Interested Persons;
- (v) Validity period of the Proposed POC IPT Mandate; and
- (vi) Disclosures in the annual report.

Having regard to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that, the guidelines and review procedures for determining the terms of the Proposed POC IPT Mandate are sufficient to ensure that all POC Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Proposed POC IPT Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed POC IPT Mandate, and we do not warrant the merits of the Proposed POC IPT Mandate.

We have prepared this Letter pursuant to Rule 920(1)(b)(v) of the Catalist Rules as well as for the use of the Independent Directors in connection with and for the purposes of their consideration of the Proposed POC IPT Mandate. The recommendation made by them to the Shareholders in relation to the Proposed POC IPT Mandate shall remain the sole responsibility of the Independent Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM and for the purpose of any matter relating to the Proposed POC IPT Mandate at any time and in any manner without prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours sincerely
For and on behalf of
RHT CAPITAL PTE. LTD.

Khong Choun Mun
Chief Executive Officer

Lay Shi Wei
Associate Director

KOH BROTHERS ECO ENGINEERING LIMITED
(Company Registration No. 197500111H)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the "**EGM**") of **KOH BROTHERS ECO ENGINEERING LIMITED** (the "**Company**") will be convened and held by way of electronic means on Monday, 31 May 2021 at 10.00 a.m. for the purpose of considering, and if thought fit, passing with or without modifications:

AS ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1 — THE PROPOSED SUBSCRIPTION

That:

- (a) approval be and is hereby given for the transactions contemplated under the subscription agreement entered into between the Company and Penta-Ocean Construction Co., Ltd. (the "**Subscriber**") on 15 March 2021 (the "**Subscription Agreement**") and without prejudice to the generality of the foregoing, authority be and is hereby given to the directors of the Company (the "**Directors**") or any of them to allot and issue 810,000,000 new ordinary shares in the capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.047 per Subscription Share to the Subscriber pursuant to the Subscription Agreement (the "**Proposed Subscription**"); and
- (b) approval be and is hereby given to the Directors or any of them to implement, effect and complete and to do all such acts and things (including executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 1.

ORDINARY RESOLUTION 2 — THE PROPOSED POC IPT MANDATE

That subject to and contingent upon the passing of Ordinary Resolution 1 above:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Appendix 1 to the Company's circular to shareholders dated 15 May 2021 (the "**Circular**"), with any of the POC Interested Persons described in Appendix 1 to the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the "**POC IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;
- (c) the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the POC IPT Mandate and/or this Resolution.

BY ORDER OF THE BOARD

Koh Keng Siang
Non-Executive and Non-Independent Chairman

Singapore
15 May 2021

Notes:

1. This EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the accompanying Company's announcement dated 15 May 2021. This announcement may be accessed at the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** Printed copies of the accompanying proxy form for the EGM will not be sent to members. Instead, the proxy form may be accessed at the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 May 2021.

4. The Chairman of the EGM, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the registered office of the Company, at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639 (Attn: The Company Secretary); or
 - (b) if submitted electronically, be submitted via email to the Company at kohbrotherseco-egm@complete.com,

in either case not less than 72 hours before the time appointed for holding the EGM.

A member who wishes to submit a proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Circular dated 15 May 2021 may be accessed at the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (and/or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

PROXY FORM

KOH BROTHERS ECO ENGINEERING LIMITED

(Company Registration No. 197500111H)
(Incorporated in the Republic of Singapore)

IMPORTANT

1. The EGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of EGM and this Proxy Form will not be sent to members. Instead, the Notice of EGM and this Proxy Form will be sent to members by electronic means via publication on the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php. The Notice of EGM will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman (as defined below) in advance of the EGM, addressing of substantial and relevant questions prior to or at the EGM and voting by appointing the Chairman as proxy at the EGM, are set out in the accompanying Company's announcement dated 15 May 2021. This announcement may be accessed at the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the EGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the EGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. In appointing the Chairman as proxy, a member must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.**
4. This Proxy Form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her/its voting instructions. CPF/SRS investors who wish to appoint the Chairman as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 May 2021, being 7 working days before the date of the EGM.
5. By submitting an instrument appointing the Chairman as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 15 May 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

EXTRAORDINARY GENERAL MEETING

*I/We _____ (Name) _____ (NRIC/Passport/Co Reg No.)
of _____ (Address)

being a member/members of Koh Brothers Eco Engineering Limited (the "**Company**") hereby appoint the Chairman of the Extraordinary General Meeting ("**Chairman**") as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**") to be held by way of electronic means on Monday, 31 May 2021 at 10.00 a.m. and at any adjournment thereof in the following manner:

(Voting will be conducted by poll. If you wish the Chairman as your proxy to cast all your votes "For" or "Against" a resolution to be proposed at the EGM, please indicate with a "✓" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman as your proxy to abstain from voting on a resolution, please indicate with a "✓" in the "Abstain" box provided in respect of a resolution. Alternatively, please indicate the number of shares that the Chairman as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.)

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1.	To approve the Proposed Subscription			
2.	To approve the proposed adoption of the POC IPT Mandate			

Dated this _____ day of _____ 2021

Total Number of Shares held

Signature(s)/Common Seal of Member(s)

(Please read notes overleaf before completing this form.)

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
2. **To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the EGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the EGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** The Chairman, as proxy, need not be a member of the Company. This proxy form may be accessed at the Company's website at http://www.kohbrotherseco.com/html/ir_annual.php and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. This proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 19 May 2021, being 7 working days before the date of the EGM to submit his/her voting instructions.
4. The Chairman, as proxy, need not be a member of the Company.
5. This proxy form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the Company's registered address at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639 (Attn: The Company Secretary); or
 - (b) if submitted electronically, be submitted via email to kohbrotherseco-egm@complete-corp.com,

in either case, by 10.00 a.m. on 28 May 2021, being 72 hours before the time appointed for holding the EGM.

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe management measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The instrument appointing the Chairman as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form or, if the instrument appointing the Chairman is submitted electronically via email, be emailed with the instrument of proxy, failing which the proxy form may be treated as invalid.
7. A corporation which is a member may authorise by a resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50.
8. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.