



Building Cities Building Dreams



# BUILDING ON **OUR PROUD HERITAGE**

KOH BROTHERS GROUP LIMITED  
ANNUAL REPORT 2023



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## OUR PROMISE

At Koh Brothers, customer satisfaction is our priority.

To achieve this, we are committed to deliver quality products, services and solutions. With strong support from our business partners and dedicated staff, we strive to add value by adopting an innovative work approach. With these strengths, we are confident to excel and grow our organisation to achieve shareholder satisfaction.



## CORPORATE PROFILE

From humble beginnings in 1966, Koh Brothers Group Limited has grown from strength to strength. Besides being a provider of engineering, procurement and construction (“EPC”) services for infrastructure projects, the Group has expanded into real estate, building materials and providing EPC services for water and wastewater treatment including mechanical, electrical and instrumentation control and automation (“MEICA”), hydro-engineering, bio-refinery and renewable energy projects. With the expansion into synergistic business segments, the Group has created multiple revenue streams, with operating synergies arising from these core areas.

# BUILDING CITIES BUILDING DREAMS





## OUR BUSINESS



### CONSTRUCTION AND BUILDING MATERIALS

#### Engineering and Construction

Our Engineering and Construction services are provided through our Catalist-listed subsidiary, Koh Brothers Eco Engineering Limited ("KBE"). Through our principal subsidiary, Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd ("KBCE"), the Group provides a complete and diverse range of infrastructure and building project management, products, services and solutions for the construction industry.

Since 1983, KBCE has completed many major construction projects such as the Marina Barrage, Marina East Desalination Plant, Changi Water Treatment Plants, Downtown Line 1 Bugis MRT Station, Common Services Tunnel at Marina South, HDB Projects at Jurong West, Choa Chu Kang, Yishun and many drainage projects such as Punggol Waterway, Bukit Timah First Diversion Canal, Improvement to Kallang River and Geylang River Makeover.

As a testament to the quality of services provided, KBCE has won many accolades, including the prestigious Superior Achievement Award at the American Academy of Environmental Engineers Annual Awards for its work on the Marina Barrage and International Safety Award Winner 2021 (Best in Country Award) for the Deep Tunnel Sewerage System Phase 2 Project.

Harnessing synergies from KBE, the Group is able to offer turnkey engineering solutions and tap opportunities in the water and wastewater treatment and hydro-engineering sectors. This is





## OUR BUSINESS

especially so as our Engineering and Construction division is graded A1 by the Building and Construction Authority ("BCA") in Construction and Civil engineering, which allows us to tender for public sector construction projects of unlimited value. In addition, we also have a BCA ME11, L6 grading for mechanical engineering projects.

Recent projects undertaken by our Engineering and Construction division include the development of a private residential site at Holland Road, Singapore Changi Airport Runway 3 (Package 1), MRT Circle Line 6, Deep Tunnel Sewerage System Phase 2 contract and Influent Pumping Stations at Tuas Water Reclamation Plant and mechanical, electrical and instrumentation control and automation works for the industrial liquids at Tuas Water Reclamation Plant.

### Building Materials

The Building Materials division is a long established and renowned one-stop quality provider of concrete solutions to the construction industry. We market under the "G & W" branding.

We manufacture and supply ready-mix concrete and pre-cast products such as facades, household shelters, bathroom units, columns and planks to HDB projects, institutions and private developments.

The Building Materials division is supported by batching plants and precast yards in Singapore and Malaysia. The Group also has a central truck-mixer despatch system to facilitate the efficient despatch of trucks to meet the demands of our clients around Singapore so as to achieve greater efficiency.

### Bio-Refinery and Renewal Energy

Through our indirect Catalyst-listed subsidiary, Oiltek International Limited ("Oiltek"), our Bio-Refinery and Renewal Energy division is an established integrated process technology and renewable energy solutions provider with over 40 years of experience in providing solutions that cater to all types of vegetable oil including palm oil, soybean oil and rapeseed oil, which are some of the major agricultural commodities in the world.

Oiltek provides services to the edible and non-edible oil industries including engineering, procurement, designing, construction and commissioning of edible and non-edible oil refining plants, downstream speciality products and processing plants, upgrading and retrofitting of existing facilities and turnkey outside-battery-limits infrastructure engineering. Oiltek also provides services to the renewable energy industry including engineering, procurement, designing, construction and commissioning of multi-feedstock biodiesel, enzymatic biodiesel, winter fuel and palm oil mill effluent biogas methane recovery plants as well as engineering component sales, agency and distributorship, and speciality chemical product trading.



## OUR BUSINESS



### REAL ESTATE

Our Real Estate division provides quality property developments with specialised lifestyle themes at choice locations. We have managed to carve a niche in developing themed properties that are innovative and promote modern lifestyle. Projects completed include Lincoln Suites off Newton Road, the Lumos development at Leonie Hill, Montana off River Valley Road and Starville at Lengkong Tiga.

Some of our recent completed development projects include the mixed-used development, Nonhyeon l'Park in the heart of the famous Gangnam district in Seoul, South Korea and the development of Singapore's first bike-themed Executive Condominium, Westwood Residences, as well as Parc Olympia Condominium at Flora Drive which has sporting and recreational facilities.

Our latest development project, Van Holland, is a luxurious freehold development at Holland Village. We are delighted that Van Holland project has clinched two prestigious awards – Best Luxury Boutique Condo Development, and Best Boutique Condo Architectural Design – bestowed by PropertyGuru Asia Property Awards.

### LEISURE & HOSPITALITY

Our Leisure & Hospitality division provides 'no-frills' hospitality services through Oxford Hotel which comprises more than 130 hotel rooms. Oxford Hotel has also recently completed major renovations as part of an upgrading programme. The Group also owns and operates The Alocassia, which consists of resort-styled service apartments with 45 suites located at Bukit Timah Road, a prime district in Singapore.





## OUR CORE VALUES

With knowledge and honesty, we add value to organisational excellence through commitment, teamwork, continuous self-development and opportunities for innovation.

### KNOWLEDGE

Our culture of continuous improvement allows for developmental opportunities that are responsive to the current and future challenges of our Company and our customers.

### OPENNESS

We need to be open-minded to adapt and respond well to changes according to the environment.

### HONESTY

We emphasise honesty in every aspect of our business, resulting in a Company that is trusted by our society at large whom we work with.

### BONDING

Our culture of teamwork allows us to bring together the best thinking from our professionals and deliver optimum solutions to our clients' complex needs.

### RESPONSIBILITY

Our culture encourages employees to pursue set goals and work towards achieving high standards of performance.

### OPPORTUNITIES

We provide equal opportunity to all individuals to be innovative so as to bring Koh Brothers to the next level of excellence.

### STANDARDS

We strive to achieve organisational excellence in whatever we set out to perform.



# OUR JOURNEY THUS FAR

## 1960s

- Founded and established by Mr Koh Tiat Meng

## 1970s

- Setup G & W group of companies, focusing on providing ready-mix concrete

## 1980s

- Expanded into equipment sale and rental operations and the production of concrete products via G & W
- Established PT. Koh Brothers Indonesia and ventured into real estate development in Indonesia

## 1990s

- Listed on the Mainboard of SGX
- Improvements to Kallang River (from Braddell Road to Jalan Toa Payoh)
- Awarded by CIDB for Construction Excellence for Reconstruction of Geylang River
- Land Reclamation Phase 1 Project at Xinjin River Mouth, Shantou, China
- Opening of Oxford Hotel
- Ventured into property development
- Sun Plaza (Construction and Real Estate Project)
- The Capri (Real Estate Project)

## 2000s

- BCA Award for Construction Excellence 2000 (Civil Engineering) and for Construction of Holland Road/Farrer Road/Queensway Interchange
- Ranked amongst the top companies in Singapore 1000
- Construction of Marina Barrage
- Construction of Bugis Station and its Associated Tunnels for Downtown Line Stage 1
- Construction of Punggol Waterway
- Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. awarded OHSMS
- The Sierra (Real Estate Project)
- The Montana (Real Estate Project)
- Starville (Construction and Real Estate Project)
- Construction of Common Service Tunnel 1 Project in Marina South

## 2010s

- South East Asia Property Award (Singapore) – The Real Estate Personality of the Year 2016
- 15th & 16th SIAS Investors' Choice Awards Most Transparent Company Awards 2014 & 2015 (Construction & Materials Category)
- Singapore Quality Brand Award 2014 – (Special Merit)
- Promising SME 500 2014 (Distinguished Business Leader of the Year) Award
- BCA Construction Productivity Award – Advocates (Builder – Open Category) – Merit
- Malaysia Landscape Architecture Awards 2014 Excellence Award (International) – My Waterway @ Punggol
- Singapore Prestige Award – Heritage Brands Category 2013
- Green and Gracious Builder Award 2012 (Excellent)
- BCA Construction Excellence Award 2011 – Marina Barrage (Civil Engineering Projects Category)
- Total Defence Award 2011
- BCA Construction Productivity Award – Platinum (Civil Engineering) Punggol Waterway Part 1
- HDB Construction Award – Punggol Waterway Part 1
- Design and Engineering Safety Excellence Award 2010 – Marina Barrage (Merit – Civil Engineering Category)
- Green and Gracious Builder Award 2010 (Merit)
- BizSAFE STAR Certificate
- BizSAFE Partner Certificate
- Acquisition of Koh Brothers Eco Engineering Limited (formerly known as Metax Engineering Corporation Limited)

## 2010s

- Parc Olympia (Construction and Real Estate Project)
- Design & Build Contract for Proposed Retention Pond, associated drainage and backfill works at Singapore Changi Airport
- HDB BTO Project at Vine Grove @ Yishun
- Westwood Residences EC (Construction and Real Estate Project)
- Development of Changi East to effect 3 Runway Operations at Singapore Changi Airport
- Construction of Marina East Desalination Plant
- Construction of Deep Tunnel Sewerage System (Phase 2)
- Construction of cut and cover tunnel at Marina Bay Area for Circle Line 6
- Development of Nonhyeon I'PARK, Gangnam, Seoul, South Korea (Real Estate Project)
- Van Holland (Construction and Real Estate Project)
- Edgeprop Singapore Excellence Awards 2018 Innovation Excellence – Westwood Residences EC
- PropertyGuru Asia Property Awards Singapore 2018 – Westwood Residences EC
  - Best EC
  - Best EC Architectural Design
  - Best EC Landscape Architectural Design
- Featured in the Urban Land Institute report, "Active Transportation and Real Estate: The Next Frontier" Westwood Residences EC

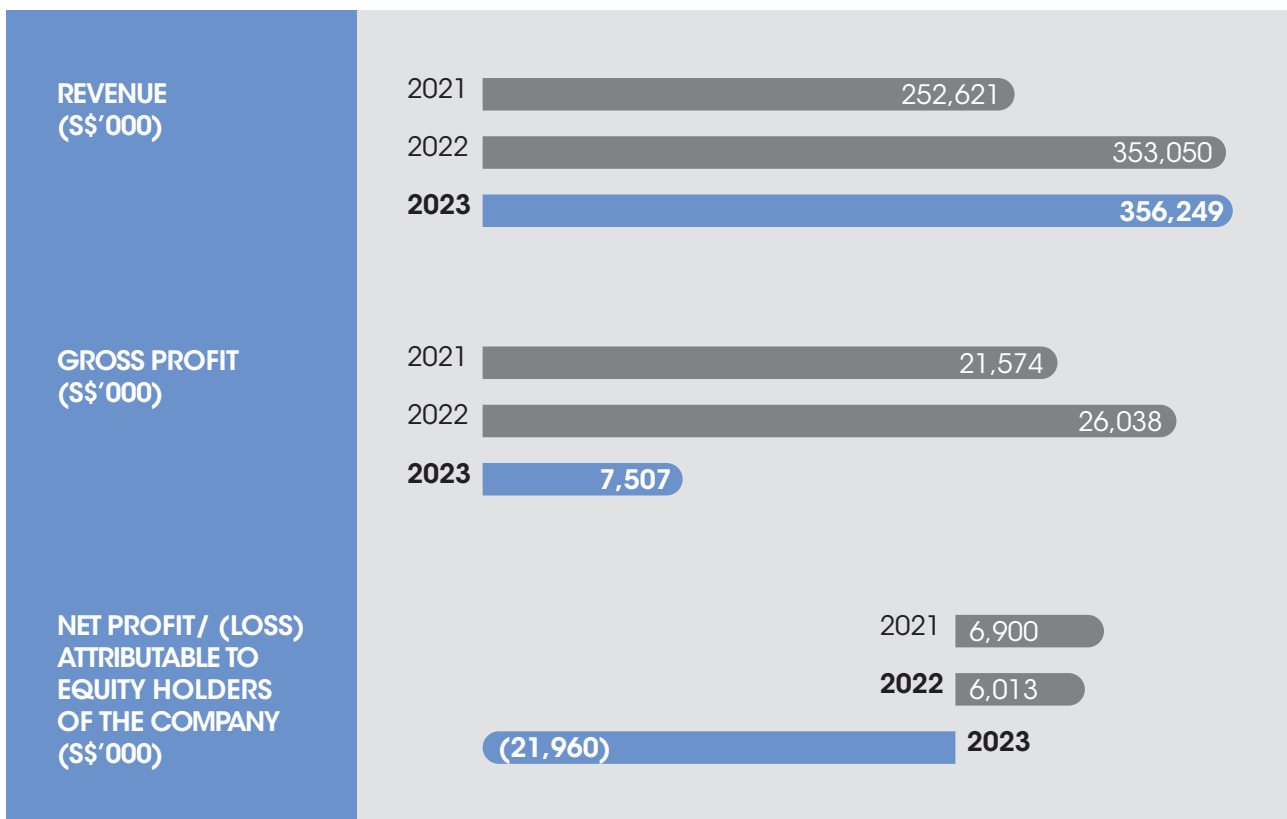
## 2020s

- Construction of Tuas Water Reclamation Plant Contract 2A – Influent Pumping Stations
- Construction of Tuas Water Reclamation Plant Contract 3B1 – Industrial Liquids Module 1 – MEICA
- Oiltek International Limited, a subsidiary of Koh Brothers Eco Engineering Limited is successfully listed on the Catalist Board of the Singapore Exchange.
- PropertyGuru Asia Property Awards Singapore 2021 – Best Luxury Boutique Condo Development – Van Holland
- PropertyGuru Asia Property Awards Singapore 2021 – Best Boutique Condo Architectural Design – Van Holland
- PUB Project Safety Recognition Awards 2022 – Deep Tunnel Sewerage System (Phase 2)
- HDB Integrated Development Project at Kallang



## FINANCIAL HIGHLIGHTS

	FY2021 S\$'000	FY2022 S\$'000	FY2023 S\$'000
<b>Balance Sheet Highlights</b>			
Shareholders' funds	287,111	288,889	<b>264,885</b>
Cash and bank balances	95,152	82,432	<b>95,832</b>
Net current assets	194,278	90,928	<b>92,995</b>
Total assets	828,959	801,910	<b>723,368</b>
<b>Key Financial Ratios</b>			
Net asset value per share (in cents)	69.61	70.04	<b>64.22</b>
Net gearing (times)	0.87	0.72	<b>0.54</b>
Earnings/ (loss) per share (in cents)	1.67	1.46	<b>(5.32)</b>
Dividend per share (in cent)	0.20	0.20	-



# STATEMENT BY EXECUTIVE CHAIRMAN AND GROUP CEO



**KOH KENG SIANG (FRANCIS)**  
*Executive Chairman and  
Group CEO*

## Dear Shareholders,

In 2023, the global economy continued to witness heightened geopolitical tensions, with ongoing unrest in the Middle East and amidst the Russia-Ukraine war, elevated interest rates, and persistent inflationary pressures, all of which have weighed on economic growth. Despite expectations of a soft landing supported by moderating inflation and a gradual normalisation of global economic conditions, heightened uncertainty from ongoing geopolitical tensions could lead to further downside risks.

To better mitigate the effects of these ongoing macro uncertainties, the Group remains focused on cost management and operational streamlining efforts to improve competencies, develop innovative work solutions and increase efficiencies. Moreover, we are committed to leveraging our strong track record to pursue more high-value construction projects as outlook for demand, particularly in the public sector, remains good. By doing so, we aim to optimise our operations and expand our capabilities to meet the evolving needs of the construction industry.

## OUR FINANCIALS

Against this backdrop, we continued to deliver resilient topline performance for the financial year ended 31 December 2023 ("FY2023"). For FY2023, revenue rose 1% to S\$356.2 million, from S\$353.1 million the previous year ("FY2022"). The increase in revenue was mainly contributed by Van Holland, a residential development property under the Real Estate division. Gross profit, however, declined 71% to S\$7.5 million

**"Looking ahead, we will navigate the challenging environment by leveraging our strong track record, and strategic partnerships, to tender for higher value construction projects."**

in FY2023 from S\$26.0 million in FY2022. This was mainly attributed to the finalisation of construction projects and prolonged construction period for certain projects, resulting in higher material, manpower and subcontractor costs.

The Group registered a 96% decline in other gains to S\$0.60 million in FY2023, mainly due to an absence of fair value gain on investment properties and lower gain recognised from disposal of properties, plant and equipment.

The Group saw a 67% increase in share of profit from associated companies and joint ventures to S\$2.7 million in FY2023 from S\$1.6 million a year ago due to fair value gain on investment property held by a joint venture.

Overall, the Group incurred a loss before income tax of S\$25.8 million in FY2023. A profit before income tax of S\$9.2 million was recorded in the previous year.

Correspondingly, the Group recorded a net loss attributable to shareholders of S\$22.0 million in FY2023, as compared to a net profit attributable to shareholders of S\$6.0 million in FY2022.

The Group was able to maintain a strong balance sheet with cash and bank balances of S\$95.8 million while shareholders' equity stood at S\$264.9 million as at 31 December 2023. The Group's current ratio remains healthy at 1.3x with a net gearing ratio of 0.5x as at 31 December 2023. This leaves us in a comfortable financial position and provides us with sufficient resources to explore opportunities without the risk of over-exposure. The Group's net assets value per share was 64.22 Singapore cents as at 31 December 2023.

## CONSTRUCTION AND BUILDING MATERIALS

According to the projection by the Building and Construction Authority Singapore ("BCA") on 15 January 2024, total construction demand in 2024 is projected to be between S\$32 billion and S\$38 billion, with the public sector contributing about 55% of the total demand. The public sector is expected to drive total construction demand in 2024, reaching between S\$18 billion and S\$21 billion, mainly from public housing and infrastructure projects. In addition, BCA expects a steady improvement over the medium term with projection of construction demand to reach between S\$31 billion and S\$38 billion per year from 2025 to 2028.

For our Construction and Building Materials division, we have several ongoing projects including MRT Circle Line 6, Deep Tunnel Sewerage System Phase 2 contract, Influent Pumping Station at Tuas Water Reclamation Plant. We also secured a Mechanical, Electrical and Instrumentation Control and Automation works for the industrial liquids at Tuas Water Reclamation. We will be focused on the smooth completion of these projects to better manage the higher material, manpower and subcontractor costs.



# STATEMENT BY EXECUTIVE CHAIRMAN AND GROUP CEO

With our long track record in the construction industry and supported by the complementary capabilities of our Building Materials division, our Group is in a good position to benefit from the sustained demand for basic building materials, infrastructure, water and wastewater treatment, and environmental projects. Looking ahead, we will navigate the challenging environment by leveraging on our strong track record and strategic partnerships, to tender for higher value construction projects.

For FY2023, the Construction and Building Materials division reported a 15% decrease in revenue from S\$288.2 million in FY2022 to S\$245.1 million in FY2023. The division accounted for approximately 69% of the Group's total revenue.

Our Building Materials division which operates batching plants and precast yards in Singapore and Malaysia, supplies ready-mix concrete and pre-cast concrete products such as facades, household shelters, bathroom units, columns, and planks. We supply to the HDB market and private developers. As some of the major upcoming public sector projects scheduled to be awarded in 2024 include the HDB's new Built-To-Order ("BTO") developments, a stable pipeline of opportunities for basic building materials is expected. At the same time, we are committed to increasing our research and development efforts to create more environmentally friendly products. By doing so, we hope to meet the needs of our customers while contributing to sustainable development.

## REAL ESTATE

Under our real estate development division, we are pleased that both Van Holland and our JV project - Hyll on Holland - have been fully sold. We remain dedicated to our prudent approach of seeking out distinctive development opportunities. Our Real Estate division achieved higher growth, with revenue rising from S\$62.2 million in FY2022 to S\$107.1 million in FY2023.

On the property development front, latest statistics from the Urban Redevelopment Authority indicated that for the whole of 2023, prices of private residential properties increased by 6.8%, moderating from the 8.6% increase in 2022. Amidst an environment marked by inflation and higher borrowing cost coupled with the impact of government adjusted cooling measures introduced in April 2023, the Group expects the private residential market to remain challenging. We will continue to carefully identify promising and attractive sites to bolster our land bank and explore potential partnerships with other developers to diversify risks and optimise/efficient capital utilisation.

## LEISURE AND HOSPITALITY

On the hospitality front, the latest statistics from the Singapore Tourism Board ("STB") showed that Singapore's international visitor arrivals reached 13.6 million in 2023, meeting STB's forecast of between 12.0 million and 14.0 million visitors. The figure is about 71% of pre-pandemic levels and more than double the 6.3 million visitors in 2022. Meanwhile, tourism receipts for the current year are estimated to reach S\$24.5 billion to S\$26.0 billion, exceeding STB's forecast of S\$18.0 billion to S\$21.0 billion set out in 2023. Barring any unforeseen circumstances, we are confident that international tourism recovery is on a strong trajectory and will continue its strong momentum into 2024.

Our Leisure and Hospitality division has recorded an increase in revenue from S\$2.6 million in FY2022 to S\$4.0 million in FY2023. We expect our Leisure & Hospitality division will continue to contribute positively to the Group in 2024.

## EMBARKING ON THE ESG JOURNEY

The Group remains committed to deliver the best value to our stakeholders in a sustainable manner, while navigating today's challenging operating environment. With the continued support of our business partners and employees, the Group has adapted to the evolving business landscape by adjusting our ways of working to ensure business viability, and supporting the well-being of our employees and local communities.

The Group strives to be a forward-thinking builder, incorporating sustainable principles into the design, construction, and management of all our projects. We are dedicated to upholding the highest standards in environmental stewardship, safety, social responsibility, and governance practices. We aim to create enduring value for all our stakeholders through a responsible, ethical, and conscientious approach.

In the future, the Board will collaborate closely with our management team to assess sustainability-related matters, including risks and opportunities. We will also work closely with our business stakeholders to strengthen health and safety protocols, prioritising the well-being of our employees, customers, contractors, and the wider community.

## ACKNOWLEDGEMENTS

The Board would like to express its sincere gratitude to the late Mr Koh Tiat Meng, Koh Brothers' Founder and Executive Chairman, who passed away on 8 July 2023, for his foresight, strong leadership, commitment and contributions. The late Mr Koh was instrumental in strategically expanding the Group's businesses and spearheading business activities into China, Malaysia, Indonesia and Vietnam.

On behalf of the Board of Directors, I would also like to take this opportunity to record our sincere appreciation to our stakeholders, clients, business associates, partners, shareholders, and employees for their continued support. Looking ahead, we will continue to stay prudent, innovative, enterprising, quality conscious and flexible in responding to new changes and challenges.

**KOH KENG SIANG (FRANCIS)**  
Executive Chairman and  
Group CEO

## BOARD OF DIRECTORS



**KOH KENG SIANG (FRANCIS)**  
*Executive Chairman and  
Group CEO*

**MR FRANCIS KOH** is the Executive Chairman and Group Chief Executive Officer of the Company. He was appointed a director on 5 May 1994 and was last re-elected on 26 April 2022. He was appointed as the Managing Director and Group CEO on 12 January 2007. He was appointed to his current position on 1 January 2024. He is also the Chairman of the Executive Committee and a member of the Nominating Committee.

Mr Koh has been with the Group since 1987 and has held various positions in administration, finance and project management. He was the main driving force behind the expansion of the Group's business into Real Estate and Leisure & Hospitality. He is credited with spearheading the Group to establish its brand name in Singapore as a builder of quality homes.

Mr Koh holds a Master of Business Administration from the National University of Singapore and a Bachelor of Engineering (Hons) from the University of Birmingham. He was conferred the Best Executive Award 1997-1998 by His Excellency, the State Minister of Industry and Trade of the Republic of Indonesia, Mr Ir T Ariwibowo. He was also conferred the Promising SME 500 (Distinguished Business Leader of the Year) in 2014 and was named the Real Estate Personality of the year 2016. Mr Koh is also the Non-Executive and Non-Independent Chairman of Koh Brothers Eco Engineering Limited, Non-Executive Director of Oiltek International Limited and a counsel member of the Teochew Federation Council and Honorary Chairman of the Singapore Khoh Clan Association.



**KOH TEAK HUAT**  
*Executive Deputy Chairman*

**MR KOH TEAK HUAT** is the Executive Deputy Chairman of the Company. He was appointed a Director on 2 February 1994 and was last re-elected on 25 April 2023. He is also the Deputy Chairman of the Executive Committee.

Mr Koh joined the Group in 1970 and was a major contributor to the growth of the Group's core businesses. He has more than 50 years of experience in the construction industry, with in-depth expertise in managing drainage, excavation and reclamation projects.

Mr Koh was conferred the title of Dato' Paduka Mahkota Terengganu Yang Kehormet, D.P.M.T. by the Sultan of Terengganu, Malaysia on 29 April 1994.



**KOH KENG HIONG (JOSEPH)**  
*Executive Director and Deputy  
CEO (Real Estate and Leisure &  
Hospitality Divisions)*

**MR JOSEPH KOH** is an Executive Director of the Company. He was appointed a Director on 7 February 2007 and was last re-elected on 26 April 2022. He is a member of the Executive Committee.

Mr Koh began his career with the Group in 1991 and involved in many key business development projects of the Group in Vietnam and Singapore. With over 30 years of experience, he has amassed an extensive portfolio of skills and capabilities spanning across a broad spectrum of businesses in hospitality and property. His vast array of expertise has seen him engaged in key corporate and operations functions such as strategic business management, corporate planning, sales and marketing, finance, human resource, information technology, as well as business development.

Mr Koh holds a Bachelor of Science with (Hons) in Business Administration (majoring in Finance) from the San Francisco State University, California, USA.



## BOARD OF DIRECTORS



**LEE SOK KHIAN JOHN**  
*Executive Director*

**MR JOHN LEE** is an Executive Director of the Company. He was appointed a Director on 9 May 2016 and was last re-elected on 26 April 2022.

Prior to Mr Lee's appointment as a Director of the Company, he was its Chief Financial Officer and Company Secretary. He has an extensive experience in management, corporate, accounting and finance functions in various industries and listed companies.

Mr Lee is a Fellow of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants. He is also an Associate of the Chartered Institute of Management Accountants and the Chartered Secretaries Institute of Singapore. Mr Lee is also currently a Non-Executive and Non-Independent Director of Koh Brothers Eco Engineering Limited.



**QUEK CHEE NEE**  
*Non-Executive and  
Non-Independent Director*

**MDM QUEK CHEE NEE** is a Non-Executive and Non-Independent Director of the Company. She was appointed a Director on 2 February 1994 and was last re-elected on 25 April 2023.

Mdm Quek joined the Group in 1969 and assisted the Chairman in running the Group's construction activities when it was still undertaken as a sole proprietorship. She played a pivotal role in helping the Group corporatise its businesses and achieve major success before relinquishing her executive role.

Mdm Quek has more than 50 years of experience in the construction industry and contributed significantly to the Group's growth.

## BOARD OF DIRECTORS



**ER DR LEE BEE WAH**  
*Non-Executive and  
Lead Independent Director*

**ER DR LEE BEE WAH** is an Independent Director of the Company. She was appointed a Director on 1 July 2015 and was last re-elected on 25 April 2023. She was appointed as the Lead Independent Director on 20 June 2016. She is the Chairperson of the Audit and Risk Committee and a member of the Nominating Committee and Remuneration Committee.

Er Dr Lee is a Licensed Professional Engineer who made history at the Institution of Engineers Singapore ("IES") by becoming its first woman President in 2008. She is also the first Singaporean to be awarded Honorary Fellow of the Institution of Structural Engineers, United Kingdom. Er Dr Lee is a Honorary Fellow Member of IES and a past Board Member of the Professional Engineers Board. She holds a Master of Science (Engineering) from the University of Liverpool and a Bachelor of Civil Engineering from Nanyang Technological University. She was conferred a Honorary Doctorate by the University of Liverpool in July 2011.

She is currently the Group Director of Meinhardt (Singapore) Pte Ltd, a leading global engineering, planning and management consultancy firm. Er Dr Lee was a Member of Parliament ("MP") from 2006 to 2020. As an MP, she had brought up many issues in Parliament to improve the standing of the engineering profession in Singapore such as the salaries of engineers and the implementation of green engineering in building structures. She currently chairs the Nanyang Technological University School of Civil & Environmental Engineering Advisory Committee.

Er Dr Lee was the President of the Singapore Table Tennis Association ("STTA") from 2008 to 2014. During her tenure, STTA has put Singapore on the global sporting map, winning medals in the 2008 Beijing Olympics and the 2012 London Olympics. She is currently the Adviser to the STTA and Singapore Swimming Association and ambassador for Singapore Golf Association. Er Dr Lee is also the Lead Independent Non-Executive Director of Amcorp Global Limited, an Independent Director of Heeton Holdings Limited and Hong Lai Huat Group Limited and a Board Member of the Building and Construction Authority and Temasek owned Mandai Park Holdings.



**GOH MOU LIH**  
*Non-Executive and  
Independent Director*

**MR GOH MOU LIH** is an Independent Director of the Company. He was appointed a Director on 1 January 2022 and was last re-elected on 26 April 2022. He is a member of the Share Purchase Committee. Mr Goh was a Consultant with Quyntor Pte Ltd, a company providing IT and data solutions to the financial and insurance sectors from 2012 to 2022. Prior to venturing into the IT industry, Mr Goh was the Head of Research and Economist at Westcomb Securities Pte Ltd. From 2014 to 2015, Mr Goh was a Non-Executive Director of Voyage Research Pte Ltd. Mr Goh was also a Strategist with Daiwa Institute of Research Pte Ltd. He was also a Senior Finance Analyst with OCBC Investment Research Pte Ltd.

Mr Goh is a council member of Hwa Chong Alumni Association. He is also a Board member of Singapore Chinese High School. He graduated from the National University of Singapore with a Bachelor of Arts and a Bachelor of Social Science (First Class (Hons)) in Economics.



**LAI MUN ONN**  
*Non-Executive and  
Independent Director*

**MR LAI MUN ONN** is an Independent Director of the Company. He was appointed a Director on 30 July 1994 and was last re-elected on 27 April 2021. He is the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and the Share Purchase Committee.

Mr Lai is the Managing Partner of Lai Mun Onn & Co., a law firm in Singapore. He graduated from the University of London with a Bachelor of Law (Hons) and obtained his Barrister-at-Law from Lincoln's Inn. He was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1982. He is presently a Notary Public, Commissioner for Oaths and a member of the Singapore Institute of Arbitrators.

He is a member of the Governing Council of the Singapore Golf Association and the President of the Keppel Club. Mr Lai is also an Independent Director of Fuji Offset Plates Manufacturing Ltd.



## BOARD OF DIRECTORS



**LOW YEE KHIM (DANNY)**  
*Non-Executive and  
Independent Director*

**MR DANNY LOW** is an Independent Director of the Company. He was appointed a Director on 1 January 2019 and was last re-elected on 25 April 2023. He is a member of the Audit and Risk Committee. Mr Low was previously the Executive Director and Chief Operating Officer of Heeton Holdings Ltd, overseeing its finance, leasing, operational, marketing, project and hospitality activities.

Mr Low had also previously worked in MNCs and various Singapore listed companies. He is a fellow member of the Institute of Singapore Chartered Accountants and a Member of the Singapore Institute of Directors.



**ONG SEET JOON (AMOS)**  
*Non-Executive and  
Independent Director*

**MR AMOS ONG** is an Independent Director of the Company. He was appointed a Director on 1 January 2022 and was last re-elected on 26 April 2022. He is the Chairman of the Share Purchase Committee. Mr Ong is Co-Founding and Co-Managing Partner with A3 Capital Pte Ltd, a privately held specialist Real Estate investment platform based in Singapore undertaking Real Estate Fund Management, Asset Management and Syndication. He is also an Independent Director of Tiong Seng Holdings Limited and Hiap Hoe Limited.

Prior to A3 Capital, Mr Ong was with Maybank from 1992 to 2021. He held various positions including Country Head of Maybank Hong Kong, President and CEO, Maybank Philippines Inc. and Head of Client Coverage and Global Banking at Maybank Singapore.

Mr Ong holds a Master of Economics degree from Macquarie University and graduated with a Bachelor of Arts (Economics) with First Class Hons from London Metropolitan University.



**OW YONG THIAN SOO**  
*Non-Executive and  
Independent Director*

**MR OW YONG THIAN SOO** is an Independent Director of the Company. He was appointed a Director on 20 June 2016 and was last re-elected on 25 April 2023. He is the Chairman of the Nominating Committee and a member of the Audit and Risk Committee and the Remuneration Committee.

Mr Ow Yong is also an Independent Director of Charisma Energy Services Limited. He was appointed on 3 October 2023 and serves as the Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee.

Mr Ow Yong was admitted to the Singapore Bar in 1982. He is a Senior Partner of the law firm, Lee & Lee and is the Head of its Real Estate Department. His practice covers a wide range of real estate and financing transactions relating to commercial, industrial and residential properties.

## SENIOR MANAGEMENT

### Shin Yong Seub (Paul)

Chief Executive Officer  
(Koh Brothers Eco Engineering Limited)

Mr Paul Shin is the Chief Executive Officer of Koh Brothers Eco Engineering Limited. Prior to joining Koh Brothers Eco Engineering Limited in 2016, he held various senior management positions in Samsung C & T Corporation. The last position he held there was Head of its South East Asia Headquarters.

Mr Shin holds a Bachelor of Arts degree in International Business from Hankuk University of Foreign Studies, as well as a Bachelor of Arts in Middle East Politics & Economics from King Saud University. He also has a Master's degree in International Business Administration from Korea University.

### Choo Siew Meng

Deputy Chairman  
(Koh Brothers Eco Engineering Limited)

Mr Choo Siew Meng was appointed as Executive Director (Construction) in December 2017 and was promoted to Deputy Chairman in 2022. He has more than 45 years' experience in the Construction industry including a stint as a Civil Engineer with the Housing & Development Board from 1973 to 1977.

He has been with Koh Brothers Group for 20 years where he was responsible for the overall performance of the Construction Division. Mr Choo has in-depth knowledge and experience in building projects as well as highly specialised civil engineering and infrastructural projects such as the Marina Barrage, Tuas Drydock, Changi Water Reclamation Plant and the Common Services Tunnel (Marina South).

Mr Choo holds a Bachelor of Engineering from the University of Singapore.

### Chan Ping Meng

Executive Director  
(Building Materials Division)

Mr Chan Ping Meng joined the Building Materials Division as Operations Manager in 1997. He was promoted to Executive Director of G & W Precast Pte Ltd and G & W Building Materials Sdn. Bhd. in 2013. He has more than 35 years' experience in precast concrete operations and has been involved in precasting for a wide variety of civil engineering, building and marine construction projects.

Mr Chan holds a Diploma in Civil Engineering from the Singapore Polytechnic and a Specialist Diploma in Precast Concrete Construction from the Building and Construction Authority, Singapore.

### Eugene Ho

General Manager  
(Ready-Mix Concrete Division)

Mr Eugene Ho joined the group as General Manager (Ready-Mix Concrete Division) in 2023. He is responsible for overseeing the operations, business performance and growth of this division. Mr Ho has more than 35 years' working experience in the building materials industry. Prior to joining the group, he has held various senior positions in major MNC companies, both locally and overseas.

Mr Ho holds a Master of Science (Hons) in Marketing from National University of Ireland and a Bachelor of Business (Business Administration) from Royal Melbourne Institute of Technology.

### Bernard Wong Ee Yu

Executive Director  
(Real Estate Division)

Mr Bernard Wong joined the Group as Executive Director (Real Estate Division) in 2012 and is responsible for overseeing the operations, business performance and growth of this division. Mr Wong has more than 30 years' engineering and management experience in the real estate sector. Prior to joining the Group, he held senior and management positions with various property developers in Malaysia.

Mr Wong holds a Bachelor of Engineering (Hons) in Civil Engineering from the University of Birmingham. He is also a Non-Executive Director of Oiltek International Limited.

### Adrian Ruzsicska

Chief Information Officer

Mr Ruzsicska rejoined the company as a Chief Information Officer in 2023. He is responsible for overseeing the Group IT function and establishing IT and management information systems standards, strategy and policies. He has more than 25 years' relevant experience in the IT and telecommunication industry.

Mr Ruzsicska holds a Bachelor of Science in Computer Science from Northern Territory University and a Master of Business Administration from the National University of Singapore.

### Tay Tze Wen (Sammi)

Group Financial Controller

Ms Sammi Tay joined the Group in 2006 and is our Group Financial Controller. She is responsible for the Group's financial affairs including accounting, finance, treasury, taxation as well as risk management. Ms Tay has been appointed as an alternate director to Mr Koh Keng Siang (Francis) in Oiltek International Limited in March 2023. She has more than 20 years' experience in auditing, accounting and finance.

Ms Tay holds a Bachelor of Commerce in Accounting and Finance from Monash University, Australia. She is also a Chartered Accountant of ISCA and a member of CPA Australia.

### Therese Ng Chew Hwee

Company Secretary

Ms Therese Ng rejoined the Company in June 2020 as the Company Secretary. She is responsible for the Group's corporate secretarial and compliance functions. She has more than 15 years' experience in corporate secretarial and related compliance matters.

Ms Ng holds a Master of Science in Finance, Accounting and Management from University of Bradford, United Kingdom. She is also an Associate of the Chartered Secretaries Institute of Singapore.



## GROUP STRUCTURE

### CONSTRUCTION AND BUILDING MATERIALS

Koh Brothers Eco Engineering Limited  
Koh Brothers Building & Civil Engineering  
Contractor (Pte) Ltd  
G & W Ready-Mix Pte Ltd  
G & W Precast Pte Ltd  
Oiltek International Limited  
Oiltek Sdn Bhd

### REAL ESTATE

Koh Brothers Development Pte Ltd  
Koh Brothers Holdings Pte Ltd  
KBD Holland Pte Ltd  
Koh Brothers Gangnam Limited  
KBD Ventures Pte Ltd  
Changi Properties Pte Ltd  
KBD Kosdale Pte Ltd  
Kosland Pte Ltd  
PT Koh Brothers Indonesia

### LEISURE & HOSPITALITY

Oxford Hotel Pte Ltd  
Koh Brothers Investment Pte Ltd

*Note: This list is not exhaustive.*

# SUSTAINABILITY REPORT

## BOARD STATEMENT

Koh Brothers Group Limited (the "Company", and together with its subsidiaries, the "Group"), is pleased to present its sustainability report for the financial year ended 31 December 2023. This report demonstrates our continuing commitment towards building a more sustainable future, as global and national calls for combating climate change have been increasing with urgency.

Being in the construction sector, we understand the impact that our operations have on the environment, and recognise that it is our responsibility to incorporate sustainable practices into our corporate strategy and daily operations. Our sustainability strategy and principles are also linked to the Group's motto, Building Cities Building Dreams, which drives the behaviors, attitudes, decisions, and actions of the business.

Against the backdrop of the ongoing conflict between Russia and Ukraine and in the Middle East, there is greater uncertainty in the global economy than before. However, the Group remains committed to deliver the best value to our stakeholders in a sustainable manner, while navigating today's challenging operating environment. With the continued support of our business partners and employees, the Group has adapted to the evolving business landscape by adjusting our ways of working to ensure business viability, and supporting the well-being of our employees and local communities.

With the recent SGX announcements on the requirements for internal review over sustainability reporting and mandatory climate reporting for our industry, we endeavor to strengthen the integration of sustainability into the heart of our business by aligning our business strategy with the interests of our stakeholders, while managing the impacts we have in the environment and society. The Group considers sustainability issues as part of our strategic intent and continues to focus on setting up a strategic direction towards sustainable consumption of environmental resources, diverse and inclusive workplace, fair employment practices, as well as the health and safety of our employees.

The Board has tasked the Audit and Risk Committee ("ARC") to review the adequacy and effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls). Together with Management, the ARC regularly reviews the Group's businesses and operational activities to assess and manage potential risk exposure through an Enterprise Risk and Sustainability ("ERS") framework which incorporates a Risk Register to capture significant business risks, and the strategies and internal controls to mitigate risks. The ERS Committee, including relevant members from the Senior Management team, is responsible for setting the direction of corporate risk management and monitoring the implementation of risk management policies and procedures. The ERS Committee reports to the ARC on a regular basis. The Group's financial risk management objectives and policies are set out in the notes to the FY2023 financial statements.

The Board thanks its various stakeholders for being part of our sustainability journey and looks forward to a continued partnership as we strive towards responsible corporate citizenship.

Board of Directors  
Koh Brothers Group Limited

## ABOUT THIS REPORT

### REPORTING PERIOD AND SCOPE

This report addresses the Group's sustainability practices and performance around its material economic, environment, social and governance ("EESG") factors for the period of 1 January to 31 December 2023 ("FY2023"). The scope of the report covers the Group's main operating entities under two business divisions, namely the Construction and Building Materials division and Real Estate division.

### REPORTING FRAMEWORK

This report has been prepared in accordance with the requirements of SGX-ST Listing Rules 711A and 711B, and with reference to the Global Reporting Initiative ("GRI") Standards 2021. The GRI Standards were selected as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures.

We understand that making climate-related disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") is also an important step in our growth and development and we take it very seriously. However, for the financial year ended 31 December 2023, the Group was focused on conducting a study with our suppliers and subcontractors to understand their approach to preserving the ecosystem. In this regard, we understand that suppliers and subcontractors do encounter difficulty in data availability and its quality. On top of that, our customers' opinions are invaluable in shaping our future actions. For the financial year ending 31 December 2024, the Group will focus on seeking their thoughts on climate-related risks and opportunities in regard to our industry. The suppliers', subcontractors' and customers' input will help us gather the right resources and ensure adequate preparation such that we are able to make the relevant climate-related disclosures in the annual report for the financial year ending 31 December 2024 in a meaningful manner.

The accuracy and veracity of the information presented in this report has been reported in good faith and to the best of our knowledge. While the information provided has been ensured by internal monitoring and verification, this report has not been externally assured. We have conducted an internal review of our sustainability management process.

### FEEDBACK

We value and welcome all feedback from stakeholders as they are integral to the continuous improvement of our sustainability practices and reporting.

Please send all the comments and suggestions to our Investor Relations Consultants, Citigate Dewe Rogerson Singapore Pte Ltd. The contact person is Dolores Phua Tel: (65) 65345122.



# SUSTAINABILITY REPORT

## MANAGING SUSTAINABILITY

### SUSTAINABILITY APPROACH



### STAKEHOLDER ENGAGEMENT

We understand that stakeholders play a critical role in determining a business' long-term viability and we have identified our key stakeholders as groups or individuals who impact our strategy the most or are directly impacted by it.

We actively engage our key stakeholders on a consistent basis to understand their needs and expectations and strive to respond to their concerns in a timely manner. Thus, it is always our priority to maintain open lines of communication with our stakeholders.

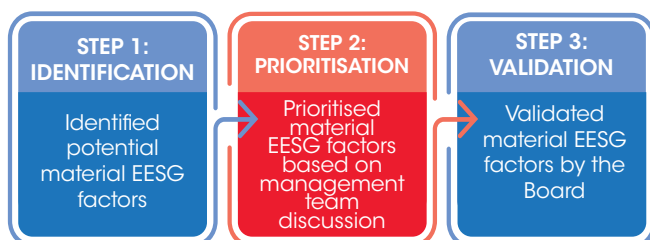
Key Stakeholders	Engagement Methods	Key Concerns	Our Responses
Government / Regulators	<ul style="list-style-type: none"> <li>Participation in government initiatives and policy working groups</li> </ul>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>We work closely with government agencies and regulators to elevate industry standards for sustainable practices, as well as health and safety standards.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Annual performance appraisals</li> <li>Staff orientation for new employees</li> <li>Regular sessions with the Project Heads and/or Heads of Departments to address the training needs of staff</li> <li>Ad-hoc gatherings</li> </ul>	<ul style="list-style-type: none"> <li>Employment</li> <li>Remuneration</li> <li>Benefits</li> <li>Career progression</li> <li>Training and education</li> </ul>	<ul style="list-style-type: none"> <li>Our employees are our most important asset, and we ensure that they are equipped with the relevant skills to navigate a fast-changing global landscape.</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Annual reports</li> <li>Notices, Circulars, and Announcements</li> </ul>	<ul style="list-style-type: none"> <li>Voting rights</li> <li>Financial results</li> <li>Key information</li> </ul>	<ul style="list-style-type: none"> <li>We strongly emphasize corporate governance and sustainability and continue to build investors trust and confidence through open dialogue with shareholders.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Websites</li> <li>Face-to-face meetings</li> <li>Electronic medium</li> </ul>	<ul style="list-style-type: none"> <li>Service quality</li> <li>Project completion</li> <li>Price</li> </ul>	<ul style="list-style-type: none"> <li>Delivering the highest standards of quality, safety and sustainability across all our businesses</li> </ul>
Contractors	<ul style="list-style-type: none"> <li>Periodic meetings</li> <li>Contractor/supplier evaluation exercises</li> <li>Electronic medium</li> </ul>	<ul style="list-style-type: none"> <li>Projects volume</li> <li>Prompt payments</li> </ul>	<ul style="list-style-type: none"> <li>We constantly review and monitor the performance of our subcontractors and suppliers which are governed by our standard operating procedures and improve efficiency throughout the supply chain.</li> </ul>
Media	<ul style="list-style-type: none"> <li>Media announcements</li> </ul>	<ul style="list-style-type: none"> <li>Financial Results</li> <li>Environmental news</li> <li>Community impact</li> </ul>	<ul style="list-style-type: none"> <li>We are committed to ensuring that accurate and pertinent information is disseminated to the market in a timely and transparent manner as part of good corporate governance.</li> </ul>

# SUSTAINABILITY REPORT

## MATERIALITY ASSESSMENT

We believe that material issues have a direct or indirect impact on our ability to create, preserve or deplete the economic, environmental and social value for ourselves, our stakeholders and the society at large. A materiality assessment allows us to identify aspects most relevant to us, which aids in defining our sustainability goals and their alignment with our business aspirations.

In September 2017, the Company conducted an inaugural 3-step materiality assessment in line with the Materiality Principle of the GRI Standards. The process is described as follows:



In the process of identifying the material EESG factors, the Company considered the following:

- Global and local emerging sustainability trends;
- Main topics and future challenges for the construction, building materials, and real estate sectors, as identified by peers; and
- Insights gained from regular interactions with internal and external stakeholders.

In FY2022, we re-validated the material EESG factors identified in FY2017 and added more material factors in our sustainability reporting. Taking into consideration our business operations, the new sustainability landscape and stakeholders' needs and expectations, the current EESG tabulated factors below were deemed to be relevant and material to the Group.

In FY2023, we continue to report on the following EESG material factors identified in our FY2022 review. The Company will regularly review and assess these material EESG factors to ensure their relevance.

Our assessment yielded these twelve material EESG factors as shown in the following table.

Sustainability Focus Area	Material EESG Factors	GRI Topic specific disclosures
Economic	Economic performance	
Environmental	Energy Consumption	302-1, 302-3
	Water Withdrawal	303-1, 303-3
	Emissions	305-1, 305-2
Social	Waste Generation	306-1, 306-2, 306-3
	Employment	401-1, 2-27
	Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9
	Training and Education	404-1
	Diversity and Equal Opportunity	405-1
	Non-Discrimination	406-1
Governance	Compliance with Laws and Regulations	2-27
	Anti-Corruption	205-3

## KEY PERFORMANCE AT A GLANCE

GRI Topic Standard	Material EESG Factor with indicator	FY2022 <sup>1</sup>	FY2023
<b>ECONOMIC</b>			
<b>Economic Performance</b>			
Refer to FY2023 Annual Report pages 57 to 61 for financial statements that provide more information on the Group's economic performance for the financial year ended 31 December 2023			
<b>ENVIRONMENTAL</b>			
<b>Energy Consumption</b>			
GRI 302-1: Energy consumption within the organisation	Total energy consumed (GJ)	53,501.12 <sup>2,4</sup>	48,395.13
GRI 302-3: Energy Intensity	Total energy intensity (GJ/m <sup>2</sup> )	0.97 <sup>3</sup>	0.87

<sup>1</sup> Several FY2022 data have been restated to align with GRI requirements.

<sup>2</sup> Total Energy Consumption in FY2022 has been restated in GJ from kWh.

<sup>3</sup> Energy Intensity for FY2022 has been restated from 57.61 kWh/m<sup>2</sup> to 0.97 GJ/m<sup>2</sup> based on Total Gross Floor Area of 55,364.31m<sup>2</sup>.

<sup>4</sup> Diesel Consumption was previously not reported in FY2022 and has been restated in this report for completeness and to allow for year-on-year comparison.



# SUSTAINABILITY REPORT

GRI Topic Standard	Material EESG Factor with indicator	FY2022 <sup>1</sup>	FY2023
<b>Emissions</b>			
GRI 305-1: Direct (Scope 1) GHG emissions	Total energy direct (Scope 1) GHG emissions in tCO <sub>2</sub> e	3,495.08 <sup>6</sup>	3,127.46
GRI 305-2: Energy indirect (Scope 2) GHG emissions	Total energy indirect (Scope 2) GHG emissions in tCO <sub>2</sub> e	798.12 <sup>6</sup>	778.76
<b>Water Consumption</b>			
GRI 303-5: Water withdrawal	Total water consumed (m <sup>3</sup> )	137,748.40 <sup>5</sup>	165,543.00
<b>Waste Generation</b>			
GRI 306-3: Waste generated	Total waste generated (tonnes)	35,068.79 <sup>7</sup>	35,222.01
<b>SOCIAL</b>			
<b>Employment</b>			
GRI 401-1: New employee hires and turnover	Total number of employees	478 <sup>8</sup>	495
	Total number of new employee hires	130	102
	Total rate of new employee hires	27.20% <sup>9</sup>	20.61%
	Total employee turnover	143	85
	Total rate of employee turnover	29.92% <sup>10</sup>	17.17%
<b>Occupational Health and Safety</b>			
GRI 403-9: Work-related injuries	Number of work-related fatalities	Nil	Nil
	Work-related injury rate	1.85 <sup>11</sup>	1.17

GRI Topic Standard	Material EESG Factor with indicator	FY2022 <sup>1</sup>	FY2023
<b>Training and Education</b>			
GRI 404-1: Average hours of training per year per employee	Total training hours	3,058.00	4,899.90
	Average training hours per employee	6.40 <sup>12</sup>	9.90
<b>Diversity and Equal Opportunity</b>			
GRI 405-1: Diversity of governance bodies and employees	Employee Gender Distribution:		
	Male	72.84%	76.16%
	Female	27.16%	23.84%
<b>Non-Discrimination</b>			
GRI 406-1: Incidents of discrimination and corrective actions taken	Total number of incidents of discrimination	Nil	Nil
<b>GOVERNANCE</b>			
<b>Compliance with Laws and Regulations</b>			
GRI 2-27: Compliance with Laws and Regulations	Total reported incidents of non-compliance	Nil	S\$45,000 (3 cases)
<b>Anti-Corruption</b>			
GRI 205-3: Confirmed incidents of corruption and action taken	Confirmed incidents of corruption	Nil	Nil

<sup>1</sup> Several FY2022 data have been restated to align with GRI requirements.

<sup>5</sup> FY2022's Water Withdrawn was restated from 201,635m<sup>3</sup> to 137,748.40m<sup>3</sup> due to exclusion of civil work

<sup>6</sup> Scope 1 & 2 GHG emissions were previously not reported in FY2022 and have been restated in this report to allow for year-on-year comparison

<sup>7</sup> Total Waste generated in FY2022 has been restated from 2,625 tonnes to 35,068.79 tonnes to include the Building Materials division batching plants and precast yards to allow year-on-year comparison

<sup>8</sup> FY2022's Total number of employees has been restated from 493 to 478

<sup>9</sup> Total rate of new employee hire was not reported in FY2022. This figure has now been included in this report to allow for year-on-year comparison. Total rate of new employee hires = Total no. of new hires/Total no. of employees

<sup>10</sup> Employee turnover rate has been restated in FY2022 from 28.77% to 29.92% to reflect the restatement of the total number of employees from 495 to 478

<sup>11</sup> Rate of recordable work-related injuries for FY2022 has been restated from 56.46 to 1.85 due to the new formula applied as follows: (Number of recordable work-related injuries X1,000,000) divided by number of hours worked.

<sup>12</sup> Average training hours per employee has been restated from 6.15 to 6.40 in FY2022 based on the restatement of the total number of employees from 495 to 478.

# SUSTAINABILITY REPORT

## ECONOMIC

### ECONOMIC PERFORMANCE

For detailed financial results, business review and performance, please refer to the following sections in our 2023 Annual Report:

- Our Business, pages 2 – 4
- Financial Highlights, page 7
- Financial Statements, pages 57 – 125

## ENVIRONMENT

### ENERGY AND ENERGY INTENSITY [GRI 302-1, 302-3]

We are committed to making sure our operations are as energy efficient and sustainable as possible. We believe that by taking steps to reduce energy consumption, we can positively impact our environment and help create a healthier future for our stakeholders.

We are continuously exploring new ways to reduce our energy consumption. This includes investigating new technologies and working with sustainability experts to ensure that we are compliant and conduct business responsibly. The Group aspires to help others decrease resources use through promoting green buildings in line with the Singapore Green Building Masterplan.

Measures implemented by the Group as of date include the following:

- Regular maintenance of equipment and facilities to ensure optimal energy efficiency;
- Provision of high-efficiency systems such as lifts with variable voltage frequency and sleep mode features; and
- Installation of energy-efficient light fittings and motion sensors on common staircases and toilets.

We also understand that measures must be identified and taken on a firm-wide level to improve our energy consumption performance. In this regard, we have continued to make efforts to conserve our resources and managing our consumptions so that the Group can optimise its utilities and emissions performance. We are proud of the steps we have taken so far, and we strive to continue improving our efforts to manage energy consumption more efficiently.

In FY2023, the total energy consumption was 48,395.13 GJ. 86.70% of this energy consumption comes from diesel and 13.30% from electricity.

Energy intensity for FY2023 is 0.87 based on energy consumed per Gross Floor area<sup>3</sup>, as compared to the energy intensity of 0.97 for FY2022.

Energy Consumption		FY2022 (GJ)	FY2023 (GJ)
Non-Renewable	Diesel	46,889.31 <sup>13</sup>	41,957.31
	Fuel Total	46,889.31	41,957.31
Energy	Electricity	6,611.81 <sup>14</sup>	6,437.82
	Electricity Total	6,611.81	6,437.82
<b>Grand Total</b>		<b>53,501.12</b>	<b>48,395.13</b>

Conversion factors from l to GJ and kwh to GJ are based on Emission Factors for Cross Sector Tools March 2017 – IPCC 2006.

### WATER [GRI 303-1, 303-3]

At the Group, we are firmly committed to managing our water consumption responsibly and sustainably. As a company, we understand the importance of conserving water as a valuable resource, especially in light of the increasing impact of climate change. Our commitment to reducing our water consumption applies to our construction work. We make sure that we use NEWater and recycled water instead of PUB domestic water for construction works e.g. cleaning of sites.

Our commitment to managing water consumption is an integral part of our sustainability efforts. To manage the Group's environmental performance holistically and systematically, we also maintain the ISO 14001:2015 certification for environmental management systems. This certification helps map out a framework that we can adhere to set up an effective environmental management system, demonstrating our commitment to improving and reducing our environmental impact. As we continue to implement strategies and techniques, we look forward to seeing more positive impact to the environment.

Our water consumption was dependent on type, size, construction stage and construction activity. Furthermore, annual consumption trends may not be entirely comparable as water consumption tend to be higher when there is an increase in construction activities.

<sup>3</sup> Based on Total Gross Floor Area of 55,364.31m<sup>2</sup>.

<sup>13</sup> Diesel Consumption was previously not reported in FY2022 and has been restated in this report for completeness and to allow for year-on-year comparison

<sup>14</sup> Electricity Consumption for FY2022 has been restated in GJ from kWh. Electricity Consumption for FY2022 also includes Building Materials division batching plants and precast yards

# SUSTAINABILITY REPORT

In FY2023, our total water consumption was 165,543.00 m<sup>3</sup> from our Singapore and Malaysia operations. The increase in consumption from FY2022 is primarily due to increase in activities in FY2023.

Total Water Withdrawn (M <sup>3</sup> )	FY2022	FY2023
Third-party water	137,748.40 <sup>16</sup>	165,543.00

Water consumption as reported in FY2022 and FY2023 is updated to water withdrawn, not water consumed. Based on WRI Water Aqueduct Tool, the area where water is withdrawn is not in a water stress area.

## EMISSIONS [GRI 305-1, 305-2]

This is our first year of reporting emissions from our energy consumption, as we feel that it is important metric to measure and manage, given the contribution it makes to climate change.

Our Scope 1 emissions that result directly from our operations is 3,127.46tCO<sub>2</sub>e, which makes up about 80.06% of our total GHG emissions. Our Scope 2 emissions of 778.76tCO<sub>2</sub>e which makes up 19.94% of our emissions comes from purchased electricity.

We will, in the coming years, track and monitor our total GHG emissions, in order to identify opportunities for improvement to make our processes more efficient and transition to a lower carbon economy.

Scope 1 & 2 GHG Emissions		FY2022 (tCO <sub>2</sub> e)	FY2023 (tCO <sub>2</sub> e)
Scope 1	Diesel	3,495.08 <sup>17</sup>	3,127.46
	Fuel Total	3,495.08	3,127.46
Scope 2	Electricity	798.12 <sup>15</sup>	778.76
	Electricity Total	798.12	778.76
<b>Grand Total</b>		<b>4,293.21</b>	<b>3,906.22</b>

The calculations are aligned with the principles of the GHG Protocol. Conversion factors for the above table are based on Emission Factors for Cross Sector Tools March 2017. Grid Emission Factors are sourced from Singapore Energy Market Authority (EMA) and IGES Institute for Global Environmental Strategies (2021). List of Grid Emission Factors, version 11.3.

## WASTE [GRI 306-1, 306-2, 306-3]

The Group understands that it is important to account for waste we generate annually to track our performance and improve our sustainability management. As part of our commitment to sustainability, we have been diligently tracking and monitoring our waste generation which is largely dependent on the level of construction activities. Accounting for waste generation shows an extent to which we manage waste-related impacts. We are committed to manage our waste generation well, providing regular updates and reduce the negative impacts from our waste generation.

The waste that is generated from construction activities as construction waste and general waste is non-hazardous in nature, and it is disposed safely offsite through a licensed contractor.

In FY2023, the Group's total waste generation was 35,222.01 tonnes (FY2022: 35,068.79<sup>18</sup> tonnes). There was a marginal increase in total waste generation over FY2022 because of increase in activities.

Assuming the same level of activities, we target to reduce waste generation up to 3% in FY2024.

## SOCIAL

The Group is committed to creating a sustainable future that respects and protects human rights within our operations. We are committed to upholding the fundamental principles of human rights based on the United Nations Guiding Principles on Business and Human Rights. We take steps to ensure that our practices and policies are respectful to the rights of every individual we conduct business with.

In particular, we are committed to:

- Adhering to the Employment Laws and Regulations in the countries we operate in;
- Upholding labour rights, such as the rights to safe and fair working conditions;
- Promoting diversity and equal opportunities and non-discrimination in our workplace; and
- Ensuring respects to the local communities by adhering to the applicable laws and regulations.

All HR data related to Employment, Training and Diversity exclude foreign job site workers.

## EMPLOYMENT [GRI 401-1, Disclosure 2-7]

We recognise the key role that employees play in the success of our business. Therefore, the Group remains committed to support and develop our employees wherever possible. We hope to create an environment where employees share the same values with the Group. The Group offers competitive salaries, training programmes, and excellent growth and development opportunities – all to create a compelling and rewarding work environment. Notwithstanding this, we have to acknowledge the current tight labour market and the difficulty in retaining employees especially in the construction industry.

The Group also reviews each employee's development plans during the annual performance appraisal to ensure that their training needs and goals are addressed.

<sup>15</sup> Electricity Consumption for FY2022 has been restated in GJ from kWh. Electricity Consumption for FY2022 also includes Building Materials division batching plants and precast yards

<sup>16</sup> FY2022's Water Withdrawn was restated from 201,635m<sup>3</sup> to 137,748.40m<sup>3</sup> due to exclusion of civil work

<sup>17</sup> Scope 1 & 2 GHG emissions were previously not reported in FY2022 and have been restated in this report to allow for year-on-year comparison

<sup>18</sup> Total Waste generated in FY2022 has been restated from 2,625 tonnes to 35,068.79 tonnes to include the Building Materials division batching plants and precast yards to allow year-on-year comparison



# SUSTAINABILITY REPORT

## Disclosure 2-7

The Group's total number of employees was 495<sup>19</sup> in FY2023 compared to 478<sup>20</sup> in FY2022. Out of the 495 total workforce, all were permanent staff. 493 out of the 495 were full-time staff and 2 were part-time staff. There were no temporary/contract employees. The following tables detail the various break up of total workforce data for FY2023:

Total Number of Employees by Employment Type		Singapore	Malaysia	Total
No. of full time employees	Male	295	82	377
	Female	83	33	116
	<b>Total</b>	<b>378</b>	<b>115</b>	<b>493</b>
No. of part-time employees	Male	-	-	-
	Female	2	-	2
	<b>Total</b>	<b>2</b>	<b>-</b>	<b>2</b>

Total rate of new employee hire declined to 20.61% in FY2023 (FY2022: 27.20%<sup>21</sup>). In FY2023, 15.96% of the total workforce were new male hires, and 4.96% were new female hires. In terms of age profile, 11.72% of the total workforce were new hires in the 30-50 years old age bracket. Under 30 year olds and Over 50 year olds as new hires constituted 3.84% and 5.05% of the total workforce.

Total Number and Rate of Hiring by Gender		Singapore		Malaysia		Total	
		No.	Rate	No.	Rate	No.	Rate
Male		58	15.26%	21	18.26%	79	15.96%
Female		15	3.95%	8	6.96%	23	4.65%
<b>Total</b>		<b>73</b>	<b>19.21%</b>	<b>29</b>	<b>25.22%</b>	<b>102</b>	<b>20.61%</b>

Total Number and Rate of Hiring by Age Group		Singapore		Malaysia		Total	
		No.	Rate	No.	Rate	No.	Rate
Under 30 years old		3	0.79%	16	13.91%	19	3.84%
30-50 years old		46	12.10%	12	10.43%	58	11.72%
Over 50 years old		24	6.32%	1	0.87%	25	5.05%
<b>Total</b>		<b>73</b>	<b>19.21%</b>	<b>29</b>	<b>25.21%</b>	<b>102</b>	<b>20.61%</b>

The employee turnover rate in FY2023 was 17.17% of the total workforce (FY2022: 29.92%<sup>22</sup>). The turnover among males in FY2023 was 12.12% and females was 5.05% of the total

workforce. The turnover rate for FY2023, reflecting the higher hiring rate, was also highest in the age group of 30-50 years old at 10.50%. The turnover rate was 4.85% and 1.82% for the Over 50 years old, and Under 30 years old groups respectively.

Total Number and Rate of Turnover by Gender		Singapore		Malaysia		Total	
		No.	Rate	No.	Rate	No.	Rate
Male		49	12.89%	11	9.56%	60	12.12%
Female		21	5.53%	4	3.48%	25	5.05%
<b>Total</b>		<b>70</b>	<b>18.42%</b>	<b>15</b>	<b>13.04%</b>	<b>85</b>	<b>17.17%</b>

Total Number and Rate of Turnover by Age Group		Singapore		Malaysia		Total	
		No.	Rate	No.	Rate	No.	Rate
Under 30 years old		3	0.79%	6	5.21%	9	1.82%
30-50 years old		44	11.58%	8	6.96%	52	6.96%
Over 50 years old		23	6.05%	1	0.87%	24	4.85%
<b>Total</b>		<b>70</b>	<b>18.42%</b>	<b>15</b>	<b>13.04%</b>	<b>85</b>	<b>17.17%</b>

## OCCUPATIONAL HEALTH AND SAFETY

[GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9]

Safeguarding our employees' health and safety is of utmost importance to us and is integral to ensuring smooth operations. We believe that work progress cannot be achieved at the expense of health and safety, hence the tone of defining employees' health and safety is crucial in fostering a safe and effective working environment. Maintaining a safe working environment is also the responsibility of all employees and management across the organisation.

We have established Health and Safety Policies. Our Construction and Building Materials division has fortnightly meetings to discuss health and safety issues and incidents and evaluate the sufficiency of health and safety initiatives. A Health and Safety Forum is also held quarterly, where the Management of the Construction and Building Materials division will discuss health and safety issues with its Health, Safety, and Environment ("HSE") division.

With the establishment of the Management HSE Committee, monthly site visits and inspections are conducted, and thereafter committee meetings are held to discuss the health and safety issues. Our Construction and Building Materials division has set aside a health and safety budget dedicated to implementing health and safety improvement initiatives. Procedures are also in place to award workers, supervisors

<sup>19</sup> Foreign workers working at job sites are excluded in the disclosure for GRI 2-7 and GRI 401-1

<sup>20</sup> FY2022's Total number of employees has been restated from 493 to 478

<sup>21</sup> Total rate of new employee hire was not reported in FY2022. This figure has now been included in this report to allow for year-on-year comparison. Total rate of new employee hires = Total no. of new hires/Total no. of employees

<sup>22</sup> Employee turnover rate has been restated in FY2022 from 28.77% to 29.92% to reflect the restatement of the total number of employees from 495 to 478

# SUSTAINABILITY REPORT



HAND SAFETY CAMPAIGN

and subcontractors for safety-conscious behaviours to incentivise and nurture the safety culture, such as the monthly Best Safety Conscious Supervisor and Worker awards.

At the project level, health and safety risks and impacts are assessed for all projects opportunities for improvement in the different project life cycle stages are identified, such as during project plan development, project execution and project handover. At weekly project meetings, health and safety issues are discussed and messages from the meetings are cascaded to all supervisors and workers every morning before starting work. A group chat has also been formed to facilitate real-time safety updates and incident reporting between the management and project teams.

Periodic meetings are conducted with project consultants to highlight any health and safety-related matters. If any safety incident was reported by employees or visitors, the project team is responsible for conducting timely investigation and execution of preventive and corrective actions. We have a group of appointed clinics to provide readily available medical and healthcare services to employees and workers when required.

To supplement regular reviews of health and safety issues at various levels, we provide regular trainings to educate employees on the potential occupational health risks and safety hazards, as well as the proper precautions to take. Each of our projects has a training plan and various HSE trainings are conducted monthly. Employees are also required to complete a HSE induction programme at the Koh Brothers Training Centre.

In FY2023, there was zero fatalities (FY2022: zero fatalities). Likewise, there were zero high consequence work-related injuries (excluding fatalities) in FY2023.

In FY2024, we aim to maintain zero workplace fatalities and zero high-consequence work-related injuries (excluding fatalities).

The recordable workplace injury rate in FY2023 was 1.17% as compared to 1.85%<sup>23</sup> in FY2022.

Assuming the same level of activities, we aim to work towards reducing the recordable injuries to zero in FY2024.

	FY2022 <sup>24</sup>		FY2023 <sup>25</sup>	
	No.	Rate	No.	Rate
Number & rate of fatalities as a result of work-related injury	-	-	-	-
Number & rate of high-consequence work-related injuries (excluding fatalities)	-	-	-	-
Number & rate of recordable work-related injuries	9 <sup>24</sup>	1.85 <sup>23</sup>	7	1.17

Total manhours in FY2023 is 5,989,254



FIRE SAFETY BRIEFING



FIRE DRILL TRAINING

<sup>23</sup> Rate of recordable work-related injuries for FY2022 has been restated from 56.46 to 1.85 due to the new formula applied as follows: (Number of recordable work-related injuries X1,000,000) divided by number of hours worked.

<sup>24</sup> Number of recordable work-related injuries were previously not reported in FY2022 and has been included in this report for completeness and to allow for year-on-year comparison.

<sup>25</sup> Includes employees in Malaysia

# SUSTAINABILITY REPORT

## TRAINING AND EDUCATION [GRI 404-1]

We understand that value creation and sustainability are critical issues facing businesses today, and that is why we encourage training and education for our employees to equip them with the necessary skills and knowledge to promote business improvement and sustainability in all areas of our operations.

Another key to retaining employees is to provide them with an engaging and fulfilling career by helping them discover and achieve their full potential. The Group provides academic and professional courses for job enhancement or job requirements, including job rotations, which allows employees to gain different skill sets and deepen their understanding of the Group's operations.

In FY2022, the Board members have attended a comprehensive sustainability training. The training was aimed at equipping our Board members with the knowledge and skills necessary to integrate sustainability principles into our business operations. We believe sustainability principles will guide us in our journey to manage sustainability issues. We remain committed to sustainability and will continue to invest in training and educational programmes that enhance our capacity to create long-term value for all stakeholders.

In FY2023, KBG's employees total training hours was 4,899.90 (FY2022: 3,058.00) and the average training hours per employee was 9.90 hours (FY2022: 6.40<sup>26</sup> hours) The increased training hours is in line with the Group's objective to upgrade its workforce.

We target to increase the average training hours per employee by 20% in FY2024.

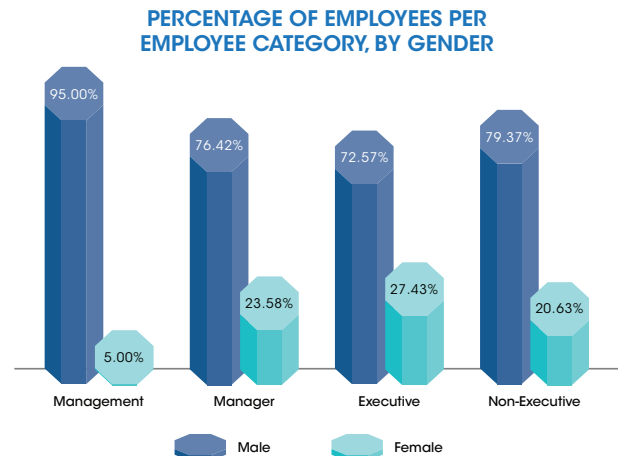
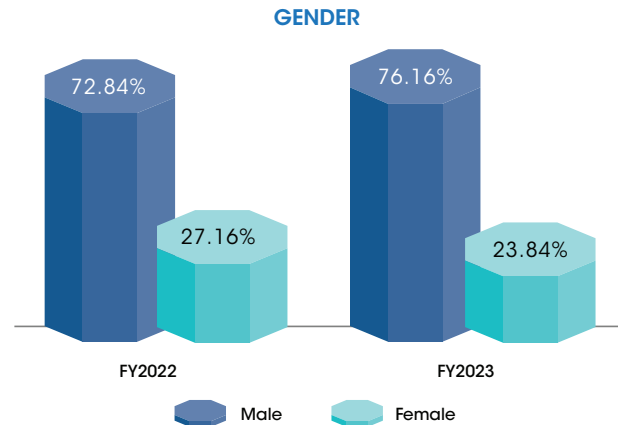
## DIVERSITY AND EQUAL OPPORTUNITY [GRI 405-1]

Diversity is essential to building a dynamic, engaging, and productive workforce for our Group. We do not tolerate any discrimination on the grounds of gender, age, racial origin, religious affiliation, disability or marital status. We adopt a fair employment policy that provides everyone with equal opportunities free from discrimination. All employees are evaluated based on their merits and have an equal opportunity to be trained, promoted, selected for posts, and to have their employments terminated fairly.

Recognising that we operate in a male-dominated industry, the Group has highlighted the importance of monitoring gender diversity and will continue to explore opportunities to improve inclusivity and gender diversity among our workforce. In addition, the Group believes that understanding our employees' needs is crucial to retaining employees, and thus deploy an "open-door" policy to encourage communication between management and employees.

In FY2023, we had 76.16% males (FY2022:72.84%) and 23.84% females (FY2022:27.16%) employees.

In terms of employee category for FY2023, the percentage of females is most in the Executive category at 27.43%, followed by Manager (23.58%), Non-Executive (20.63%) and Management (5.00%) respectively.



The following tables show the breakup by both Management level and age group. In FY2023, 30-50 year olds comprised the major employee group at 51.72% followed by Over 50 year olds at 39.60% and Under 30 year olds at 8.69%. Over 50 years old comprised the maximum percentage in the Management (90.00%) and Manager (50.41%) levels. On the other hand, the 30-50 years old age group comprised the maximum percentage in the Executive (59.74%) level, and same as Over 50 year olds in the Non-Executive level (46.03%).

Percentage of Employees per Employee Category, by Age Group	Under 30 years old	30-50 years old	Over 50 years old
Management	-	10.00%	90.00%
Manager	-	49.59%	50.41%
Executive	14.60%	59.74%	25.66%
Non-Executive	7.94%	46.03%	46.03%

<sup>26</sup> Average Training Hours per employee has been restated from 6.15 to 6.40 in FY2022 based on the restatement of the total number of employees from 495 to 478.



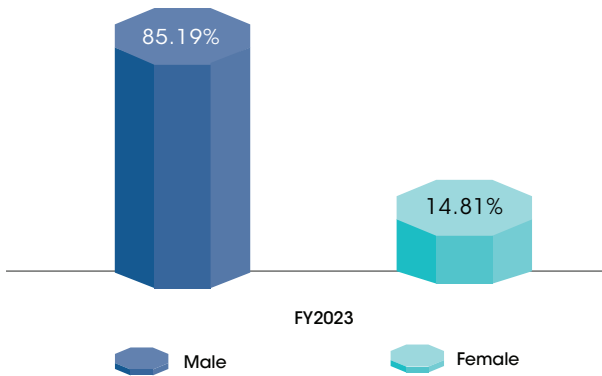
# SUSTAINABILITY REPORT

## BOARD DIVERSITY

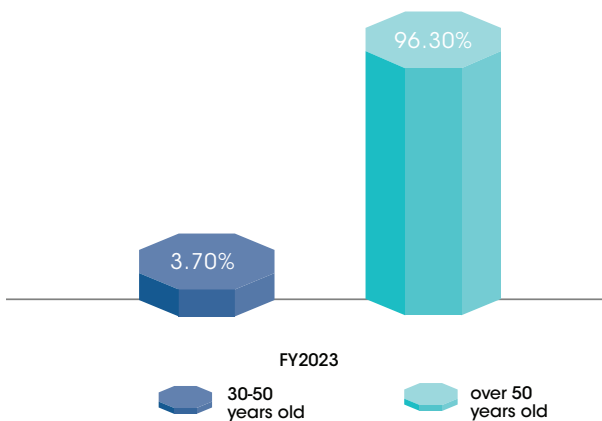
Our commitment to Board diversity enables us to leverage unique perspectives of each Board members in order to make well-rounded decisions and foster a culture of inclusions. We believe that by having a diverse Board of Directors, we are creating an environment where everyone can contribute their ideas and perspectives, leading to improved business performance. We also understand that strong Board diversity can help create better relationships with our stakeholders and help us better understand their needs.

In FY2023, female members constituted 14.81% of the Board. Over 50 years olds comprised the maximum at 96.30% of Board members, with 30-50 years old constituting the remaining 3.70%.

Composition of Board of Directors, by Gender



Composition of Board of Directors, by Age Group



## LOCAL COMMUNITIES

As a socially responsible corporation, KBG is dedicated to being a force which brings positive impacts to the local communities it operates in. Giving back to the society that has supported the growth of KBG is at the core of our values. KBG contributes and reaches out to the society through corporate social responsibility ("CSR") initiatives, which includes corporate philanthropy, volunteerism, environment and corporate sponsorship. During the year, our employees have been actively involved in food distribution to needy families, to donate raining coats and nail clippers to foreign job site workers.



FIRE SAFETY

At our Group, we understand the importance of collaboration and knowledge sharing within our industry. We are proud to participate in local industry associations as part of our efforts to further value creation and sustainability. By joining industry associations as a member, we are able to use the knowledge and resources gained to continuously improve our business operations. We believe that this commitment will enable us to stay ahead of the competition and better serve our clients. The Koh Brothers Group companies are members of various associations, including the following:

1. Ready-Mixed Concrete Association of Singapore
2. Prefabrication Association of Singapore
3. Tunnelling & Underground Construction Society Singapore
4. Singapore Contractors Association
5. Real Estate Developers' Association of Singapore
6. Serviced Apartments Association

# SUSTAINABILITY REPORT

## NON-DISCRIMINATION

### [GRI 406-1]

We abide by the Tripartite Guidelines on Fair & Progressive Employment Practices (TAFEP) according to which employers must recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job), and regardless of age, race, gender, religion, marital status and family responsibilities, or disability. We follow the principles embodied in these guidelines, by recruiting on merit, respecting employees, providing fair opportunities and rewarding fairly, and comply with labour laws.

At KBG, our Code of Conduct forbids discrimination and our policies are laid down to ensure we do not make any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin (among other characteristics), which has the effect of nullifying or impairing equality of opportunity and treatment in employment or occupation.

For FY2023, we had no reported incidents of discrimination.

## GOVERNANCE

### COMPLIANCE WITH LAWS AND REGULATIONS

#### [GRI 2-27]

We recognise the importance of taking proactive measures to ensure that our employees understand and adhere to the applicable laws and regulations. We will ensure that all employees are informed about the ethical standards to which we hold ourselves and are properly trained on applicable laws, regulations and policies. We have implemented internal policies and procedures designed to prevent incidents that could negatively affect our Group and its stakeholders.

We believe that the trust of our stakeholders is essential for our success. We are committed to providing clear and timely communication regarding any issues that may arise. We also encourage open dialogue and feedback our practices, and we take all concerns seriously.

In relation to the Group's environmental performance, we maintain the ISO 14001:2015 certification for environmental management systems. This certification helps map out a framework that we can adhere to set up an environmental effective management system, demonstrating our commitment to improving and reducing our environmental impact. Going forward, we will continue to conform for all external audits conducted for the aforementioned management system.

As mentioned in our corporate governance report, the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company. Directors have been appointed based on their caliber, expertise and experience. Board members comprise business leaders and



HEALTH SCREENING



CRIME PREVENTION TALK

professionals with finance, legal and industry knowledge. The Board, in concurrence with the Nominating Committee ("NC"), is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. In this regard, the NC considered, amongst others, the skills, knowledge, and experience required of the Board, in light of:

- the geographical spread and diversity of the Group's business;
- the strategic direction and progress of the Group;
- the current composition of the Board; and
- the need for independence.

Our corporate governance report also discusses the procedures for developing remuneration policies and level and mix of remuneration, risk management and internal controls. For detailed information regarding the corporate governance report, please go to pages 29 – 47 in Annual Report FY2023.

In FY2023, we have three significant<sup>27</sup> incidents of non-compliance<sup>28</sup> to the applicable laws and regulations during FY2023 (FY2022: Nil).

<sup>27</sup> Significant fines are considered those above S\$5,000

<sup>28</sup> These related to vector breeding and noise

# SUSTAINABILITY REPORT



ATTENDING TO STAFF WELL BEING

In FY2023, there were zero instances for which non-monetary sanctions were incurred.

The total number of instances of non-compliance with laws and regulations in FY2023 was 3 and the monetary value of fines for instances of non-compliance was S\$45,000.

We target to achieve zero reported incidents of non-compliance to the applicable laws and regulations in FY2024.

## ANTI-CORRUPTION [GRI 205-3]

The Group is committed to conducting its business lawfully and ethically with integrity. At Koh Brothers Group Limited, we have a zero-tolerance policy towards corruption, fraud, and bribery. We have put in place measures to help prevent, detect, and investigate any of such activity through our whistle-blowing policy.

Employees may, in confidence, raise or report genuine concerns about possible improprieties in matters of business activities, financial reporting or other matters they may encounter without fear of retaliatory action to the Audit and Risk Committee ("ARC"). We are committed to ensure anonymity and protection of the whistle-blower against detrimental or unfair treatment. Only the Independent Directors of the ARC of the Company have been appointed to review and carry out investigations on all such complaints and/or concerns raised.

We are also dedicated to working with our business partners, suppliers, and subcontractors to ensure that they adhere to the same high standards of integrity and ethics that we strive for. We believe that helping to create an environment where everyone can benefit from fair and ethical business practices aligned with our general sustainability direction.

In FY2023, we have zero confirmed incidents of corruption reported to the management (FY2022: nil).

We target to have zero confirmed incidents of corruption reported to the management in FY2024.

SAFETY MESSAGE

SAFETY AWARDS



WORKERS PARTICIPATION IN A CRICKET TOURNAMENT



# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

<b>Statement of Use</b>	Koh Brothers Group Limited has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to GRI Standards
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page Reference
GRI 2: General Disclosures 2021	<b>2-1 Organisational details</b>	1 – 6
	<b>2-2 Entities included in the organisation’s sustainability reporting</b>	15 – 16
	<b>2-3 Reporting period, frequency and contact point</b>	16
	<b>2-4 Restatements of information</b>	18 – 24
	<b>2-5 External assurance</b>	16
	<b>2-6 Activities, value chain and other business relationships</b>	1 – 4
	<b>2-7 Employees</b>	21 – 22
	<b>2-27 Compliance with laws and regulations</b>	19 & 26 – 27
GRI 3: Material Topics 2021	<b>3-1 Process to determine material topics</b>	18
	<b>3-2 List of material topics</b>	18
	<b>3-3 Management of material topics</b>	18
GRI 205: Anti-corruption 2016	<b>205-3 Confirmed incidents of corruption and actions taken</b>	19 & 27
GRI 302: Energy 2016	<b>302-1 Energy consumption within the organization</b>	18 & 20
	<b>302-3 Energy intensity</b>	18 & 20
GRI 303: Water and Effluents 2018	<b>303-1 Interactions with water as a shared resource</b>	19
	<b>303-3 Water withdrawal</b>	19 – 21
GRI 305: Emissions 2016	<b>305-1 Direct (Scope 1) GHG emissions</b>	19 & 21
	<b>305-2 Energy indirect (Scope 2) GHG emissions</b>	19 & 21
GRI 306: Waste 2020	<b>306-1 Waste generation and significant waste-related impacts</b>	19 & 21
	<b>306-2 Management of significant waste-related impacts</b>	19 & 21
	<b>306-3 Waste generated</b>	19 & 21
GRI 401: Employment 2016	<b>401-1 New employee hires and employee turnover</b>	19 & 21– 22
GRI 403: Occupational Health and Safety 2018	<b>403-1 Occupational Health and Safety Management System</b>	22 – 23
	<b>403-2 Hazard Identification, risk assessment, and incident investigation</b>	22 – 23
	<b>403-3 Occupational Health Services</b>	22 – 23
	<b>403-4 Worker participation, consultation, and communication on occupational health and safety</b>	22 – 23
	<b>403-5 Worker training on occupational health and safety</b>	22 – 23
	<b>403-6 Promotion of worker health</b>	22 – 23
	<b>403-7 Prevention and mitigation of occupational health and safety</b>	22 – 23
	<b>403-9 Work-related injuries</b>	19 & 22 – 23
GRI 404: Training and Education 2016	<b>404-1 Average hours of training per year per employee</b>	19 & 24
GRI 405: Diversity and Equal Opportunity 2016	<b>405-1 Diversity of governance bodies and employees</b>	24 – 25
GRI 406: Non-discrimination 2016	<b>406-1 Incidents of discrimination and corrective actions taken</b>	19 & 26

# REPORT ON CORPORATE GOVERNANCE

The board of Directors (the "Board") of Koh Brothers Group Limited (the "Company") is committed to ensuring that a high standard of corporate governance is practised throughout the Company and its subsidiaries (the "Group"). The Board believes that good corporate governance enhances shareholder value, corporate performance and accountability. This report discloses the corporate governance framework and practices that the Company has adopted, with specific reference to the principles and provisions of the Code of Corporate Governance 2018 which was last amended on 11 January 2023 (the "Code"). Where the Company's practices vary from any provisions of the Code, the Company has explicitly stated the provision from which it has varied, and explained the reason for the variation and how its practices are consistent with the intent of the relevant principle in this report. The Board will continue to review the corporate governance policies regularly in order to further add value to stakeholders and enhance investor confidence.

## BOARD MATTERS

### The Board's Conduct of Affairs

**Principle 1** *The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company*

The Board is made up of the following Directors comprising 4 Executive Directors, 1 Non-Executive and Non-Independent Director, and 6 Independent Directors:

Koh Keng Siang (Executive Chairman and Group Chief Executive Officer ("Executive Chairman and Group CEO"))  
Koh Teak Huat (Executive Deputy Chairman)  
Koh Keng Hiong (Executive Director and Deputy Chief Executive Officer (Real Estate and Leisure & Hospitality divisions))  
Lee Sok Khian John (Executive Director)  
Quek Chee Nee (Non-Executive and Non-Independent Director)  
Er Dr Lee Bee Wah (Non-Executive and Lead Independent Director)  
Goh Mou Lih (Non-Executive and Independent Director)  
Lai Mun Onn (Non-Executive and Independent Director)  
Low Yee Khim (Non-Executive and Independent Director)  
Ong Seet Joon (Non-Executive and Independent Director)  
Ow Yong Thian Soo (Non-Executive and Independent Director)

The Board assumes responsibility for the stewardship of the Group. Its primary objective is to protect and enhance shareholder value. Apart from its statutory responsibilities, the Board's role is to, *inter alia*:

- (a) review and oversee the management of the Group's business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives;
- (b) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (c) establish a framework of prudent and effective controls which enables risks to be assessed and managed (including safeguarding shareholders' interests and the Company's assets);
- (d) approve major investment and funding decisions;
- (e) set the Company's values and standards and ensure that obligations to shareholders and other stakeholders are understood and met; and
- (f) consider sustainability issues (e.g. environmental and social factors) as part of its strategic formulation.

All Directors are expected to objectively discharge their duties and responsibilities, to act in good faith, to provide insights and to consider the best interests of the Company at all times. Any Director facing a conflict of interests will recuse himself or herself from discussions and decisions involving the issue of conflict. (Provision 1.1 of the Code)

## REPORT ON CORPORATE GOVERNANCE

The Board has established the following committees which assist the Board in executing its duties according to clearly defined terms of reference:

- (i) Executive Committee ("EC");
- (ii) Audit and Risk Committee ("ARC");
- (iii) Nominating Committee ("NC");
- (iv) Remuneration Committee ("RC"); and
- (v) Share Purchase Committee ("SPC").

The Board delegates the formulation of business policies and day-to-day management to the Executive Chairman and Group CEO and the Executive Directors. Each Board Committee, including the EC, was formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. (Provision 1.4 of the Code)

The Board meets at least 4 times a year and convenes additional meetings when warranted by particular circumstances. In between Board meetings, other important matters will be tabled for the Board's approval by way of circulating resolutions in writing. The Company's Constitution provides for meetings of Directors to be held by means of telephone conference or other methods of simultaneous communication by electronic or other means.

A record of the Directors' attendance at Board and its committee meetings as well as general meetings (including annual general meetings ("AGM")) in 2023 is disclosed below

Name of Directors	No. of meetings	BOARD	EC	ARC	NC	RC	SPC <sup>#</sup>	AGM
		5	3	4	1	1	-	1
Koh Tiat Meng <sup>(1)(7)</sup>		2	2	-	-	-	-	0
Koh Teak Huat <sup>(2)</sup>		4	3	-	-	-	-	1
Koh Keng Siang		5	3	-	1	-	-	1
Koh Keng Hiong		5	3	-	-	-	-	1
Lee Sok Khian John		5	-	-	-	-	-	1
Quek Chee Nee		5	-	-	-	-	-	1
Er Dr Lee Bee Wah <sup>(3)</sup>		5	-	4	1	-	-	1
Goh Mou Lih		5	-	-	-	-	-	1
Lai Mun Onn <sup>(4)</sup>		4	-	3	-	1	-	1
Low Yee Khim		5	-	4	-	-	-	1
Ong Kheng Chye <sup>(5)</sup>		1	-	-	-	1	-	1
Ong Seet Joon		5	-	-	-	-	-	1
Ow Yong Thian Soo		5	-	4	1	1	-	1

### Notes:

- # There were no Share Purchase Committee meetings held during the financial year ended 31 December 2023.
- (1) Mr Koh Tiat Meng ceased to be a Director and the Chairman of the EC of the Company upon his demise on 8 July 2023.
- (2) Mr Koh Teak Huat was unable to attend one of the Board meetings due to a prior engagement.
- (3) Er Dr Lee Bee Wah was appointed as a member of the RC with effect from 1 July 2023. Er Dr Lee did not attend the RC meeting held on 19 January 2023 as she was not a RC member then.
- (4) Mr Lai Mun Onn was unable to attend one of the Board and ARC meetings due to a prior engagement.
- (5) Mr Ong Kheng Chye resigned as a Director and a member of the RC on 12 April 2023.
- (6) The last AGM was held on 25 April 2023.
- (7) Mr Koh Tiat Meng was unable to attend the AGM that was held on 25 April 2023 due to a prior engagement. (Provision 1.5 of the Code)



## REPORT ON CORPORATE GOVERNANCE

The Board is of the view that the contributions of each Director should not be based only on his/her attendance at Board and/or Board committee meetings. A Director's contributions may also extend beyond the formal environment of Board meetings, such as through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Group. (Provision 1.5 of the Code)

The Board has not established a policy for the maximum number of listed company board representations which any Director may hold. The Board, in concurrence with the NC, is of the view that Directors who have multiple board representations have thus far devoted sufficient time and attention to the affairs of the Group. Their multiple board representations and other principal commitments have not hindered their ability to carry out their duties as Directors of the Company. Such multiple board representations of the Directors benefit the Group as the Directors are able to bring with them the experience and knowledge obtained from such board representations in other companies. (Provision 1.5 of the Code)

The Company has adopted internal controls and guidelines setting forth matters that require the Board's approval. These matters relate, *inter alia*, to:

- (a) corporate or financial restructuring;
- (b) material acquisitions and disposals of assets which are outside the ordinary course of business;
- (c) dividend payments;
- (d) financial results announcements; and
- (e) bank borrowings and provision of corporate guarantees.

Certain transactions exceeding certain threshold limits require the approval of the Board, whilst authority for transactions below those limits is delegated to the Board Committees and Management via a structured delegation of authority matrix (i.e. Group Limits of Authority (the "GLA")), which is reviewed, and revised when necessary.

The GLA provides clear guidance and directions to Management on matters requiring the Board's specific approval. These matters include but are not limited to:

- (a) material acquisitions and disposals of assets/investments;
- (b) corporate/financial restructuring/corporate exercises;
- (c) budgets/forecasts; and
- (d) material financial/funding arrangements and expenditures.

(Provision 1.3 of the Code)

The Company has in place an orientation programme for all newly appointed Directors. This ensures that newly appointed Directors are familiar with the Group's structure, business and operations, corporate governance practices, and their duties as Directors. Where appropriate, the Company will also provide first-time Directors with training in areas such as accounting, legal and industry-specific knowledge. An incoming Director with no prior experience as a director of an SGX-listed company will be provided with relevant training at the Company's expense, including mandatory training prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST") within the first year of appointment to the Board.

The Board is updated on relevant new laws, regulations and changing commercial risks from time to time. Directors are encouraged to attend training sessions, courses and seminars conducted by external consultants and institutions such as the Singapore Institute of Directors ("SID"), the Institute of Singapore Chartered Accountants ("ISCA") and SGX-ST at the Company's expense. All Directors have attended the mandated sustainability training and the Top Executive Workplace Safety and Health Programme as required by the SGX-ST. (Provision 1.2 of the Code)

# REPORT ON CORPORATE GOVERNANCE

Prior to each meeting and on an ongoing basis when the need arises, the Board is furnished with complete and adequate information in a timely manner to enable full deliberation of the issues to be considered. To ensure that the Board is able to fulfil its responsibilities, Management readily provides the Board with board papers and related materials, background and copies of disclosure documents, management reports, forecasts, budgets, financial statements and other relevant information of the Group. (Provision 1.6 of the Code)

Directors have separate and independent access to the Management and the Company Secretary. The Company Secretary attends all Board and board committee meetings, and is responsible for ensuring that all relevant procedures are followed and the applicable rules and regulations are complied with. Under the direction of the Board, the Company Secretary is responsible for, *inter alia*, (i) ensuring an effective flow of information within the Board and its committees and Management, (ii) facilitating orientation, and (iii) assisting with professional development, as required. The Company Secretary also assists the Board in implementation and upkeep of good corporate governance and best practices across the Group and ensuring that the Company complies with the listing manual of the SGX-ST ("Listing Manual").

The appointment and the removal of the Company Secretary are matters taken by the Board as a whole.

In the event that the Directors (either individually or as a group) require independent professional advice in the furtherance of their duties, the Company Secretary will, upon approval by the Board, appoint a professional advisor to render such services. The cost of the services will be borne by the Company. (Provision 1.7 of the Code)

## Board Composition and Guidance

**Principle 2** *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

As the Chairman is not independent, Independent Directors make up a majority of the Board. The Board is made up of 11 Directors comprising 4 Executive Directors, 1 Non-Executive and Non-Independent Director, and 6 Independent Directors. The Board, with the concurrence of the NC, is of the view that there is a strong and independent element on the Board and an appropriate level of independence and diversity of thought and background in its composition to exercise independent judgment in the best interests of the Company in light of the fact that a majority of the Board members are Non-Executive Directors. There are a sufficient number of Non-Executive Directors on the Board to carry significant weight in the Board's deliberations. The Board's decision making is not dominated by an individual or a small group of individuals. (Provisions 2.2 and 2.3 of the Code)

The NC reviews and assesses the independence of each Director, in accordance with the Code's criteria of independence and Rule 210(5)(d) of the Listing Manual, taking into account, *inter alia*, the Director's ability to act with independent business judgement in the best interests of the Company and to discharge his duties objectively, their relationships with the Company, its related corporations, substantial shareholders or officers (if any), and the Director's conduct, character and judgment. The NC has reviewed the independence of the Independent Directors of the Board and has assessed that the Independent Directors of the Board are independent within the meaning of the Code and Rule 210(5)(d) of the Listing Manual. Each Independent Director is required to complete a Director's independence checklist which is drawn up based on the guidelines provided in the Code. The NC reviews and assesses the Director's independence before presenting its recommendations to the Board for consideration and endorsement. (Provision 2.1 of the Code)

During the financial year under review, the Group had received notarial public and commissioner for oaths and legal services rendered from Lai Mun Onn & Co ("LMOC"), of which Mr Lai Mun Onn has an interest. The Board is of the view that Mr Lai's independence has not been compromised as the aggregate value of the transactions during FY2023 was neither significant nor material in the context of both the Group's and LMOC's revenues. The Board believes that Mr Lai is able to exercise strong independent judgement in his deliberations and act in the best interests of the Company.

Mr Ow Yong Thian Soo is a partner of Lee & Lee ("L&L"), which had rendered legal services to the Group during FY2023. The Board considers that Mr Ow Yong's independence has not been compromised as the aggregate value of the transactions during FY2023 was not significant in the context of both the Group's and L&L's revenues. The Board believes that Mr Ow Yong is able to exercise strong independent judgement in his deliberations and act in the best interests of the Company.

# REPORT ON CORPORATE GOVERNANCE

Based on the NC's recommendations, the Board has determined that the following Directors are considered independent within the meaning of the Code:

Er Dr Lee Bee Wah  
Goh Mou Lih  
Lai Mun Onn  
Low Yee Khim  
Ong Kheng Chye  
Ong Seet Joon  
Ow Yong Thian Soo

Mr Lai Mun Onn was first appointed to the Board on 30 July 1994 and has served on the Board for more than nine (9) years and has been re-elected at the AGM previously held on 27 April 2021. On 11 January 2023, Rule 210(5)(d)(iv) of the Listing Manual was inserted to provide that a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). Pursuant to the Transitional Practice Note 3 entitled "Transitional Arrangements Regarding the Tenure Limit for Independent Directors" (the "Transitional Practice Note 3"), such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer so long as they meet the requirements in Rules 210(5)(d)(i) and 210(5)(d)(ii). Rule 210(5)(d)(iv) of the Listing Manual takes effect for an issuer's annual general meeting for the financial year ending on or after 31 December 2023. Accordingly, notwithstanding that Mr Lai Mun Onn has served on the Board for more than nine (9) years, based on the NC's review and recommendations, the Board has determined that Mr Lai Mun Onn is independent within the meaning of the Code and in accordance with Rule 210(5)(d) of the Listing Manual as amongst other reasons, Mr Lai Mun Onn has throughout his appointment continuously and constructively challenged the Management on business decisions and remained objective in the discharge of his duties and responsibilities. Pursuant to Rule 210(5)(d)(iv) of the Listing Manual and the Transitional Practice Note 3, Mr Lai Mun Onn will continue to be considered independent until the conclusion of the next AGM to be held on 29 April 2024 ("2024 AGM"). Following the conclusion of the 2024 AGM, he will no longer be considered independent and accordingly, will retire as a Director at the conclusion of the forthcoming 2024 AGM and will not be seeking re-election. (Provision 2.1 of the Code)

With the retirement of Mr Lai Mun Onn at the conclusion of the next AGM, the composition of the RC will be less than the requirement of three (3) members. The NC and the Board will, guided by the criteria in the Listing Manual and the Code, commence the process of identifying potential candidates to ensure the composition of the Board and the RC complies with the requirements under the Code and the Listing Manual and an announcement will be made at the appropriate time.

## **Board Diversity Policy**

The Company has adopted a Board Diversity Policy which recognises that a diverse Board comprising Directors with a balance and mix of skills, experience, background, gender, age, educational background, ethnicity, professional experience and other aspects of diversity will enhance the effectiveness of the Board and achieve effective decision-making in the best interests of the Group. Under the Board Diversity Policy, the NC will discuss and agree annually the relevant measurable objectives for promoting and achieving diversity in the composition of the Board and make its recommendations for consideration and approval by the Board.

In determining the optimum composition of the Board relative to the Group's business needs, the Board and NC consider business acumen, management expertise, engineering and technology expertise as well as financial, accounting, legal, audit risk and governance to be the key skills and knowledge which a Director should possess in light of the geographical spread and diversity of the Group's business and the strategic direction and progress of the Group. The NC considers these aspects of diversity, with all Board appointments and re-appointments based on merit in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Directors have been appointed based on their calibre, expertise and experience. The current Board members comprise business leaders with a broad diversity of expertise and experience including business, management, accounting, finance, legal, engineering and industry knowledge, which are important to the Group for effective decision-making in the best interests of the Company. The Board will restructure the Board's and its committees' compositions, if necessary, to meet the changing needs and demands of the Group's business and operations.



# REPORT ON CORPORATE GOVERNANCE

The Board, in concurrence with the NC, is satisfied that the Board currently comprises Directors who as a group provide an appropriate balance and diversity of skills, knowledge, expertise, experience, age and core competencies required for the Board to discharge their responsibilities effectively and ensure that the Group continues to be able to meet the challenges and demands of the markets in which it operates.

While all Directors' appointments are based on merit, the Board recognises gender as an important aspect of diversity, as it enables the Board to leverage on the unique perspectives of each Board member in order to make well-rounded decisions and foster a culture of inclusions, leading to improved business performance. In order to achieve gender diversity, the Board sets measurable objectives to achieve the same. The NC also ensures that female candidates are included for consideration when identifying candidates to be appointed to the Board. As stated in the Company's Annual Report for FY2022, the Board aimed to achieve a gender distribution ratio of 70% to 80% for male employees and 20% to 30% for female employees. Currently, the Board has 2 female Directors on its Board, namely, Er Dr Lee Bee Wah and Mdm Quek Chee Nee. They were selected taking into account, amongst others, their qualifications, extensive experience and expertise in relevant areas such as construction and engineering and their ability to add to the depth of Board and Committee discussions. The ARC is chaired by Er Dr Lee Bee Wah. Er Dr Lee is also the Lead Independent Director and Mdm Quek is a Non-Executive and Non-Independent Director. The Company's two female Directors represent about 18.2% of the Board. The Company will work towards achieving the target of 20% to 30% of Board seats being held by females. (Provision 2.4 of the Code)

Besides gender diversity, the Board strives towards achieving diversity more broadly, including diversity in terms of its skill sets, working experience and industry specialisation, and where possible, age diversity. The current ages of the Board members range from 57 to 82 years. (Provision 2.4 of the Code)

In all, as of 11 April 2024, the Board comprises 7 Non-Executive Directors of whom 6 are Independent Directors. They constructively challenge and help develop strategies for the Group. The Non-Executive Directors also review the performance of Management in meeting agreed goals and objectives, and monitor the Group's performance.

The Independent Directors also discuss matters such as the Group's financial performance, corporate governance initiatives, the performance of Management, and the remuneration of the Executive Directors and senior management from time to time. The Independent Directors meet up at least once annually, without the presence of Management to facilitate a more effective check on Management. The Chairman of such meetings provides feedback to the Board and/or the Chairman of the Board, as appropriate. (Provision 2.5 of the Code)

## Chairman and Chief Executive Officer

**Principle 3** *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

Mr Koh Keng Siang, was appointed as the Executive Chairman and Group CEO in January 2024.

The Executive Chairman and Group CEO positions are filled by the same individual. Combining the roles of the Executive Chairman and Group CEO has brought about exceptional leadership, clear accountability and unparalleled depth of knowledge to deal with the Group's strategic challenges and growth opportunities. He manages the executive and senior management team within the Group, with the goal of increasing shareholder value.

In his capacity as the Chairman of the Board, Mr Koh is responsible for leading the Board in an effective, strategic manner and ensuring high standards of corporate governance.

As the Executive Chairman, Mr Koh is responsible for the Board's proceedings. He leads the Board to ensure its effectiveness in all aspects of its roles, promotes a culture of openness and debates at the Board, facilitates effective communication with shareholders, encourages constructive relations within the Board and between the Board and Management, facilitates effective contribution of each Director and promotes high standards of corporate governance. With the assistance of the Company Secretary, he sets the agenda and ensures that Board members are provided with complete, adequate and timely information of all agenda items.

# REPORT ON CORPORATE GOVERNANCE

As Group CEO, Mr Koh delivers the execution of the Company's strategic plans and runs the day-to-day management of the Company. Further, his responsibilities to manage the Company also includes but are not limited to business development and risk management. Being both the Executive Chairman and Group CEO, Mr Koh is able to leverage significant executive power to make critical business decisions in a timely manner. Together with Mr Koh's years of experience in the business, the dual role that he holds enables him to seize maximum opportunities for the Group and grow the business more effectively.

The Board is of the view that there are sufficient safeguards in place to prevent the concentration of power and authority in any one individual and Mr Koh's accountability and responsibility for each role has not been compromised as the majority of the Board comprises Independent Directors. This ensures an appropriate balance of power, sufficient accountability and independent decision-making on the Board.

Further, as recommended by Provision 3.3 of the Code, a Lead Independent Director, Er Dr Lee Bee Wah, has been appointed, which strengthens the independent element on the Board and ensures that an appropriate balance of power is maintained on the Board. As the Lead Independent Director, she is someone whom shareholders may approach when they have concerns and for which contact through the normal channels of the Executive Chairman and Group CEO, or the Group Financial Controller has failed or is inappropriate. The Independent Directors also confer among themselves (when necessary) and provide feedback to the Executive Chairman and Group CEO as appropriate. (Provision 3.3 of the Code)

Given the strong independent element on the Board, the Board is of the view that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is based on the collective decision by the Directors without any excessive or unrestricted concentration of power or influence residing in any one individual.

In view of the above, the Board believes that despite deviating from Provision 3.1 of the Code, the Company's practices and safeguards are consistent with the intent of Principle 3 of the Code as there exists a clear division of responsibilities between the leadership of the Board and Management, and no one individual of the Board has unfettered powers of decision-making.

## Board Membership

**Principle 4** *The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.*

The NC comprises the following members:

Ow Yong Thian Soo (Chairman)  
Er Dr Lee Bee Wah  
Koh Keng Siang

A majority of the NC, including the NC Chairman, are Independent Directors. The Lead Independent Director, Er Dr Lee Bee Wah, is a member of the NC. The NC complies with the formal and transparent process in place regarding the appointment and re-appointment of Directors. (Provision 4.2 of the Code)

The primary role of the NC is to make recommendations to the Board on all Board appointments. Its role is, *inter alia*, to:

- (a) review board succession plans for the Directors, in particular the appointment and/or replacement of the Chairman, the CEO and Key Management Personnel;
- (b) ensure that a process and the criteria for evaluating the performance of the Board, its Board committees and Directors is in place;
- (c) to ensure that all Directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years;
- (d) review training and professional development programs for the Board;

## REPORT ON CORPORATE GOVERNANCE

- (e) ensure that new Directors are aware of their duties and obligations; and
- (f) make recommendations on the appointment and re-appointment of Directors.  
(Provisions 4.1 and 4.2 of the Code)

The NC ensures that the Board has the right balance of skills, knowledge and experience critical to the Group's business and evolving needs. Important issues that are also considered by the NC for the selection, appointment and re-appointment of a Director include the current Board's composition and each Director's contributions and competencies, and the need for progressive renewal of the Board. (Provision 4.3 of the Code)

Pursuant to Regulation 110 of the Company's Constitution, one-third of the Directors shall retire from office at every AGM provided always that each Director is required to retire from office at least once in every three years, as required under Rule 720(5) of the Listing Manual. A retiring Director is eligible to offer himself for re-election.

Regulation 114 of the Company's Constitution provides that a newly appointed Director is required to retire and submit himself for re-election at the AGM immediately following his appointment. Thereafter, he is subject to retirement by rotation in accordance with the Company's Constitution.

The NC assesses annually and as and when circumstances require, whether or not a Director is independent based on the guidelines set out in the Code, Rule 210(5)(d) of the Listing Manual and any other salient factors. When considering the independence of the Directors, the NC also reviews the annual declaration by the Independent Directors regarding their independence and the Directors' disclosure of their relationships with the Company, its related corporations, its substantial shareholders or its officers as well as their interests in transactions together with the criteria set forth in the Code and Rule 210(5)(d) of the Listing Manual. (Provision 4.4 of the Code)

The Board does not encourage the appointment of alternate Directors. No alternate Director has been appointed to the Board.

The Board has adopted a process for the selection, appointment and re-appointment of Directors. The NC reviews the composition of the Board and its committees periodically. It assesses and shortlists candidates (sourced through contacts, recommendations, recruitment consultants or among the senior management) for a new position on the Board when a need arises. The successful candidate is then appointed as a Director of the Company in accordance with the Company's Constitution.

In appointing and re-appointing Directors, the Board considers the skills and experience required in the light of:

- (a) the geographical spread and diversity of the Group's business;
- (b) the strategic direction and progress of the Group;
- (c) the current composition of the Board; and
- (d) the need for independence of the Board.



## REPORT ON CORPORATE GOVERNANCE

The dates of initial appointment of each Director, together with their directorships in other listed companies and their principal commitments, are set out below:

Name of Director	Appointment	Date of Initial Appointment	Date of last re-election	Current directorships in listed companies	Past directorships in listed companies (5 years)	Principal Commitments
Koh Keng Siang	Executive Chairman and Group CEO	5 May 1994	26 Apr 2022	Koh Brothers Eco Engineering Limited, Oiltek International Limited	-	Executive Chairman and Group CEO, Koh Brothers Group Limited
Koh Teak Huat	Executive Deputy Chairman	2 Feb 1994	25 Apr 2023	-	-	Executive Deputy Chairman, Koh Brothers Group Limited
Koh Keng Hiong	Executive Director and Deputy CEO (Real Estate and Leisure & Hospitality Divisions)	7 Feb 2007	26 Apr 2022	-	-	Executive Director and Deputy CEO (Real Estate and Leisure & Hospitality Divisions), Koh Brothers Group Limited
Lee Sok Khian John	Executive Director	9 May 2016	26 Apr 2022	Koh Brothers Eco Engineering Limited	-	Executive Director, Koh Brothers Group Limited
Quek Chee Nee	Non-Executive and Non-Independent Director	2 Feb 1994	25 Apr 2023	-	-	N.A.
Er Dr Lee Bee Wah	Non-Executive and Lead Independent Director	1 Jul 2015	25 Apr 2023	Amcorp Global Limited, Heeton Holdings Limited, Hong Lai Huat Group Limited	-	Group Director, Meinhardt (Singapore) Pte Ltd
Goh Mou Lih	Non-Executive and Independent Director	1 Jan 2022	26 Apr 2022	-	-	Assistant Vice President, Manulife Financial Advisers Pte. Ltd.
Lai Mun Onn	Non-Executive and Independent Director	30 Jul 1994	27 Apr 2021	Fuji Offset Plates Manufacturing Ltd	-	Managing Partner, Lai Mun Onn & Co
Low Yee Khim	Non-Executive and Independent Director	1 Jan 2019	25 Apr 2023	-	-	N.A.
Ong Seet Joon	Non-Executive and Independent Director	1 Jan 2022	26 Apr 2022	Tiong Seng Holdings Limited, Hiap Hoe Limited	-	Partner, A3 Capital Pte. Ltd.
Ow Yong Thian Soo	Non-Executive and Independent Director	20 Jun 2016	25 Apr 2023	Charisma Energy Services Limited	-	Senior Partner, Lee & Lee and Head of its Real Estate Department

# REPORT ON CORPORATE GOVERNANCE

The NC ensures that new Directors are aware of their duties and obligations. Where a Director has multiple board representations or principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have a few board representations or principal commitments. The Board is of the view that there is no necessity at this point in time to determine the maximum number of listed company board representations which a Director may hold, as each Director is able to devote sufficient time and attention to the affairs of the Company. (Provision 4.5 of the Code)

Key information on the Directors is set out under the "Board of Directors" section of this annual report for the financial year ended 31 December 2023 (the "Annual Report"). Additional details of the Directors that are due for retirement and who will be offering themselves for re-election at the forthcoming 2024 AGM are set out under the "Notice of AGM" and "Additional Information for Directors Seeking Re-election" sections of this Annual Report.

## Board Performance

**Principle 5** *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.*

The Board has implemented a process to be carried out by the NC for assessing the effectiveness of the Board and the Board Committees and for assessing the contribution by each Director to the effectiveness of the Board and its committees annually. The Board did not engage an external facilitator to conduct an assessment of the performance of the Board, the Board committees and each Director for FY2023.

The NC reviews the Board's and each Director's competency appraisal forms as part of the process adopted to assess the effectiveness of the Board. The outcome of the appraisal exercise is presented to the Board for its evaluation with a view to enhancing the effectiveness of the Board.

Each NC member shall abstain from voting on the resolution in respect of the assessment of his performance or re-appointment as a Director.

The NC reviews the Board's performance annually based on the appraisal forms which have been approved by the Board.

The NC assesses the Board's performance through comparison with industry peers, how the Board's performance has enhanced long-term shareholder value, its ability to steer the Group in the right direction and the support it renders to Management.

The NC also evaluates each individual Director's performance based on factors such as the Director's participation, knowledge of the Group's business and operations, contributions and commitments to the Company. (Provisions 5.1 and 5.2 of the Code)

The Chairman, where appropriate, will act on the results of the performance evaluation in consultation with the NC, and propose new members to the Board or seek the resignation of Directors, when required and/or appropriate.

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6** *The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.*

The RC comprises the following Directors

Lai Mun Onn (Chairman)  
Er Dr Lee Bee Wah  
Ow Yong Thian Soo

The RC is comprised solely of Non-Executive and Independent Directors. (Provision 6.2 of the Code)

# REPORT ON CORPORATE GOVERNANCE

The key responsibilities of the RC are to:

- (a) review and recommend to the Board for endorsement a framework of remuneration for the Board and key members of Management, and the remuneration package for each Executive Director and each key member of Management, covering all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses and benefits-in-kind;
- (b) review and recommend to the Board for endorsement the terms of the service contract for each Executive Director as well as each key member of Management; and
- (c) ensure that there is an adequate disclosure on the remuneration of Directors and key members of Management. (Provisions 6.1 and 6.3 of the Code)

The RC considers all aspects of remuneration, including termination terms, to ensure that they are fair. (Provision 6.3 of the Code)

No individual Director is involved in deciding his own remuneration. The RC will seek internal or external expert advice in furtherance of its duties where necessary. During FY2023, the Company did not engage a remuneration consultant. However, in determining the remuneration of the members of the Board, the RC took into account, amongst others, the remuneration of board members of other comparative listed issuers. (Provision 6.4 of the Code)

The RC reviews the Executive Directors' and key Management members' contracts of service to ensure that their contracts of service contain fair and reasonable termination clauses which are not overly generous.

## Level and Mix of Remuneration

**Principle 7** *The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company*

The Company recognises that a competitive remuneration and reward system based on individual performance is important to attract, retain and incentivise the best talent. The Company has adopted a remuneration structure for Executive Directors and key members of Management that promotes the long-term success of the Company. The RC ensures that the Executive Directors' and key Management members' remuneration is commensurate with their performance and that of the Group's, taking into consideration the prevailing financial and commercial health, contribution to value creation of the Company and business needs of the Group. (Provision 7.1 of the Code)

Executive Directors receive Directors' fees and are also remunerated as members of Management. The remuneration package of each Executive Director/key Management member comprises a basic salary component and a variable component (i.e. annual bonus) which is based on the performance of the Group as a whole and that individual's performance. This is to ensure that each Executive Director's/key Management member's remuneration is linked to their individual performance, as well as the performance of the Group. (Provisions 7.1 and 7.3 of the Code)

Each Executive Director's service contract is for a fixed appointment period and does not contain onerous removal clauses.

The Non-Executive Directors are paid Directors' fees, taking into account their responsibilities, as well as the time and effort spent in carrying out their duties. The Independent Directors are not over-compensated such that their independence is compromised. (Provision 7.2 of the Code)

All Directors' fees are recommended by the Board for approval at the Company's AGM. The Company will be seeking shareholders' approval at the forthcoming AGM for the payment of S\$499,171 as Directors' fees for FY2023. In determining the proposed Directors' fees, the Board took into account factors such as the effort and time spent, and the increasingly onerous responsibilities of the Directors.



# REPORT ON CORPORATE GOVERNANCE

## Disclosure on Remuneration

**Principle 8** *The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

The Company's procedures for developing remuneration policies, as well as the level and mix of remuneration, have been set out in detail above under Principles 6 and 7. Whilst the disclosure of the Directors' and the Group CEO's remuneration in bands of S\$250,000 varies from Provision 8.1 of the Code which requires the Company to disclose the amount of the remuneration of each individual Director and the CEO, due to the competitive pressures in the market, the Board has, on review, decided not to disclose the remuneration of Directors and the Group CEO in the manner as required in the Code, and has disclosed their remuneration in bands no wider than S\$250,000 together with the breakdown of their remuneration, as well as the total remuneration paid to all Directors instead. The Board believes that such disclosure, together with the disclosure on the Company's remuneration policies, as well as the level and mix of remuneration and its relationship with performance and value creation (see Principle 7 above), is meaningful and sufficiently transparent to enable shareholders to understand the level and mix of the Company's remuneration policies for Directors and the Group CEO, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation, consistent with the intent of Principle 8. The remuneration of the Non-Executive Directors is solely comprised of Directors' fees. The total remuneration paid to the Directors of the Company for FY2023 was approximately S\$3,299,200. A breakdown of remuneration of the following Directors by percentage for FY2023 is set out below:

Remuneration band	Director	Fees (%)	Salary (%)	Bonuses and other variable performance components (%)	Allowances and other benefits (%) **	Total (%)
S\$750,000 to S\$999,999	Koh Keng Siang	27.5	70.3	-	2.2	100.0
S\$500,000 to S\$749,999	Koh Tiat Meng <sup>(1)</sup>	17.5	80.4	-	2.1	100.0
	Koh Teak Huat	9.7	87.0	-	3.3	100.0
S\$250,000 to S\$499,999	Koh Keng Hiong	15.5	80.7	-	3.8	100.0
	Lee Sok Khian John	16.5	80.6	2.9	-	100.0
Below S\$250,000	Quek Chee Nee	100	-	-	-	100.0
	Er Dr Lee Bee Wah	100	-	-	-	100.0
	Goh Mou Lih	100	-	-	-	100.0
	Lai Mun Onn	100	-	-	-	100.0
	Low Yee Khim	100	-	-	-	100.0
	Ong Kheng Chye <sup>(2)</sup>	100	-	-	-	100.0
	Ong Seet Joon	100	-	-	-	100.0
	Ow Yong Thian Soo	100	-	-	-	100.0

## REPORT ON CORPORATE GOVERNANCE

Notwithstanding Provision 8.1 of the Code which requires the Company to disclose the remuneration of at least the top five Key Management Personnel (who are not Directors or the CEO) on a named basis, the Board has, on review, decided to do so on an unnamed basis in order to maintain confidentiality and taking into consideration the competitive pressures in the talent market. The Board believes that such disclosure, together with the disclosure on the Company's remuneration policies, as well as the level and mix of remuneration and its relationship with performance and value creation (see Principle 7 above), is meaningful and sufficiently transparent to enable shareholders to understand the level and mix of remuneration for the top five Key Management Personnel (who are not Directors or the CEO), the procedure for setting remuneration and the relationship between remuneration, performance and value creation, consistent with the intent of Principle 8. The total remuneration paid to the top five Key Management Personnel (who are not Directors or the CEO) for FY2023 was approximately S\$1,248,500. A breakdown of the remuneration of each of the Key Management Personnel (who are not Directors or the CEO of the Group) by percentage for FY2023 is set out below:

Remuneration band	Key Management Personnel*	Fees (%)	Salary (%)	Bonuses and other variable performance components (%)	Allowances and other benefits (%)**	Total (%)
S\$500,000 to S\$749,999	First Executive	4.8	89.6	-	5.6	100
S\$250,000 to S\$499,999	Second Executive	9.7	86.7	3.6	-	100
Below S\$250,000	Third Executive	-	96.4	3.6	-	100
	Fourth Executive	-	92.0	8.0	-	100
	Fifth Executive	-	96.1	3.9	-	100

(Provisions 8.1 and 8.3 of the Code)

### Notes:

- \* The names are not disclosed in order to maintain confidentiality taking into consideration the competitive pressures in the talent market.
- \*\* Other benefits include vehicular and club membership benefits.
- (1) Mr Koh Tiat Meng ceased to be a Director of the Company upon his demise on 8 July 2023.
- (2) Mr Ong Kheng Chye resigned as a Director and a member of the RC on 12 April 2023.

Mdm Phua Siew Gaik and Mr Benjamin Koh Yong Jun who are respectively, the spouse and son of Mr Koh Keng Siang, the Executive Chairman and Group CEO, have received remuneration between S\$100,000 and S\$200,000 during FY2023. Mdm Erliana Sutadi who is the spouse of Mr Koh Keng Hiong, has received remuneration above S\$100,000 and below S\$200,000 during FY2023. (Provision 8.2 of the Code)

Save as aforementioned, there are no employees who are substantial shareholders of the Company, or who are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2023.

The Company currently does not have any employee share option scheme. (Provision 8.3 of the Code)

All forms of remuneration and other payments and benefits paid by the Company and its subsidiaries to Directors and Key Management Personnel of the Company are disclosed in this Annual Report.

# REPORT ON CORPORATE GOVERNANCE

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

**Principle 9** *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC with the assistance of the internal auditor ("IA"). Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

The Board will determine the Company's levels of risk tolerance and risk policies and the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board also oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. (Provision 9.1 of the Code)

The Board has tasked the ARC to review the adequacy and effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls). Together with Management, the ARC regularly reviews the Group's businesses and operational activities to assess and manage potential risk exposure through an Enterprise Risk and Sustainability ("ERS") framework which incorporates a Risk Register to capture significant business risks, and the strategies and internal controls to mitigate risks. The ERS Committee, including relevant members from the Senior Management team, is responsible for setting the direction of corporate risk management and monitoring the implementation of risk management policies and procedures. The ERS Committee reports to the ARC on a regular basis. The Group's financial risk management objectives and policies are set out in the notes to the FY2023 financial statements.

The internal auditor, KPMG Services Pte. Ltd. ("IA") prepares, on an annual basis, the internal audit plan (taking into consideration the risks identified) which is approved by the ARC. The audits are conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems that have been put in place (including financial, operational, compliance and information technology controls). Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the ARC. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. There are no material non-compliances or lapses in internal controls which have resulted in the Board and/or the ARC being of the view that internal controls need to be strengthened or having concerns that the internal controls of the Group are inadequate.

Based on the framework of risk management controls and internal controls established and maintained, the work performed by the IA and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the ARC, is of the view that the Group's risk management and internal control systems (including its financial, operational, compliance and information technology controls), are adequate and effective. The Board has received assurance:

- (a) from the Executive Chairman and Group CEO and the Group Financial Controller\* that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) from the Executive Chairman and Group CEO and other responsible Key Management Personnel that the Company's risk management and internal control systems are adequate and effective in addressing the material risks faced by the Group in its current business environment.

(Provision 9.2 of the Code)

\* Note: The Company does not have a Chief Financial Officer



# REPORT ON CORPORATE GOVERNANCE

## AUDIT AND RISK COMMITTEE

### *Principle 10 The Board has an Audit and Risk Committee which discharges its duties objectively.*

The ARC comprises the following Directors:

Er Dr Lee Bee Wah (Chairperson)  
Lai Mun Onn  
Low Yee Khim  
Ow Yong Thian Soo

The ARC comprises solely of Non-Executive and Independent Directors. Er Dr Lee Bee Wah, the chairperson of the ARC, is the Lead Independent Director. (Provision 10.2 of the Code)

The Board is of the view that the members of the ARC (including the Chairperson of the ARC) have the requisite accounting and related financial management expertise and experience to discharge their duties. At least two members, including the ARC Chairperson, have recent and relevant accounting or related financial management expertise or experience. (Provision 10.2 of the Code)

The ARC is empowered to investigate any matter within its terms of reference. It has full access to and co-operation from Management, and unfettered discretion to invite any Director or executive officer to attend its meetings. The ARC has been given adequate resources to enable it to discharge its duties and responsibilities.

The ARC carries out its functions in accordance with the Code and the Companies Act 1967 of Singapore (the "Act"), and is also guided by its terms of reference. The ARC reviews, inter alia, the following:

- (a) the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) annual audit plans (internal and external);
- (c) at least annually the adequacy and effectiveness of the Company's system of internal controls and management of financial risks;
- (d) the effectiveness and adequacy of the internal audit function which is outsourced to a professional services firm;
- (e) regulatory compliance matters;
- (f) risk management framework;
- (g) interested person transactions;
- (h) financial results announcements
- (i) the assurance from the CEO and the Group Financial Controller on the financial records and financial statements; and
- (j) the Company's whistle-blowing policy.

(Provision 10.1 of the Code)

In the review of the financial statements, the ARC had discussed with Management and the external auditor, and reviewed the significant matters identified by the latter as key audit matters. Following the discussions and review, the ARC recommended to the Board to approve the financial statements for FY2023.

## REPORT ON CORPORATE GOVERNANCE

The ARC also makes recommendations on the appointment, re-appointment and removal of auditors, and their remuneration.

The ARC meets with the external and internal auditors at least once a year without the presence of Management. (Provision 10.5 of the Code)

The ARC has reviewed all the non-audit services provided by the external auditors and is satisfied that such services would not, in the ARC's opinion, affect the independence of the external auditors.

The aggregate amount of fees paid/payable to the external auditors for audit and non-audit services for FY2023 are set out below:

Audit services:	Auditors of the Company	-	S\$472,000
	Member firms of auditors of the Company	-	S\$34,000
Non-audit services:	Auditors of the Company	-	S\$-
	Member firms of auditors of the Company	-	S\$-

The ARC is satisfied with the standard and quality of work performed by the external auditors. It has recommended to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment as external auditors of the Company, subject to the shareholders' approval at the forthcoming 2024 AGM.

The Company has complied with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual of the SGX-ST in relation to appointments of its external auditors.

Under the oversight and monitoring of the ARC, the Company has put in place a whistle-blowing policy. Employees of the Company may, in confidence, raise or report genuine concerns about possible improprieties in matters of business activities, financial reporting or other matters they may encounter without fear of retaliatory action to the ARC. As the Company is committed to ensure anonymity and protection of the whistleblower against detrimental or unfair treatment, only the Independent Directors of the ARC of the Company have been appointed to review and carry out investigations on all such complaints and/or concerns raised. (Provision 10.1 of the Code)

The ARC held 4 meetings in FY2023 and performed its functions and responsibilities as set out in its terms of reference.

The ARC meets regularly with Management and the external auditors to review auditing and risk management matters and discuss accounting implications of any major transactions (including significant financial reporting issues). Such meetings occur at least annually. The ARC also reviews the internal audit function to ensure that an effective system of controls is maintained within the Group.

The ARC is kept abreast of new changes to the listing rules of the SGX-ST, the Code and other regulations which could have an impact on the Group's businesses and financial statements. The external auditors and Management also brief the ARC of changes to the accounting standards.

No former or current partner or Director of the Company's existing auditing firm is a member of the ARC, (a) within a period of two years commencing on the date of his or her ceasing to be a partner of the auditing firm or director of the auditing corporation, and in any case, (b) for as long as he or she has any financial interest in the auditing firm or auditing corporation. (Provision 10.3 of the Code)

# REPORT ON CORPORATE GOVERNANCE

## Internal Audit

The Company has outsourced its internal audit function to a certified public accounting firm, KPMG Services Pte. Ltd.. The IA reports to the ARC Chairperson, meets with the ARC at least annually without the presence of Management and has full access to the ARC, documents, records, properties and staff of the Group in carrying out its duties.

The IA plans its internal audit schedules in consultation with, but independent of Management. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit work. In addition, the IA may be involved in ad-hoc projects initiated by Management which require IA's assurance in specific areas of concern.

The Board recognises that it is responsible for maintaining a system of internal controls to safeguard shareholders' interests and the Group's businesses and assets, while Management is responsible for establishing and implementing internal control procedures in a timely and appropriate manner. The IA's role is to (a) assist the ARC in ensuring that the controls are effective and functioning as intended, (b) undertake investigations as directed by the ARC, and (c) conduct regular in-depth audits of high-risk areas.

Notwithstanding Provision 10.4 of the Code which requires the appointment, termination and remuneration of the head of the IA function to be decided by the ARC, such administrative matters are instead decided by the Management, with the ARC being constantly updated on such matters, and the Board is of the view that such arrangement does not affect the objectivity of the IA. The IA plans internal audit schedules in consultation with, but independent of, Management. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit work. In addition, the IA may be involved in ad-hoc projects initiated by Management which require IA's assurance in specific areas of concern. The ARC is satisfied that the internal audit function is staffed by independent, suitably qualified and experienced professionals with the relevant experience and has adequate resources to perform its function effectively. (Provision 10.4 of the Code)

The IA is a member of the Singapore branch of the Institute of Internal Auditors ("IIA"), an internal professional association which has its headquarters in the United States. The audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the IIA.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Shareholder Rights and Conduct of General Meetings

***Principle 11 The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

The Company is committed to treating all shareholders fairly and equitably. The Company recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements.

The Company ensures that there is an adequate and timely disclosure of developments in the Group or its business which would have a material impact on the Company's shares price, and such disclosure is in compliance with SGX-ST listing rules.

The Company invites all registered shareholders to participate and vote at the Company's general meetings. The AGM is the principal forum for dialogue with shareholders. All Directors will endeavour to be present at the Company's AGM to address shareholders' questions relating to the work of the Board and Board Committees. The Company's external auditors are also present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report. The Company's forthcoming AGM for the financial year ended 31 December 2023 will be held physically. (Provisions 11.2 and 11.3 of the Code)

Each shareholder will receive the notice of AGM which is also advertised in the Business Times and released via the SGX-ST's website (the "SGXNet") and posted on the Company's website as well. The said notice of AGM will table the separate resolutions to be voted on at the AGM. The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are interdependent or linked, the Company will provide the reasons and implications as to why such resolutions are required to be interdependent or linked. (Provisions 11.1 and 11.2 of the Code)



# REPORT ON CORPORATE GOVERNANCE

Voting and vote tabulation procedures used are disclosed before the general meetings proceed, with independent scrutineers appointed to validate the voting process and procedures. All shareholders are entitled to vote by poll in accordance with the Listing Manual and established voting rules and procedures. Notwithstanding Provision 11.4 which requires in absentia voting at general meetings of shareholders to be made available, voting in absentia and by mail, facsimile or email is currently not permitted under the Company's constitution. The Company will consider amending its Constitution if the Board is of the view that there is justifiable demand for absentia voting, and after the Company has evaluated and put in place a system with adequate safeguards to preserve the integrity of the information and to verify the authenticity of the shareholders' identities submitted via email and mail. For now, shareholders who are unable to attend the meetings in person are strongly encouraged to appoint a proxy to vote in their stead. An announcement of the detailed results is made immediately after the conclusion of the general meeting. (Provisions 11.1 and 11.4 of the Code)

The Company's 2024 AGM will be held physically. Questions may be submitted to the Company ahead of the 2024 AGM or at the 2024 AGM itself. The Company will endeavour to address substantial and relevant questions received before the cut-off time (which will be stated in the notice of AGM), prior to the 2024 AGM. Voting will be conducted physically or by appointing proxies (whether the Chairman of the meeting or otherwise) at the 2024 AGM. The results of the proxy voting will be published at the meeting and announced via the SGXNet after the conclusion of the 2024 AGM. Minutes of the 2024 AGM which will include relevant and substantial comments from shareholders relating to matters on the agenda of the meeting and responses from Directors and senior Management, will also be available on the Company's websites and SGXNet. Detailed information on each item in the 2024 AGM agenda is provided in the explanatory notes to the notice of the 2024 AGM in this Annual Report. (Provision 11.3 of the Code).

The proceedings of the general meetings are properly recorded, including all comments or queries raised by shareholders relating to the agenda of the meetings and responses from the Board and Management. The minutes of the Company's general meetings will be published on the SGXNet within one month after the general meetings and can also be found at the Company's corporate website at [www.kohbrothers.com](http://www.kohbrothers.com). The minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meetings, and responses from the Board and Management. (Provision 11.5 of the Code)

The Company strives to provide consistent and sustainable dividend payments to shareholders based on the Company's profitability, cash position, working capital needs, capital expenditure plan, investment and business opportunities and market conditions. It aims to balance returns to shareholders with a need for long term sustainable growth.

As disclosed in the unaudited results for FY2023, in view of the challenging business environment and the financial performance of the Group, the Board is not recommending any dividend distribution to its shareholders for FY2023. (Provision 11.6 of the Code)

## Engagement with Shareholders

***Principle 12 The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

The Company invites and encourages all registered shareholders to participate and vote at the Company's general meetings as general meetings are the principal forum for dialogue with shareholders. Sufficient time is allocated for answering of questions submitted by shareholders in advance of the general meetings. Shareholders may raise questions or share their views submitted in advance about the proposed resolutions, the Group's business affairs and financial performance. This enables the Board to gather shareholders' views and address any of the shareholders' concerns. (Provision 12.1 of the Code)

The Company embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. The Company conveys pertinent information to shareholders and complies with the guidelines set out in the SGX-ST rules when disclosing information.

The Company does not practice selective disclosure of price sensitive information. The Company discloses half-yearly financial results, and any significant transactions and developments via SGXNet in a timely manner. The financial results are also available on the Company's website ([www.kohbrothers.com](http://www.kohbrothers.com)). The corporate website also contains various other investor-related information on the Company that serves as important resources for investors. (Provision 12.2 of the Code)

# REPORT ON CORPORATE GOVERNANCE

The Board encourages shareholders to participate actively in relation to the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on the Group's businesses. Following any release of earnings or price sensitive developments, the Company's investor relations consultant is available by email or telephone to answer questions from shareholders and the media, as long as the information requested does not conflict with the SGX-ST's rules of fair disclosure. (Provision 12.3 of the Code)

***Principle 13 The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

The Company has identified stakeholders that are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. The Company engages its stakeholders through a variety of channels to ensure that the business interests of the Group are balanced against that of the stakeholders. More information on the Company's stakeholder engagement, including its strategy and key areas of focus can be found in the Company's Sustainability Report 2023 which is at pages 16 to 28. (Provisions 13.1 and 13.2 of the Code)

The Company maintains a corporate website at [www.kohbrothers.com](http://www.kohbrothers.com) to engage its stakeholders. (Provision 13.3 of the Code)

## INTERESTED PERSON TRANSACTIONS

The Company has established internal control policies to ensure that transactions with interested persons are properly reviewed, approved and conducted on an arm's length basis.

There were no interested person transactions entered into by the Group that required disclosure under the SGX-ST's Listing Manual exceeding S\$100,000 during the FY2023.

## DEALINGS IN SECURITIES

The Company has adopted an internal compliance code on dealings in the Company's securities. The Company has issued share trading guidelines to all Directors, employees of executive level and above, and personal assistants. They are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year unaudited financial statements. In addition, they are prohibited from dealing in the Company's securities while in possession of price sensitive information and on short-term considerations.

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# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 57 to 125 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

The directors of the Company in office at the date of this statement are as follows:

Koh Keng Siang  
 Koh Teak Huat  
 Koh Keng Hiong  
 Lee Sok Khian John  
 Quek Chee Nee  
 Er Dr Lee Bee Wah  
 Goh Mou Lih  
 Lai Mun Onn  
 Low Yee Khim  
 Ong Seet Joon  
 Ow Yong Thian Soo

## Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2023	At 1.1.2023	At 31.12.2023	At 1.1.2023
<b>Koh Brothers Group Limited</b>				
<u>Ordinary shares</u>				
Koh Keng Siang	<b>30,272,535</b>	30,272,535	<b>60,020,000</b>	60,020,000
Koh Teak Huat	<b>35,713,088</b>	35,713,088	<b>325,000</b>	325,000
Koh Keng Hiong	<b>55,260,100</b>	55,260,100	<b>10,000</b>	10,000
Quek Chee Nee	<b>25,896,814</b>	25,896,814	-	-
Er Dr Lee Bee Wah	<b>605,000</b>	605,000	-	-
Lai Mun Onn	<b>100,000</b>	100,000	-	-



# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Directors' interests in shares or debentures (continued)

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2023	At 1.1.2023	At 31.12.2023	At 1.1.2023
<u>S\$22.75 million 6.5% fixed rate notes due 2026</u>				
Koh Keng Siang	<b>S\$750,000</b>	S\$750,000	<b>S\$500,000</b>	S\$500,000
Koh Teak Huat	<b>S\$1,000,000</b>	S\$1,000,000	-	-
Lee Sok Khian John	<b>S\$750,000</b>	S\$750,000	-	-
Er Dr Lee Bee Wah	<b>S\$250,000</b>	S\$250,000	-	-
Ong Seet Joon	<b>S\$250,000</b>	S\$250,000	-	-
<b>Koh Brothers Eco Engineering Limited</b>				
<u>Ordinary shares</u>				
Koh Keng Siang	<b>13,120,000</b>	13,120,000	<b>1,544,629,607</b>	1,544,629,607
Koh Teak Huat	<b>6,764,746</b>	6,764,746	<b>32,500</b>	32,500
Koh Keng Hiong	<b>3,026,010</b>	3,026,010	<b>1,211,000</b>	1,211,000
Quek Chee Nee	<b>2,589,681</b>	2,589,681	-	-
Lai Mun Onn	<b>14,000</b>	14,000	-	-
<u>Warrants 2018</u>				
Koh Keng Siang	-	4,388,846	-	-
Koh Teak Huat	-	2,254,915	-	-
<b>Oiltek International Limited</b>				
<u>Ordinary shares</u>				
Koh Keng Siang	-	-	<b>97,445,805</b>	97,445,805
Ong Seet Joon	<b>50,000</b>	50,000	-	-

Koh Keng Siang, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's subsidiaries.

The directors' interests in the ordinary shares of the Company as at 21 January 2024 were the same as those as at 31 December 2023.

## Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Audit and Risk Committee

The members of the Audit and Risk Committee at the end of the financial year are as follows:

Er Dr Lee Bee Wah (Chairperson)  
Lai Mun Onn  
Low Yee Khim  
Ow Yong Thian Soo

All members of the Audit and Risk Committee are independent and non-executive directors.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 before their submission to the Board of Directors.

The Audit and Risk Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

## Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Koh Keng Siang  
Director

Koh Keng Hiong  
Director

28 March 2024

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED

## Report on the Audit of the Financial Statements

### Our opinion

In our opinion, the accompanying consolidated financial statements of Koh Brothers Group Limited (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards International ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### *What we have audited*

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2023;
- the balance sheets of the Group and the Company as at 31 December 2023;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

### Basis for Opinion

We have conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence*

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

### Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED

## Our Audit Approach (continued)

### Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Accounting for engineering and construction contracts</b> <i>Refer to Note 3(a) and Note 4</i></p> <p>During the financial year ended 31 December 2023, revenue from engineering and construction contracts amounted to S\$166.2 million, representing 46.6% of the total revenue of the Group of S\$356.2 million. Contract assets relating to engineering and construction contracts amounted to S\$111.1 million.</p> <p>The Group uses the input method (i.e. "cost-to-cost" method) to measure project progress and recognise contract revenue in accordance with SFRS(I) 15 Revenue from Contracts with Customers. This requires significant judgement in assessing the revenue from variation order, cost to complete and project margins.</p> <p>The estimation of total contract sum includes variation orders ("VOs") where management had determined that there was sufficient basis to claim from customers. Given these VOs are unpriced and un-rated, estimates are used to determine the valuation of these variation orders which are included into the total contract sum for revenue recognition. Management has applied the relevant rates, taking into consideration the condition of the contract, agreed with subcontractors or quotations from subcontractors (where applicable) and work of specialists, on the basis that it is highly probable to recover from customers the cost of performing these variation orders.</p> <p>We focused on the accuracy of revenue recognition and recoverability of contract assets due to the significant management judgment required in determining the total contract sum and the total contract costs.</p>	<p>We obtained an understanding of the projects under construction through discussions with management and project managers, assessed the appropriateness of the method selected for individual projects to measure project progress and recognise contract revenue, and examined project documentation (including contracts, correspondences with customers on delays or extension of time).</p> <p>In relation to total contract sums for projects in progress, our audit procedures include the following on a sampling basis:</p> <ul style="list-style-type: none"> <li>• agreed total contract sums to contracts entered into by the Group and its customers;</li> <li>• inspected correspondences with customers and supporting documents by the Group's specialists relating to VOs included in the total contract sums;</li> <li>• obtained and reviewed legal opinions, where appropriate, from the Group's external legal counsels in relation to their contractual rights to claim for VOs for certain projects;</li> <li>• agreed VOs with agreed prices included in total contract sums to surveyor/architect's certification;</li> <li>• for VOs where management had determined that there was sufficient basis to claim from customers but pending final agreement with the customers, agreed claims to customers' instructions and schedule of rate or quotation from subcontractors;</li> <li>• inspected progress billings to customers subsequent to year end and compared amounts to contract asset balances at year end; and</li> <li>• assessed the adequacy of the amount of liquidated damages to be net off against contract sums, based on our understanding of the projects.</li> </ul> <p>In relation to total contracts costs, our audit procedures include the following on a sampling basis:</p> <ul style="list-style-type: none"> <li>• traced the cost to complete for each project by substantiating costs that have been committed to quotations and contracts entered into;</li> <li>• tested the reasonableness of the cost to complete for selected projects, focusing on those with significant activities during the year; and</li> <li>• assessed the reasonableness of cost incurred against our understanding of the projects.</li> </ul>



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED

## Our Audit Approach *(continued)*

### Key Audit Matters *(continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>Based on the audit procedures performed above, we have assessed management's estimates to be reasonable.</p> <p>We then recomputed the percentage of completion based on actual cumulative cost incurred as a portion of total contract costs, cumulative contract revenue and the contract revenue recognised for the current financial year as well as the amount of provision for onerous contracts (where relevant) for each project, and traced to the accounting records and found it to be appropriate.</p> <p>We have also assessed the adequacy of the disclosures of the key accounting estimates and sensitivity and found the disclosures in the financial statements to be appropriate.</p>

### Valuation of investment properties

*Refer to Note 3(b) and Note 22*

The Group's investment properties carried at fair value amount to S\$101.0 million at 31 December 2023 and accounted for 14.0% of the Group's total assets. The disclosures relating to these investment properties are included in Note 3(b) and Note 22 to the financial statements.

Management uses external valuers to support its determination of the individual fair value of its investment properties annually.

The valuation of investment properties is significant to our audit due to the complexity involved in the valuation techniques. The judgement relating to the assumptions used in the valuation techniques, including the cost per square metre and market value per square metre, impact the valuation. Uncertainty arises as a result of having to consider long-term trends and market conditions in the assumptions.

Our procedures included the following:

- assessed the competency, capabilities and objectivity of the external valuers engaged by the Group;
- obtained an understanding of the techniques used by the external valuers in determining the valuation of individual investment properties;
- discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques;
- tested the integrity of information, including underlying lease and financial information provided to the external valuers; and
- assessed the reasonableness of the rental rate and market value of comparable property by benchmarking these against those of comparable properties and prior year inputs.

We found that the external valuers are members of recognised professional bodies for external valuers. We also found that the valuation methodologies used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.

We have also assessed the adequacy of the disclosures relating to the assumptions as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED

## Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED

## Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chian Yorn.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 S\$'000	2022 S\$'000
Sales	4(a)	356,249	353,050
Cost of sales	7	(348,742)	(327,012)
Gross profit		7,507	26,038
Other income	5	1,367	1,620
Other gains - net	6	596	15,027
Expenses			
- Distribution and marketing			
- Allowance for impairment of trade receivables	7	(228)	(119)
- Others	7	(7,229)	(4,698)
- Administrative	7	(17,291)	(16,981)
- Finance	9	(14,031)	(10,788)
- Other			
- Write-back of allowance for/(allowance for) impairment of loans to joint ventures	7	1,174	(771)
- Write-back of allowance for/(allowance for) impairment of sundry debtors	7	295	(613)
- Allowance for impairment of investment securities	7	(865)	(1,014)
- Others	7	159	(84)
Share of profit/(loss) of associated companies	19	187	(342)
Share of profit of joint ventures	20	2,541	1,974
(Loss)/profit before income tax		(25,818)	9,249
Income tax expense	10(a)	(1,200)	(1,027)
<b>(Loss)/profit after income tax</b>		<b>(27,018)</b>	<b>8,222</b>
<b>(Loss)/profit attributable to:</b>			
Equity holders of the Company		(21,960)	6,013
Non-controlling interests		(5,058)	2,209
		<b>(27,018)</b>	<b>8,222</b>
<b>(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company:</b>			
- Basic (loss)/earnings per share (in cents)	11(a)	(5.32)	1.46
- Diluted (loss)/earnings per share (in cents)	11(b)	(5.32)	1.46
<b>(Loss)/profit after income tax</b>		<b>(27,018)</b>	<b>8,222</b>
<b>Other comprehensive loss:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation loss arising from consolidation	31(c)	(1,001)	(1,666)
Fair value gain/(loss) on debt financial assets, at FVOCI	31(b)	88	(222)
		(913)	(1,888)
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Fair value loss on equity financial assets, at FVOCI	31(b)	(855)	(2,622)
<b>Other comprehensive loss, net of tax</b>		<b>(1,768)</b>	<b>(4,510)</b>
<b>Total comprehensive (loss)/income</b>		<b>(28,786)</b>	<b>3,712</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the Company		(23,178)	1,825
Non-controlling interests		(5,608)	1,887
		<b>(28,786)</b>	<b>3,712</b>

The accompanying notes form an integral part of these financial statements.



# BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Note	GROUP		COMPANY	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	12	95,832	82,432	136	178
Investment securities	13	1,417	1,382	-	-
Trade and other receivables	14	78,875	50,811	5	13
Contract assets	4(b)	156,723	146,011	-	-
Amounts due from subsidiaries	21	-	-	21,529	22,768
Amounts due from joint ventures	15	29,913	28,060	-	-
Inventories	16	6,031	7,708	-	-
Development properties	17	1,048	93,998	-	-
Income tax receivables	10(b)	730	730	-	-
Other current assets	18	4,447	4,793	-	-
		<b>375,016</b>	<b>415,925</b>	<b>21,670</b>	<b>22,959</b>
<b>Non-current assets</b>					
Trade and other receivables	14	5,900	30,127	-	-
Contract assets	4(b)	38,267	36,232	-	-
Investment securities	13	6,483	7,960	-	-
Investment in subsidiaries	21	-	-	156,865	156,741
Investments in associated companies	19	284	97	-	-
Investments in joint ventures	20	92,719	93,178	-	-
Investment properties	22	100,989	108,407	-	-
Property, plant and equipment	23	98,632	104,906	-	-
Goodwill	26	5,078	5,078	-	-
		<b>348,352</b>	<b>385,985</b>	<b>156,865</b>	<b>156,741</b>
<b>Total assets</b>		<b>723,368</b>	<b>801,910</b>	<b>178,535</b>	<b>179,700</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	27	85,108	92,811	1,297	1,462
Contract liabilities	4(b)	25,775	15,058	-	-
Amounts due to subsidiaries	21	-	-	37,346	38,186
Amounts due to joint ventures	15	35,796	38,291	-	-
Current income tax liabilities	10(b)	538	1,069	-	-
Bank borrowings and lease liabilities	28	134,804	177,768	-	-
		<b>282,021</b>	<b>324,997</b>	<b>38,643</b>	<b>39,648</b>
<b>Non-current liabilities</b>					
Trade and other payables	27	10,746	9,480	-	-
Amount due to a subsidiary	21	-	-	19,011	19,011
Bank borrowings and lease liabilities	28	82,942	89,285	-	-
Notes payables	30	22,345	22,168	22,345	22,168
Deferred income tax liabilities	10(c)	6,519	6,717	-	-
		<b>122,552</b>	<b>127,650</b>	<b>41,356</b>	<b>41,179</b>
<b>Total liabilities</b>		<b>404,573</b>	<b>452,647</b>	<b>79,999</b>	<b>80,827</b>
<b>NET ASSETS</b>		<b>318,795</b>	<b>349,263</b>	<b>98,536</b>	<b>98,873</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	31(a)	36,981	36,981	36,981	36,981
Treasury shares	31(a)	(7,983)	(7,983)	(7,983)	(7,983)
Other reserves	31(b)	(6,761)	(5,993)	-	-
Retained profits		253,650	276,435	69,538	69,875
Currency translation reserve	31(c)	(11,002)	(10,551)	-	-
		<b>264,885</b>	<b>288,889</b>	<b>98,536</b>	<b>98,873</b>
<b>Non-controlling interests</b>		<b>53,910</b>	<b>60,374</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>318,795</b>	<b>349,263</b>	<b>98,536</b>	<b>98,873</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	← Attributable to equity holders of the Company →					Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Currency translation reserve S\$'000			
<b>Balance at 1 January 2023</b>	<b>36,981</b>	<b>(7,983)</b>	<b>(5,993)</b>	<b>276,435</b>	<b>(10,551)</b>	<b>288,889</b>	<b>60,374</b>	<b>349,263</b>
Loss for the financial year	-	-	-	(21,960)	-	(21,960)	(5,058)	(27,018)
Other comprehensive loss for the financial year	-	-	(767)	-	(451)	(1,218)	(550)	(1,768)
Total comprehensive loss for the financial year	-	-	(767)	(21,960)	(451)	(23,178)	(5,608)	(28,786)
Share based payment pursuant to performance share plan by a subsidiary	31(b)(iii)	-	-	(1)	-	(1)	6	5
Exercise of warrants issued by a listed subsidiary	32	-	-	-	-	-	3	3
Dividends paid	32	-	-	(825)	-	(825)	(865)	(1,690)
Total transactions with owners, recognised directly in equity		-	-	(1)	(825)	(826)	(856)	(1,682)
<b>Balance at 31 December 2023</b>	<b>36,981</b>	<b>(7,983)</b>	<b>(6,761)</b>	<b>253,650</b>	<b>(11,002)</b>	<b>264,885</b>	<b>53,910</b>	<b>318,795</b>
<b>Balance at 1 January 2022</b>	<b>36,981</b>	<b>(7,983)</b>	<b>(3,194)</b>	<b>270,689</b>	<b>(9,382)</b>	<b>287,111</b>	<b>55,627</b>	<b>342,738</b>
Profit for the financial year	-	-	-	6,013	-	6,013	2,209	8,222
Other comprehensive loss for the financial year	-	-	(2,799)	-	(1,389)	(4,188)	(322)	(4,510)
Total comprehensive (loss)/ income for the financial year	-	-	(2,799)	6,013	(1,389)	1,825	1,887	3,712
Change in ownership interests in subsidiaries	21	-	-	719	220	939	(1,169)	(230)
Share based payment pursuant to performance share plan by a subsidiary	31(b)(iii)	-	-	-	-	-	5	5
Issuance of shares by a subsidiary, net of expenses	32	-	-	(161)	-	(161)	4,901	4,740
Dividends paid	32	-	-	(825)	-	(825)	(877)	(1,702)
Total transactions with owners, recognised directly in equity		-	-	(267)	220	(47)	2,860	2,813
<b>Balance at 31 December 2022</b>	<b>36,981</b>	<b>(7,983)</b>	<b>(5,993)</b>	<b>276,435</b>	<b>(10,551)</b>	<b>288,889</b>	<b>60,374</b>	<b>349,263</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group	
	Note	2023 S\$'000	2022 S\$'000
<b>Cash flows from operating activities</b>			
(Loss)/profit after income tax		(27,018)	8,222
Adjustments for:			
- Income tax expense		1,200	1,027
- (Write-back of allowance for)/allowance for impairment of loans to joint ventures		(1,174)	771
- Allowance for investment securities		865	1,014
- Depreciation of property, plant and equipment	7	11,047	10,022
- Property, plant and equipment written off		153	2
- Fair value loss/(gain) on investment properties	6	7	(6,436)
- Gain on disposal of property, plant and equipment	6	(424)	(8,626)
- Gain on disposal of investment properties	6	(392)	-
- Share of (profit)/loss of associated companies		(187)	342
- Share of profit of joint ventures		(2,541)	(1,974)
- Finance expense		14,031	10,788
- Interest income		(1,099)	(993)
- Unrealised translation loss		959	281
		<b>(4,573)</b>	<b>14,440</b>
Change in working capital:			
- Trade and other receivables		(3,823)	6,491
- Inventories		1,677	2,583
- Contract assets and liabilities		(2,030)	(50,871)
- Development properties		92,950	34,404
- Other current assets		346	6
- Trade and other payables		(6,352)	16,790
- Amount due from/to joint ventures		(709)	16,928
Cash generated from operations		<b>77,486</b>	<b>40,771</b>
Income tax paid		<b>(1,902)</b>	<b>(1,323)</b>
<b>Net cash provided by operating activities</b>		<b>75,584</b>	<b>39,448</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,261)	(3,282)
Net (purchase)/proceeds from investment securities		(190)	235
Proceeds from disposal of property, plant and equipment		469	16,567
Proceeds from disposal of investment properties, net of expenses		7,692	-
Dividends received from joint ventures		-	3,000
Interest received		1,099	993
<b>Net cash provided by investing activities</b>		<b>6,809</b>	<b>17,513</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 S\$'000	2022 S\$'000
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares by listed subsidiaries, net of expenses		3	4,740
Proceeds from bank borrowings		52,337	23,452
Proceeds from issuance of new series of notes payables		-	10,500
Notes issuance expense paid		-	(582)
Principal payment of lease liabilities		(7,983)	(8,505)
Repayment of bank borrowings		(96,905)	(28,622)
Redemption of notes payables		-	(57,750)
Dividends paid to equity holders of the Company		(825)	(825)
Dividends paid to non-controlling interests		(865)	(877)
Interest paid		(13,409)	(10,113)
<b>Net cash used in financing activities</b>		<b>(67,647)</b>	<b>(68,582)</b>
<b>Net change in cash and bank balances</b>		<b>14,746</b>	<b>(11,621)</b>
Beginning of financial year		82,432	95,152
Effects of currency translation on cash and bank balances		(1,346)	(1,099)
<b>End of financial year</b>	12	<b>95,832</b>	<b>82,432</b>

## Reconciliation of liabilities arising from financing activities

	Beginning of financial year S\$'000	Net cash flows S\$'000	Interest expense S\$'000	Non-cash changes			End of financial year S\$'000
				Additions to property, plant and equipment S\$'000	Foreign exchange movement S\$'000	Amortisation of notes issuance expenses S\$'000	
<b>2023</b>							
Bank borrowings (Note 28 and 29)	253,132	(44,568)	-	-	(64)	-	208,500
Lease liabilities (Note 28)	13,921	(8,328)	345	3,308	-	-	9,246
Notes payables (Note 30)	22,168	(1,479)	1,479	-	-	177	22,345
Accrued interest expense within trade and other payables	1,447	(11,585)	11,682	-	-	-	1,544
<b>2022</b>							
Bank borrowings (Note 28 and 29)	258,413	(5,170)	-	-	(111)	-	253,132
Lease liabilities (Note 28)	17,856	(8,916)	411	4,570	-	-	13,921
Notes payables (Note 30)	70,000	(51,055)	3,223	-	-	-	22,168
Accrued interest expense within trade and other payables	772	(6,479)	7,154	-	-	-	1,447

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. General information

Koh Brothers Group Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 15 Genting Road, Singapore 349493.

The principal activities of the Company are investment holding and provision of management services.

The principal activities of its significant subsidiaries, joint ventures, joint operations and associated companies are set out in Note 37 of the financial statements.

## 2. Material accounting policies

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

### Interpretations and amendments to published standards effective in 2023

On 1 January 2023, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

### 2.2 Revenue recognition

#### (a) Contract revenue

The Group provides engineering and construction services to customers through fixed-price contracts. Contract revenue is recognised when the Group's performance creates or enhance an asset that the customer controls as the asset is created or enhanced.

For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In some circumstances such as in the early stages of a contract where the Group may not be able to reasonably measure its progress but expects to recover the contract costs incurred, contract revenue is recognised only to the extent of the contract costs incurred until such time when the Group can reasonably measure its progress.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (continued)

### 2.2 Revenue recognition (continued)

#### (a) Contract revenue (continued)

Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The period between the transfer of the promised services and customer payment may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (i) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (ii) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

#### (b) Sale of goods

Revenue from sale of goods is recognised at a point in time when the Group has delivered the products to the customer and the customer has accepted the products.

For sale of certain products from the Construction and Building Materials segment with no alternative use to the Group, the Group has assessed at contract inception that it does not have an enforceable right to payment for performance completed to date in relation to such goods.

For such goods, the customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

#### (c) Rendering of services

Revenue from services is recognised in the accounting period when services are rendered.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies *(continued)*

### 2.2 Revenue recognition *(continued)*

#### (d) Revenue from property development sales

Revenue from property development sales is recognised as disclosed in Note 2.8 "Development properties".

#### (e) Rental income

Rental income is recognised as disclosed in Note 2.12(b) "Leases – when the Group is the lessor".

#### (f) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### (g) Interest income

Interest income is recognised using the effective interest method.

### 2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

### 2.4 Group accounting

#### (a) Subsidiaries

##### (i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies *(continued)*

### 2.4 Group accounting *(continued)*

#### (a) Subsidiaries *(continued)*

##### (ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2.6 "Goodwill" for the subsequent accounting policy on goodwill.

##### (iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.9 "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

#### (b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies *(continued)*

### 2.4 Group accounting *(continued)*

#### (c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

#### (i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

#### (ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (continued)

### 2.4 Group accounting (continued)

#### (c) Associated companies and joint ventures (continued)

##### (iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.9 "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

#### (d) Joint operations

The Group's joint operations are joint arrangements whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises, in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

When the Group sells or contributes assets to a joint operation, the Group recognises gains or losses on the sale or contribution of assets that is attributable to the interest of the other joint operators. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

When the Group purchases assets from a joint operation, it does not recognise its share of the gains and losses until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of the assets to be purchased or an impairment loss.

The accounting policies of the assets, liabilities, revenue and expenses relating to the Group's interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (continued)

### 2.5 Property, plant and equipment

#### (a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses except for certain buildings and leasehold premises, which are subsequently carried at revalued amount less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

The revaluation on certain freehold and leasehold properties was done in connection with the listing of the Company in 1993. The increase in carrying amount arising from the revaluation was taken to capital reserve.

#### (b) Depreciation

Freehold land and assets under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<b>Useful lives</b>
Buildings on freehold land	99 years
Leasehold land and buildings	2 – 92 years
Plant and machinery	1 – 20 years
Motor vehicles	2 – 10 years
Furniture, fittings, office and hotel equipment	1 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

#### (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies *(continued)*

### 2.5 Property, plant and equipment *(continued)*

#### (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within Note 6 "Other gains – net". Any amount in capital reserve relating to that item is transferred to retained profits directly.

### 2.6 Goodwill

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair values of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures are included in the carrying amounts of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

### 2.7 Investment properties

Investment properties include those portions of commercial buildings that are held for long-term rental yields and/or for capital appreciation and right-of-use assets ("ROU assets") relating to leasehold land that is held for long term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (continued)

### 2.8 Development properties

Development properties refer to properties developed for sale. Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Revenue from sale of development properties is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer at a point in time or over time.

For development properties where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, such as when the property is accepted by the customer, or deemed as accepted according to the contract, or when title has passed to the customer.

For development properties where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the stage of completion of the properties. The stage of completion is measured by reference to the professional quantity surveyor's certification of value of work done-to-date. Management has determined that a certification-based output method provides a faithful depiction of the Group's performance in transferring control of the development properties to the customers.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. Payment is typically due within two weeks. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. SFRS(I) 1-2 *Inventories*), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, the Group adjusts the promised amount of consideration for the effect of a financing component, if significant.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies *(continued)*

### 2.9 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries (except for warrants in subsidiary, which are accounted for as financial assets at fair value through profit or loss), joint ventures and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### 2.10 Impairment of non-financial assets

#### (a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

#### (b) Property, plant and equipment

##### ROU assets

##### Investments in subsidiaries, joint ventures and associated companies

Property, plant and equipment, ROU assets and investments in subsidiaries, joint ventures and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to Note 2.5 "Property, plant and equipment" for the treatment of a revaluation decrease.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies *(continued)*

### 2.10 Impairment of non-financial assets *(continued)*

#### (b) Property, plant and equipment

##### ROU assets

##### Investments in subsidiaries, joint ventures and associated companies *(continued)*

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

### 2.11 Financial assets

#### (a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

##### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except for financial assets at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (continued)

### 2.11 Financial assets (continued)

#### (a) Classification and measurement (continued)

##### At subsequent measurement

##### (i) Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables, amounts due from joint ventures, subsidiaries, and debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains - net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains - net" and "Other income" respectively.

##### (ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in Note 6 "Other gains - net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments for enhancement of return on capital and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/(losses)" in OCI. Dividends from equity investments are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (continued)

### 2.11 Financial assets (continued)

#### (b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (c) Recognition and derecognition

Regular way purchases and sale of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sale proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

### 2.12 Leases

#### (a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

##### (i) ROU assets

The Group recognised a ROU asset and lease liability at the date which the underlying asset is available for use. ROU assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the ROU assets.

These ROU assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (continued)

### 2.12 Leases (continued)

#### (a) When the Group is the lessee: (continued)

##### (i) ROU assets (continued)

ROU assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

ROU asset which meets the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.7.

##### (ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies *(continued)*

### 2.12 Leases *(continued)*

#### (a) When the Group is the lessee: *(continued)*

##### (iii) Short term and low value leases

The Group has elected to not recognise ROU assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

#### (b) When the Group is the lessor:

##### *Operating leases*

Leases of investment properties and property, plant and equipment where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentive given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term. Income from leasing of equipment is recognised on its utilisation basis.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

### 2.13 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries and joint ventures. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries and joint ventures fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantees are initially measured at their fair values and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss allowance computed using the impairment methodology under Note 2.11.

### 2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (continued)

### 2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### 2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using either the first-in, first-out basis or the weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

### 2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associated companies, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies (continued)

### 2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

### 2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

#### (a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

#### (b) Share-based compensation

A listed subsidiary of the Group operates an equity-settled, share-based performance share plan. The value of the employee services received in exchange for the grant of shares of the listed subsidiary is recognised as an expense with a corresponding increase in the share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the shares granted on grant date.

At each balance sheet date, the Group revises its estimates of the number of shares under the performance share plan that are expected to be awarded on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

When shares of the listed subsidiary are awarded, this is accounted for as a transaction with non-controlling interests [Note 2.4(b)]. Any difference between the change in the carrying amounts of non-controlling interests and the related balance previously recognised in the share-based payment reserve is recognised within equity attributable to the equity holders of the Company.

### 2.20 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the date when the qualifying asset is ready for its intended use or sale less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies *(continued)*

### 2.21 Currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

#### (b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operations is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within Note 6 "Other gains - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rate at the date when the fair values are determined.

#### (c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. Material accounting policies *(continued)*

### 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

### 2.23 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and bank balances include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and bank balances.

### 2.24 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

### 2.25 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

## 3. Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (a) Estimation of total contract sum and contract costs for engineering and construction contracts

The Group has significant ongoing engineering and construction contracts as at 31 December 2023 which are non-cancellable and have remaining unsatisfied performance obligations amounting to S\$489.0 million [Note 4b(ii)]. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract sum and total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant judgement and assumptions are applied when estimating the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3. Critical accounting estimates and assumptions *(continued)*

### (a) Estimation of total contract sum and contract costs for engineering and construction contracts *(continued)*

The estimation of total contract sum includes variation orders where management had determined that there was sufficient basis to claim from customers but pending final agreement with the customers. In making this assessment, management has relied on the term of the contracts with customers and instructions issued by customers to carry out the variation orders, along with the advice of external legal counsels where relevant.

Given these variation orders are unpriced and un-rated, estimates are used to determine the valuation of these variation orders which are included into the total contract sum for revenue recognition. Management has applied the relevant rates, taking into consideration the condition of the contract, agreed with subcontractors or quotations from subcontractors (where applicable) and work of specialists, on the basis that it is highly probable to recover from customers the cost of performing these variation orders. The estimates are revised when an agreement has been reached with the customers.

For every 5% of decrease in the estimated value of these variation orders that are recognised in contract assets (with total contract cost remaining unchanged) based on management estimates, the Group's loss before income tax will increase by approximately S\$2,607,000 (2022: profit before income tax will decrease by approximately S\$4,212,000).

Total contract cost includes the estimation of remaining cost to complete. Management has estimated the remaining cost to complete based on its past experience, use of specialists, quotations from and contracts with suppliers and sub-contractors. These estimations are also made with due consideration of the circumstances and relevant events that were known to management at the date of these financial statements. Construction projects, in particular, are inherently complex and involve uncertainties that may not be apparent to management at the balance sheet date.

If the estimated costs to be incurred from the balance sheet date to the completion date increase by 1% from management estimates, the Group's loss before income tax will increase by approximately S\$1,665,000 (2022: profit before income tax will decrease by approximately S\$1,787,000).

### (b) Valuation of investment properties

Investment properties are stated at their fair values based on valuations performed by independent professional valuers, using valuation methods that involve certain estimates (Note 22).

Valuation methods used are sales comparison approach and cost method. Sales comparison approach involves the comparison of the sale price comparable properties in close proximity and adjusted for differences in key attributes such as property size. Cost method involves the estimation of the current cost required to replace the property.

The most significant inputs to the valuation methods would be market value per square metre, and cost per square metre respectively. Management is of the view that the valuation methods and estimates are reflective of the current market conditions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4. Revenue

### (a) Disaggregation of revenue

Group	Construction and Building Materials		Real Estate		Leisure & Hospitality		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Contract revenue – over time	166,184	198,546	-	-	-	-	166,184	198,546
Revenue from sale of products – point in time	78,942	89,653	-	-	-	-	78,942	89,653
Revenue from sale of development properties – over time	-	-	101,545	57,097	-	-	101,545	57,097
Revenue from services rendered – over time	-	-	2,012	2,012	4,034	2,612	6,046	4,624
Revenue from contracts with customers	245,126	288,199	103,557	59,109	4,034	2,612	352,717	349,920
Rental income from investment properties (Note 22)	-	-	3,532	3,130	-	-	3,532	3,130
Total revenue	245,126	288,199	107,089	62,239	4,034	2,612	356,249	353,050

### (b) Contract assets and liabilities

	Group		
	31 December 2023	2022	1 January 2022
	S\$'000	S\$'000	S\$'000
<b>Contract assets</b>			
<i>Current</i>			
Engineering and construction contracts	74,870	108,725	114,857
Sale of products	4,761	7,908	3,270
Sale of development properties	77,092	29,378	5,243
	156,723	146,011	123,370
<i>Non-current</i>			
Engineering and construction contracts	36,274	36,232	4,296
Sale of products	1,993	-	-
	38,267	36,232	4,296
Total contract assets	194,990	182,243	127,666
<b>Contract liabilities</b>			
<i>Current</i>			
Engineering and construction contracts	23,408	10,364	5,157
Sale of products	2,367	4,694	6,195
	25,775	15,058	11,352



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4. Revenue (continued)

### (b) Contract assets and liabilities (continued)

Contract assets primarily relates to the Group's right to consideration for work completed but not yet billed at reporting date on construction contracts, sale of products, and sale of development properties. The change in contract assets was mainly due to timing difference between recognition of revenue upon satisfaction of performance obligation and timing of billing to customers. The contract assets balance includes significant variation orders being accounted for, that has been assessed by management to be recoverable and determined by them that there was sufficient basis to claim from customers but pending final agreement with the customers.

Contract liabilities primarily relates to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for engineering and construction contracts. The increase in contract liabilities in current financial year for engineering and construction contracts was mainly due to advances received from customer in excess of the value of work transferred. The decrease in contract liabilities relating to sale of products in current financial year was mainly due to revenue recognition upon satisfaction of performance obligation on which the Group has received advances in previous year.

#### (i) Revenue recognised in relation to contract liabilities

	Group	
	2023	2022
	S\$'000	S\$'000
Revenue recognised in current year that was included in the contract liability balance at the beginning of the year		
- Engineering and construction contracts	7,995	4,637
- Sale of products	4,544	3,500
	7,995	4,637
	4,544	3,500

#### (ii) Unsatisfied performance obligations

Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December		
- Engineering and construction contracts	489,010	550,451
- Sale of development properties	4,704	33,040
	489,010	550,451
	4,704	33,040

Management expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 31 December 2023 will be recognised as revenue as the Group continue to perform to complete the construction, which is expected to occur over the next few years up to 2026 (2022: 2026). The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4. Revenue (continued)

### (c) Trade receivables from contracts with customers

	Group	
	31 December 2023 S\$'000	1 January 2022 S\$'000
<b>Current assets</b>		
Trade receivables from contracts with customers	40,166	40,016
Less: Allowance for impairment	(463)	(91)
	<b>39,703</b>	<b>39,925</b>

## 5. Other income

	Group	
	2023 S\$'000	2022 S\$'000
Interest income		
- Investment securities measured at FVOCI	162	271
- Loans to a joint venture	-	106
- Bank deposits and others	937	616
	<b>1,099</b>	<b>993</b>
Other income	268	627
	<b>1,367</b>	<b>1,620</b>

## 6. Other gains - net

Fair value (loss)/gain on investment properties (Note 22)	(7)	6,436
Gain on disposal of property, plant and equipment	424	8,626
Gain on disposal of investment properties	392	-
Net foreign exchange loss	(213)	(35)
	<b>596</b>	<b>15,027</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 7. Expenses by nature

	Group	
	2023 S\$'000	2022 S\$'000
Allowance for impairment of trade receivables	228	119
(Write-back of allowance for)/allowance for impairment of sundry debtors	(295)	613
(Write-back of allowance for)/allowance for impairment of loans to joint ventures [Note 15(ii)]	(1,174)	771
Allowance for impairment of investment securities [Note 13(b)]	865	1,014
Changes in inventories of raw materials and finished goods	1,677	2,583
Contractor and material costs	226,150	201,784
Depreciation of property, plant and equipment (Note 23)	11,047	10,022
Employee compensation (Note 8)	51,806	51,387
Freight, shipping, transport and travelling expenses	4,066	4,071
Purchases of raw material, finished goods and consumables	58,144	62,355
Rental expenses [Note 24(d)]	492	1,197
Repair and maintenance expenses	2,716	2,620
Sales commission expenses	7,229	3,925
Utilities	1,496	1,524
Other expenses	8,280	7,307
	<b>372,727</b>	<b>351,292</b>

## 8. Employee compensation

Salaries, bonus and other costs	49,138	48,584
Share-based compensation expense [Note 31(b)(iii)]	5	5
Employer's contribution to defined contribution plans including Central Provident Fund	2,663	2,798
	<b>51,806</b>	<b>51,387</b>

In 2022, government grant income of S\$17,000 under the Jobs Support Scheme ("JSS"), and S\$498,000 relating to foreign worker levy rebates and waivers ("FWRW") were recognised and presented as an offset against salaries, bonus and other costs. The JSS and FWRW had ceased in 2022.

The compensation to key management personnel, including directors' remuneration, is separately disclosed in Note 35(b).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. Finance expenses

	Group	
	2023	2022
	S\$'000	S\$'000
Interest expenses		
- Bank borrowings	11,682	6,606
- Lease liabilities [Note 24(c)]	345	411
- Notes payables	1,479	3,223
- Joint venture	525	548
	<b>14,031</b>	<b>10,788</b>

## 10. Income taxes

### (a) Income tax expense

Tax expense attributable to (loss)/profit is made up of:

- Current income tax [Note 10(b)]	1,953	1,599
- Deferred income tax [Note 10(c)]	(81)	30
	<b>1,872</b>	<b>1,629</b>

Over provision of income tax in prior financial years

- Current income tax [Note 10(b)]	(552)	(7)
- Deferred income tax [Note 10(c)]	(120)	(595)
	<b>1,200</b>	<b>1,027</b>

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

(Loss)/profit before income tax	(25,818)	9,249
Share of (profit)/loss of associated companies	(187)	342
Share of profit of joint ventures	(2,541)	(1,974)
(Loss)/profit before income tax and share of profit/(loss) of associated companies and joint ventures	<b>(28,546)</b>	<b>7,617</b>
Tax calculated at a tax rate of 17% (2022: 17%)	(4,853)	1,295
Effects of:		
Expenses not deductible for tax purposes	1,136	1,172
Income not subject to tax	(294)	(2,330)
Unrecognised deferred tax benefits	5,736	2,026
Tax incentives	-	(25)
Utilisation of previously unrecognised tax losses and capital allowances	(273)	(885)
Effect of different tax rates in other countries	420	376
Over provision of tax in prior financial years	(672)	(602)
Tax charge	<b>1,200</b>	<b>1,027</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. Income taxes (continued)

### (b) Movement in the net current income tax (receivables)/liabilities

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Balance at 1 January	339	88	-	-
Currency translation differences	(30)	(18)	-	-
Income tax paid	(1,902)	(1,323)	-	-
Tax expense [Note 10(a)]	1,953	1,599	-	-
Over provision of current income tax in prior financial years [Note 10(a)]	(552)	(7)	-	-
Balance at 31 December	(192)	339	-	-

The amounts of current income tax (receivables)/liabilities are presented in the balance sheet as follows:

<u>Current assets</u>			
Income tax receivables	(730)	(730)	-
<u>Current liabilities</u>			
Current income tax liabilities	538	1,069	-

### (c) Deferred income tax

The movement in the net deferred income tax is as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Balance at 1 January	6,717	7,278
Currency translation differences	3	4
Tax expense [Note 10(a)]	(201)	(565)
Balance at 31 December	6,519	6,717



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. Income taxes (continued)

### (d) Movements in deferred income tax

The movements in the Group's deferred income tax liabilities and assets (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

	Accelerated tax depreciation S\$'000	Fair value adjustment on investment properties S\$'000	Unremitted foreign sourced income S\$'000	Total S\$'000
<b>Group</b>				
<b>Deferred income tax liabilities</b>				
Balance at 1 January 2023	286	6,399	137	6,822
Credited to profit or loss	(116)	(30)	-	(146)
Currency translation differences	(1)	(5)	-	(6)
Balance at 31 December 2023	169	6,364	137	6,670
Balance at 1 January 2022	846	6,360	138	7,344
(Credited)/charged to profit or loss	(559)	39	(1)	(521)
Currency translation differences	(1)	-	-	(1)
Balance at 31 December 2022	286	6,399	137	6,822

	Timing difference in taxation of contract profits S\$'000	Unrealised foreign exchange loss S\$'000	Total S\$'000
<b>Group</b>			
<b>Deferred income tax assets</b>			
Balance at 1 January 2023	-	(105)	(105)
(Credited)/charge to profit or loss	(95)	40	(55)
Currency translation differences	3	6	9
Balance at 31 December 2023	(92)	(59)	(151)
Balance at 1 January 2022	(2)	(64)	(66)
Charged/(credited) to profit or loss	2	(46)	(44)
Currency translation differences	-	5	5
Balance at 31 December 2022	-	(105)	(105)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. Income taxes (continued)

### (d) Movements in deferred income tax (continued)

The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group	
	2023	2022
	S\$'000	S\$'000
Deferred income tax liabilities	<u>6,519</u>	<u>6,717</u>

### (e) Unrecognised tax losses, capital allowances and investment allowances

As at 31 December 2023, the Group has unutilised tax losses of approximately S\$95,930,000 (2022: S\$65,524,000), unabsorbed capital allowances of approximately S\$2,953,000 (2022: S\$3,478,000) and investment allowances of approximately S\$11,481,000 (2022: S\$9,445,000) which can, subject to meeting certain statutory requirements by those companies with unrecognised tax losses, capital allowances and investment allowances in their respective countries of incorporation, be carried forward and utilised against future taxable profits. The unutilised tax losses, capital allowance and investment allowances do not have expiry dates. The deferred tax benefits on the unutilised tax losses, capital allowances and investment allowances of subsidiaries have not been recognised in the financial statements because of the uncertainty of future utilisation.

(f) There is no tax charge relating to each component of other comprehensive income.

## 11. (Loss)/earnings per share

### (a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2023	2022
Net (loss)/profit attributable to equity holders of the Company (S\$'000)	<u>(21,960)</u>	6,013
Weighted average number of ordinary shares in issue for computation of basic (loss)/earnings per share ('000)	<u>412,459</u>	412,459
Basic (loss)/earnings per share (in cents)	<u>(5.32)</u>	1.46

### (b) Diluted (loss)/earnings per share

For the previous financial year, no adjustment was made to the diluted earnings per share because all the outstanding warrants of the Group's subsidiary, Koh Brothers Eco Engineering Limited ("KBE Warrants") are antidilutive. All outstanding KBE Warrants had either expired or been exercised during the current financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. Cash and bank balances

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Cash and bank balances	52,541	42,907	136	178
Fixed deposits	43,291	39,525	-	-
	<b>95,832</b>	<b>82,432</b>	<b>136</b>	<b>178</b>

## 13. Investment securities

Financial assets, at FVOCI [Note 13(a)]	7,750	8,327	-	-
Financial assets, at amortised cost [Note 13(b)]	150	1,015	-	-
	<b>7,900</b>	<b>9,342</b>	<b>-</b>	<b>-</b>
<b>Less: Current portion</b>	<b>1,417</b>	<b>1,382</b>	<b>-</b>	<b>-</b>
<b>Non-current portion</b>	<b>6,483</b>	<b>7,960</b>	<b>-</b>	<b>-</b>

### (a) Financial assets, at FVOCI

	Group	
	2023 S\$'000	2022 S\$'000
Balance at 1 January	8,327	11,196
Net purchase/(disposal)	190	(25)
Fair value loss recognised in other comprehensive income [Note 31(b)(i)]	(767)	(2,844)
Balance at 31 December	<b>7,750</b>	<b>8,327</b>
<b>Less: Current portion</b>	<b>1,267</b>	<b>367</b>
<b>Non-current portion</b>	<b>6,483</b>	<b>7,960</b>

Financial assets, at FVOCI are analysed as follows:

Listed securities

- SGD corporate fixed rate notes of 3.00% to 7.00% (2022: 3.00% to 6.90%) per annum due between July 2024 to November 2026 (2022: November 2023 to October 2026)
- Equity securities - USA

	2,315	2,035
	5,435	6,292
	<b>7,750</b>	<b>8,327</b>

### (b) Financial assets, at amortised cost

Balance at 1 January	1,015	2,239
Disposal	-	(210)
Impairment (Note 7)	(865)	(1,014)
Balance at 31 December	<b>150</b>	<b>1,015</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 13. Investment securities (continued)

### (b) Financial assets, at amortised cost (continued)

Financial assets, at amortised cost comprise the following:

	Group	
	2023 S\$'000	2022 S\$'000
<b>Current</b>		
Unquoted SGD 10.00% fixed rate note	2,029	2,029
Less: Loss allowance	(1,879)	(1,014)
	<b>150</b>	<b>1,015</b>

The Group has performed impairment assessment on the fixed rate note and accordingly, an impairment loss of S\$865,000 (2022: S\$1,014,000) was recognised during the financial year.

## 14. Trade and other receivables

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<b>Current</b>				
<u>Trade receivables</u>				
Due from non-related parties	35,455	36,642	-	-
Less: Allowance for impairment of trade receivables [Note 34(b)]	(1,169)	(950)	-	-
Trade receivables - net	<b>34,286</b>	35,692	-	-
<u>Other receivables</u>				
Deposit	1,841	2,359	5	6
Prepayments	4,986	6,406	-	7
Other receivables - non-related parties [Note 14(ii)]	38,016	7,241	-	-
Less: Allowance for impairment of other receivables - non-related parties	(254)	(887)	-	-
	<b>78,875</b>	50,811	<b>5</b>	<b>13</b>
<b>Non-current</b>				
<u>Trade receivables</u>				
Due from a non-related party	5,900	-	-	-
<u>Other receivables</u>				
Due from non-related parties [Note 14(ii)]	-	30,127	-	-
	<b>5,900</b>	30,127	-	-

- (i) Allowance for impairment of trade receivables of S\$228,000 (2022: S\$119,000) is recognised as expense (Note 7) and included in "distribution and marketing expenses".
- (ii) The current and non-current other receivables due from non-related parties are unsecured and interest free, except for current other receivables of S\$30,127,000 (2022: non-current other receivables of S\$30,127,000) which bear interest at 3.50% (2022: 3.50%) per annum.
- (iii) The carrying amounts of the non-current trade and other receivables approximate their fair value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 15. Amounts due from/(to) joint ventures

	Group	
	2023	2022
	S\$'000	S\$'000
<u>Current assets</u>		
Trade receivables from joint ventures	477	1,076
Loans to joint ventures [Note 15(i)]	<b>30,364</b>	35,032
Less: Allowance for impairment of loans [Note 15(ii)]	<b>(928)</b>	(8,048)
	<b>29,436</b>	26,984
	<b>29,913</b>	28,060
<u>Current liabilities</u>		
Amounts due to a joint venture (trade)	<b>(1,476)</b>	(971)
Amounts due to joint ventures (non-trade) [Note 15(iii)]	<b>(34,320)</b>	(37,320)
	<b>(35,796)</b>	(38,291)

- (i) The loans to joint ventures are unsecured, interest-free and repayable on demand.
- (ii) Write-back of allowance for impairment of loans to joint ventures of S\$1,174,000 (2022: allowance for impairment of S\$771,000) was recognised as a credit to expense (2022: an expense) (Note 7). During the current financial year, loans to a joint venture amounting to S\$5,899,000 were written off against the allowance made previously upon liquidation of the joint venture.
- (iii) The current non-trade amounts due to joint ventures are unsecured, interest-free and repayable on demand, except for an amount of S\$33,500,000 (2022: S\$36,500,000) which bears interest at 1.50% (2022: 1.50%) per annum.

## 16. Inventories

Raw materials	1,177	1,228
Finished goods	4,854	6,480
	<b>6,031</b>	7,708

The cost of inventories recognised as an expense and included in "cost of sales" amounted to S\$59,821,000 (2022: S\$64,938,000).

## 17. Development properties

Development properties under construction	<b>1,048</b>	93,998
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Details of the Group's major development properties under construction as at 31 December 2023 are as follows:

Property	Tenure of land	Percentage of completion at 31.12.2023/ expected date of completion	Site area/gross floor area (sq m)	Effective interest in property
Site for residential development at Holland Road, Singapore	Freehold	97.5%/1H 2024	4,428/6,819	100%

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 18. Other current assets

	Group	
	2023	2022
	S\$'000	S\$'000
Project consumables	<b>4,447</b>	4,793

Project consumables are non-project specific in nature. These are carried at lower of cost or net realisable value.

## 19. Investment in associated companies

Balance at 1 January	97	439
Share of profit/(loss)	<b>187</b>	(342)
Balance at 31 December	<b>284</b>	97

- (i) There are no associated companies as at 31 December 2023 and 2022, which in the opinion of the directors, are individually material to the Group.
- (ii) During the current financial year, a partnership repaid its bank borrowings in full. As at 31 December 2023, the Group has exposure of S\$9,600,000 (2022: S\$13,600,000) relating to its share of the partnership's total bank facility.
- (iii) Details of the Group's significant associated companies are set out in Note 37. The associated companies have share capital consisting solely of ordinary shares, which are held by the Group, except for SDK Consortium which is incorporated as a partnership. The country of incorporation is also their principal place of business.

## 20. Investment in joint ventures

Balance at 1 January	<b>93,178</b>	94,202
Share of profit	<b>2,541</b>	1,974
Dividends received during the year	<b>(3,000)</b>	(3,000)
Currency translation differences	-	2
Balance at 31 December	<b>92,719</b>	93,178

There are no contingent liabilities relating to the Group's interest in the joint ventures.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 20. Investment in joint ventures (continued)

Details of the Group's significant joint ventures are set out in Note 37. The joint ventures have share capital consisting solely of ordinary shares, which are held by the Group. The country of incorporation is also their principal place of business.

### Summarised financial information of joint ventures

Set out below are the summarised financial information for material joint ventures. The information reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint ventures.

Material joint ventures have been aggregated by the businesses undertaken as they have similar risks and returns characteristics as follows:

- Property investment – Canberra Development Pte Ltd
- Property development – FEC Skypark Pte. Ltd. (2022: FEC Skypark Pte. Ltd. and Phileap Pte. Ltd.)

### Summarised statement of comprehensive income

	Property Investment		Property Development		Total	
	For the financial year ended 31 December		For the financial year ended 31 December		For the financial year ended 31 December	
	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	<b>23,757</b>	22,363	<b>344,784</b>	126,004	<b>368,541</b>	148,367
Expenses						
Include:						
– Interest expense	<b>(13,246)</b>	(7,804)	<b>(9,147)</b>	(6,996)	<b>(22,393)</b>	(14,800)
Profit/(loss) before income tax	<b>5,157</b>	4,786	<b>5,733</b>	(3,418)	<b>10,890</b>	1,368
Income tax expense	<b>(75)</b>	(838)	-	-	<b>(75)</b>	(838)
Profit/(loss) after tax and total comprehensive income/(loss)	<b>5,082</b>	3,948	<b>5,733</b>	(3,418)	<b>10,815</b>	530
Dividends received from joint ventures	<b>3,000</b>	3,000	-	-	<b>3,000</b>	3,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 20. Investment in joint ventures (continued)

### Summarised financial information of joint ventures (continued)

#### Summarised balance sheet

	Property Investment		Property Development		Total	
	As at 31 December		As at 31 December		As at 31 December	
	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>	<b>79,443</b>	84,127	<b>137,215</b>	392,495	<b>216,658</b>	476,622
Include:						
- Cash and bank balances	<b>4,695</b>	4,731	<b>13,728</b>	21,879	<b>18,423</b>	26,610
<b>Current liabilities</b>	<b>(9,928)</b>	(8,592)	<b>(9,964)</b>	(147,072)	<b>(19,892)</b>	(155,664)
Include:						
- Financial liabilities (excluding trade and other payables)	-	-	-	-	-	-
<b>Non-current assets</b>	<b>379,032</b>	372,193	-	-	<b>379,032</b>	372,193
<b>Non-current liabilities</b>	<b>(264,709)</b>	(262,972)	<b>(127,800)</b>	(277,329)	<b>(392,509)</b>	(540,301)
Include:						
- Financial liabilities (excluding trade and other payables)	<b>(260,000)</b>	(260,000)	<b>(127,800)</b>	(251,660)	<b>(387,800)</b>	(511,660)
<b>Net assets/(liabilities)</b>	<b>183,838</b>	184,756	<b>(549)</b>	(31,906)	<b>183,289</b>	152,850

The information above reflects the amounts included in the financial statements of the joint ventures (and not the Group's share of those amounts).

#### Reconciliation of the summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in joint venture, is as follows:

<b>Net assets/(liabilities)</b>						
At 1 January	<b>184,756</b>	186,808	<b>(31,906)</b>	(28,488)	<b>152,850</b>	158,320
Profit/(loss) after tax and total comprehensive income/(loss)	<b>5,082</b>	3,948	<b>5,733</b>	(3,418)	<b>10,815</b>	530
Dividends paid	<b>(6,000)</b>	(6,000)	-	-	<b>(6,000)</b>	(6,000)
Liquidation of Phileap Pte. Ltd.	-	-	<b>25,624</b>	-	<b>25,624</b>	-
At 31 December	<b>183,838</b>	184,756	<b>(549)</b>	(31,906)	<b>183,289</b>	152,850
Interest in joint ventures	<b>91,919</b>	92,378	<b>(110)</b>	(7,156)	<b>91,809</b>	85,222
Impairment of loans to joint ventures	-	-	<b>110</b>	7,156	<b>110</b>	7,156
<b>Carrying value</b>	<b>91,919</b>	92,378	-	-	<b>91,919</b>	92,378
Add:						
Carrying value of individually immaterial joint ventures, in aggregate					<b>800</b>	800
<b>Carrying value of Group's interest in joint ventures</b>					<b>92,719</b>	93,178

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 20. Investment in joint ventures (continued)

### Reconciliation of the summarised financial information (continued)

The summarised financial information for property development is mainly attributable to FEC Skypark Pte. Ltd. except for net liabilities, which is mainly attributable to Phileap Pte. Ltd. Phileap Pte. Ltd. was liquidated during the current financial year.

The Group's share of the above joint ventures' profit after tax, other comprehensive income and dividend were reflected in the movement of carrying value of investment in joint ventures. In the event that the Group's share of losses in joint ventures exceeds its interest in such joint ventures, the Group recognise the further loss as impairment on loans to joint ventures and recorded under "Other expenses".

### Information about immaterial joint ventures

The following table summarises, in aggregate, the Group's share of net profit/(loss) and other comprehensive income/(loss) of the individually immaterial joint ventures accounted for using the equity method:

	2023 S\$'000	2022 S\$'000
Profit/(loss) after tax and total comprehensive income/(loss)	<b>28</b>	<b>(61)</b>

## 21. Investment in subsidiaries and amounts due from/(to) subsidiaries

	Company	
	2023 S\$'000	2022 S\$'000
<b>Investment in subsidiaries</b>		
Balance at 1 January		
- Quoted equity shares, at cost	<b>73,130</b>	73,130
- Unquoted equity shares, at cost	<b>68,069</b>	68,069
- Financial guarantee contracts	<b>15,542</b>	15,416
	<b>156,741</b>	156,615
Increase in financial guarantee contracts	<b>124</b>	126
Balance at 31 December	<b>156,865</b>	156,741
<b>Current assets</b>		
Amounts due from subsidiaries (trade)	<b>1,363</b>	1,698
Amounts due from subsidiaries (non-trade) [Note 21(i)]	<b>20,166</b>	21,070
	<b>21,529</b>	22,768
<b>Current liabilities</b>		
Amounts due to subsidiaries (trade)	<b>(151)</b>	(173)
Amounts due to subsidiaries (non-trade) [Note 21(ii)]	<b>(37,195)</b>	(38,013)
	<b>(37,346)</b>	(38,186)
<b>Non-current liabilities</b>		
Amount due to a subsidiary (non-trade) [Note 21(iii)]	<b>(19,011)</b>	(19,011)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 21. Investment in subsidiaries and amounts due from/(to) subsidiaries (continued)

- (i) The current non-trade amounts due from subsidiaries are repayable on demand, unsecured and interest-free, except for the loans amounting to S\$14,060,000 (2022: S\$15,350,000) due from subsidiaries which bear interest rate ranging from 4.66% to 6.56% (2022: at 5.16%) per annum.
- (ii) The current non-trade amounts due to subsidiaries are repayable on demand, unsecured and interest-free, except for the loans amounting to S\$23,000,000 (2022: S\$23,000,000) due to subsidiaries which bear interest rate ranging from 4.59% to 5.12% (2022: at 4.87%) per annum.
- (iii) The non-current non-trade amount due to a subsidiary is unsecured, interest-free and is not expected to be repaid within one year. The carrying value of non-current non-trade amount due to a subsidiary approximates its fair value.

	Group	
	2023	2022
	S\$'000	S\$'000
(iv) <i>Carrying value of non-controlling interests</i>		
Koh Brothers Eco Engineering Limited and its subsidiaries	53,879	60,340
Other subsidiaries with immaterial non-controlling interests	31	34
	<b>53,910</b>	<b>60,374</b>

### Summarised financial information of subsidiaries with material non-controlling interests

Set out below is the summarised financial information for Koh Brothers Eco Engineering Limited ("KBE") and its subsidiaries which has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

	2023	2022
	S\$'000	S\$'000
<b>Summarised statement of comprehensive income</b>		
Revenue	177,018	211,742
(Loss)/profit before income tax	(11,577)	4,455
Income tax expense	(1,804)	(1,087)
(Loss)/profit after tax	(13,381)	3,368
Other comprehensive loss	(934)	(817)
Total comprehensive (loss)/income	<b>(14,315)</b>	2,551
Total comprehensive (loss)/income allocated to non-controlling interests	<b>(5,605)</b>	1,901

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 21. Investment in subsidiaries and amounts due from/(to) subsidiaries *(continued)*

### Summarised financial information of subsidiaries with material non-controlling interests *(continued)*

	2023 S\$'000	2022 S\$'000
<b>Summarised balance sheet</b>		
<b>Current</b>		
Assets	198,899	204,993
Liabilities	(135,022)	(123,507)
Total current net assets	<u>63,877</u>	<u>81,486</u>
<b>Non-current</b>		
Assets	86,548	85,978
Liabilities	(14,983)	(16,464)
Total non-current net assets	<u>71,565</u>	<u>69,514</u>
Net assets	<u><b>135,442</b></u>	<u>151,000</u>
<b>Summarised cash flows</b>		
Net cash provided by operating activities	28,109	4,797
Net cash provided by investing activities	47	1,625
Net cash used in financing activities	<u>(6,093)</u>	<u>(16,074)</u>

### Transactions with non-controlling interests

#### *Change in ownership interest in subsidiaries due to dilution of equity interest*

On 3 March 2022, an indirect subsidiary of the Group, Oiltek International Limited ("OIL"), was successfully listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. OIL issued 22,500,000 new ordinary shares at S\$0.23 each for its initial public offering. Following the OIL listing, the Group's effective shareholding interest in OIL and its subsidiaries was reduced from approximately 43.88% to approximately 36.97%.

#### *Change in ownership interest in subsidiaries due to stepped acquisition of remaining equity interest*

On 20 June 2022, a subsidiary of the Company, KBE, acquired additional 1,000,000 shares in OIL for a total consideration of S\$230,000. As a result, the Group's effective shareholding interest in OIL and its subsidiaries increased from approximately 36.97% to approximately 37.35%.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**21. Investment in subsidiaries and amounts due from/(to) subsidiaries (continued)****Transactions with non-controlling interests (continued)**

The effect of changes in the ownership interest of KBE on the equity attributable to owners of the Company in 2022 is summarised as follows:

	Group 2022 S\$'000
Carrying amount of non-controlling interests acquired in KBE and its subsidiaries	1,169
Consideration paid to non-controlling interest	(230)
Increase in parent's equity	<u>939</u>

**22. Investment properties**

	Group	
	2023 S\$'000	2022 S\$'000
Balance at 1 January	108,407	102,169
Disposal of investment properties	(7,300)	-
Fair value (loss)/gain recognised in profit or loss (Note 6)	(7)	6,436
Currency translation difference	(111)	(198)
Balance at 31 December	<u>100,989</u>	<u>108,407</u>

During the current financial year, certain investment properties with carrying amounts of S\$7,300,000 were sold for proceeds of S\$7,692,000, net of expenses, and the Group recognised a gain on disposal of investment properties of S\$392,000 (Note 6).

The following amounts are recognised in profit or loss:

Rental income (Note 4)	3,532	3,130
Direct operating expenses arising from investment properties that generated rental income	<u>(1,797)</u>	<u>(1,676)</u>

- (i) Investment properties with carrying values totalling S\$94,000,000 (2022: S\$101,180,000) are mortgaged to banks for credit facilities granted (Notes 28 and 29).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. Investment properties (continued)

(ii) Details of the investment properties are set out below:

Property	Tenure	Site area/gross floor area (sq ft)
The First City Complex comprising commercial units, office units and service apartments at Pulau Batam, Indonesia	20 years from October 2018	200,456
11 shop units at Alocassia Apartments at 383 Bukit Timah Road, Singapore	Freehold	186,066 44,863*
45 apartment units at Alocassia Apartments at 383 Bukit Timah Road, Singapore	Freehold	22,895 44,863*
5 officetel units at 225-6, Nonhyeon-dong, Gangnam-gu, Seoul, South Korea	Freehold	35,166 3,834

\*The 11 shop units and 45 apartment units are located within the same building.

Fair value hierarchy – Recurring fair value measurements

Description	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) S\$'000	Significant other observable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000
<b>31 December 2023</b>			
- Investment properties	-	-	<b>100,989</b>
<b>31 December 2022</b>			
- Investment properties	-	-	108,407

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. Investment properties (continued)

### Valuation technique and inputs used in Level 3 fair value measurements

The following table represents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value as at 31 December 2023 (\$'000)	Valuation technique(s)	Unobservable inputs <sup>1</sup>	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties – Singapore	94,000 (2022: 101,180)	Sales comparison method	Market value per square metre	\$S12,000 to \$S37,000 (2022: \$S20,000 to \$S40,000) per square metre	The higher the market value per square metre, the higher the fair value.
Investment properties – Indonesia	4,690 (2022: 4,776)	Cost method	Cost per square metre	\$S342 to \$S470 (2022: \$S380 to \$S523) per square metre	The higher the replacement cost per square metre, the higher the fair value.
Investment properties – South Korea	2,299 (2022: 2,451)	Sales comparison method	Market value per square metre	\$S17,000 (2022: \$S18,000) per square metre	The higher the market value per square metre, the higher the fair value.

<sup>1</sup> There were no significant inter-relationships between unobservable inputs.

### Valuation processes of the Group

The fair value of investment properties are determined annually by independent professional valuers at the end of every financial year based on the properties' highest and best use. They are carried at fair value at the balance sheet date.

At each financial year, management:

- provides all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation reports; and
- holds discussions with the independent valuers.

Changes in Level 3 fair values are analysed at each reporting date during management meetings. As part of this discussion, a report is presented to the Audit and Risk Committee that explains the reasons for the fair value movements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23. Property, plant and equipment

	Freehold land S\$'000	Buildings on freehold land S\$'000	Leasehold land and buildings S\$'000	Plant and machinery S\$'000	Motor vehicles S\$'000	Furniture, fittings, and hotel equipment S\$'000	Assets under construction S\$'000	Total S\$'000
<b>Group</b>								
<b>Cost or valuation</b>								
At 1 January 2023								
Cost	27,495	19,430	31,617	88,281	20,480	13,827	2,126	203,256
Independent valuation in 1993 [Note 23(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	43,745	25,917	37,106	88,281	20,480	13,827	2,126	231,482
Currency translation differences	(532)	(165)	(87)	(9)	(36)	(39)	-	(868)
Additions	-	197	2,953	1,002	857	245	316	5,570
Transfer	-	-	-	2,442	-	-	(2,442)	-
Disposals	-	-	-	(1,219)	(2,678)	(25)	-	(3,922)
Write off	-	-	(4,024)	(46)	-	(74)	-	(4,144)
At 31 December 2023	43,213	25,949	35,948	90,451	18,623	13,934	-	228,118
Represented by:								
Cost	26,963	19,462	30,459	90,451	18,623	13,934	-	199,892
Independent valuation in 1993 [Note 23(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	43,213	25,949	35,948	90,451	18,623	13,934	-	228,118
<b>Accumulated depreciation and impairment losses</b>								
At 1 January 2023	3,069	10,997	19,384	63,001	18,128	11,997	-	126,576
Currency translation differences	-	(108)	(87)	(6)	(36)	(32)	-	(269)
Disposals	-	-	-	(1,215)	(2,641)	(21)	-	(3,877)
Write off	-	-	(3,882)	(37)	-	(72)	-	(3,991)
Depreciation charge (Note 7)	-	243	3,717	5,616	977	494	-	11,047
At 31 December 2023	3,069	11,132	19,132	67,359	16,428	12,366	-	129,486
Net book value at 31 December 2023	40,144	14,817	16,816	23,092	2,195	1,568	-	98,632

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23. Property, plant and equipment (continued)

	Buildings		Leasehold land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings, and hotel equipment	Assets under construction	Total
	Freehold land	on freehold land						
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>								
<b>Cost or valuation</b>								
At 1 January 2022								
Cost	27,970	18,999	28,723	105,727	21,078	13,639	381	216,517
Independent valuation in 1993 [Note 23(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	44,220	25,486	34,212	105,727	21,078	13,639	381	244,743
Currency translation differences	(475)	(188)	(138)	(31)	(47)	(57)	-	(936)
Additions	-	238	4,294	131	645	418	2,126	7,852
Transfer	-	381	-	-	-	-	(381)	-
Disposals	-	-	(1,262)	(17,546)	(1,196)	(147)	-	(20,151)
Write off	-	-	-	-	-	(26)	-	(26)
At 31 December 2022	43,745	25,917	37,106	88,281	20,480	13,827	2,126	231,482
Represented by:								
Cost	27,495	19,430	31,617	88,281	20,480	13,827	2,126	203,256
Independent valuation in 1993 [Note 23(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	43,745	25,917	37,106	88,281	20,480	13,827	2,126	231,482
<b>Accumulated depreciation and impairment losses</b>								
At 1 January 2022	3,069	10,840	16,588	73,860	18,033	11,638	-	134,028
Currency translation differences	-	(25)	(5)	(20)	(47)	(53)	-	(150)
Disposals	-	-	(1,262)	(14,707)	(1,189)	(142)	-	(17,300)
Write off	-	-	-	-	-	(24)	-	(24)
Depreciation charge (Note 7)	-	182	4,063	3,868	1,331	578	-	10,022
At 31 December 2022	3,069	10,997	19,384	63,001	18,128	11,997	-	126,576
Net book value at 31 December 2022	40,676	14,920	17,722	25,280	2,352	1,830	2,126	104,906

- (i) ROU assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 24(a).
- (ii) The valuation made in 1993, in connection with the listing of the Company, was performed by Messrs Knight Frank, Cheong Hock Chye & Baillieu (Property Consultants) Pte Ltd, a firm of independent valuers based on an open market existing use basis as at 31 December 1993.
- (iii) If the revalued property, plant and equipment had been included in the financial statements at cost less accumulated depreciation, their net book values would be as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Freehold land	15,293	15,293
Buildings on freehold land	3,152	3,197

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23. Property, plant and equipment (continued)

(iv) At 31 December 2023, certain freehold land, buildings on freehold land and leasehold land and buildings with net book values amounting to S\$50,257,000 (2022: S\$50,588,000) are mortgaged to banks for credit facilities granted in respect of short-term bank loans and term loans (Notes 28 and 29).

(v) The Group's major properties included in property, plant and equipment are as follows:

Name and location	Description	Tenure
Koh Brothers Building 11 Lorong Pendek Singapore	Industrial building	Freehold
Oxford Hotel 218 Queen Street Singapore	Hotel	Freehold
65 Sungei Kadut Drive Singapore	Factory-cum-office building	35 years from 16 December 1990
PTD 103250, Jalan Idaman 3/9 Taman Perindustrian Senai Johor, Malaysia	Factory-cum-office building	Freehold
1 Tuas South Street 6 Singapore	Industrial building	22.5 years from 2 May 2013
15 Genting Road Singapore	Industrial land	Freehold
1 Jalan Bioteknologi 3 Kawasan Perindustrian SiLC Johor, Malaysia	Industrial building	Freehold
Lot 6 Jalan Pasaran 23/5 Selangor Darul Ehsan, Malaysia	Factory-cum-office building	99 years from 15 August 1997

## 24. Leases - The Group as a lessee

### Nature of the Group's leasing activities

#### Leasehold land

The Group leases various leasehold land from non-related parties under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal rights. These land are recognised within Property, plant and equipment (Note 23).

There are no externally imposed covenants on these lease arrangements.

#### Plant and machinery, motor vehicles and office equipment

The Group leases certain plant and machinery, motor vehicles and office equipment from non-related parties under operating leases. Some of these lease arrangements prohibit the Group from subleasing the equipment to third parties.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**24. Leases – The Group as a lessee** *(continued)*

**(a) Carrying amounts of ROU assets classified within Property, plant and equipment**

	Group	
	2023 S\$'000	2022 S\$'000
Leasehold land and buildings	4,043	4,008
Plant and machinery	20,292	21,757
Motor vehicles	1,197	982
	<b>25,532</b>	<b>26,747</b>

**(b) Depreciation charge during the financial year**

Leasehold land and buildings	2,777	3,106
Plant and machinery	1,889	2,533
Motor vehicles	335	421
	<b>5,001</b>	<b>6,060</b>

**(c) Interest expense**

Interest expenses on lease liabilities (Note 9)	<b>345</b>	411
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**(d) Lease expense not capitalised in lease liabilities**

Lease expense – short-term leases	317	754
Lease expense – low-value leases	175	443
	<b>492</b>	<b>1,197</b>

**(e)** Total cash outflow for all the leases in 2023 was S\$8,820,000 (2022: S\$10,113,000).

**(f)** Addition of ROU assets during the financial year were S\$3,308,000 (2022: S\$4,570,000).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 25. Leases – The Group as a lessor

### Nature of the Group's leasing activities

The Group leases out commercial space to non-related parties under non-cancellable lease agreements. To reduce credit risk, the Group obtains security deposits from the lessees. The lessees are required to pay either absolute fixed annual increases to the lease payments or contingent rents computed based on their sales achieved during the lease period.

Rental income from investment properties are disclosed in Note 22.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Less than one year	785	763
One to two years	131	327
Total undiscounted lease payment	<b>916</b>	<b>1,090</b>

## 26. Goodwill

### Cost

Balance at 1 January and 31 December

<b>5,078</b>	<b>5,078</b>
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Goodwill arising from the Group's acquisition of Koh Brothers Eco Engineering Limited and its subsidiaries is allocated to the "Bio-Refinery and Renewable Energy" CGU.

The Group tests the CGU annually for impairment or more frequently if there are indicators that the goodwill might be impaired.

The recoverable amount of the CGU was determined based on value-in-use calculation. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a one-year period.

### Key assumptions used for value-in-use calculations:

	Group	
	2023	2022
Gross margin <sup>[1]</sup>	<b>16%</b>	17%
Terminal growth rate <sup>[2]</sup>	<b>2%</b>	2%
Discount rate <sup>[3]</sup>	<b>14%</b>	14%

<sup>1</sup> Budgeted gross margin

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period

<sup>3</sup> Pre-tax discount rate applied to the pre-tax cash flow projections

Management determined the budgeted gross margin based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segment. Based on the sensitivity analysis performed by management, a reasonably possible change in the key assumptions above will not result in an impairment in goodwill.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 27. Trade and other payables

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<b>Current</b>				
<u>Trade payables</u>				
Due to non-related parties	61,010	63,489	-	-
Retention due to subcontractors on construction contracts	3,177	4,826	-	-
<u>Other payables</u>				
Accruals for operating expenses	10,029	11,382	800	916
Sundry payables	1,479	3,229	-	-
Deposits and advances received	2,356	3,357	-	-
Due to directors [Note 27(i)]	781	853	497	546
Indirect taxes payable	1,027	575	-	-
Due to non-related parties	5,070	5,070	-	-
Provision for onerous contracts [Note 27(iii)]	179	30	-	-
	<b>85,108</b>	<b>92,811</b>	<b>1,297</b>	<b>1,462</b>
<b>Non-current</b>				
Retention due to subcontractors on construction contracts	10,746	9,480	-	-

- (i) The amounts due to directors are unsecured, interest-free and repayable on demand.
- (ii) The carrying amount of non-current trade and other payables approximates its fair value.
- (iii) Provision for onerous contracts

	Group	
	2023 S\$'000	2022 S\$'000
Balance at 1 January	30	41
Provision made	170	-
Provision utilised	(21)	(11)
Balance at 31 December	<b>179</b>	<b>30</b>

Provision for onerous contracts is in respect of remaining expected losses arising from non-cancellable construction contracts where the expected total contract costs exceed the total contract sum and is expected to be utilised as these contracts progress towards completion.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. Bank borrowings and lease liabilities

	Group	
	2023 S\$'000	2022 S\$'000
<b>Current</b>		
Short-term bank loans		
- Secured	<b>38,825</b>	39,586
- Unsecured	<b>49,500</b>	44,500
	<b>88,325</b>	84,086
Term loans payable within one year (Note 29)	<b>41,475</b>	86,448
Lease liabilities payable within one year	<b>5,004</b>	7,234
	<b>134,804</b>	177,768
<b>Non-current</b>		
Term loans payable after one year (Note 29)	<b>78,700</b>	82,598
Lease liabilities payable after one year	<b>4,242</b>	6,687
	<b>82,942</b>	89,285
Total bank borrowings and lease liabilities	<b>217,746</b>	267,053

The Group's short-term bank loans bear interest rate at the balance sheet date ranging from 4.53% to 5.85% (2022: at weighted average effective interest rate of 5.03%) per annum.

The Group's short-term bank loans are secured over the Group's certain investment properties [Note 22(i)] and certain freehold land and buildings [Note 23(v)].

## 29. Bank borrowings

	Due within one year		Due after one year	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<b>Group</b>				
Term loans				
- Secured	<b>40,208</b>	85,207	<b>77,623</b>	80,254
- Unsecured	<b>1,267</b>	1,241	<b>1,077</b>	2,344
	<b>41,475</b>	86,448	<b>78,700</b>	82,598

Term loans amounting to S\$117,831,000 (2022: S\$165,461,000) are secured over the Group's development properties (Note 17), certain investment properties [Note 22(i)] and certain freehold land and buildings [Note 23(v)].

The non-current term loans mature between 2026 and 2047 (2022: 2026 and 2047).

The carrying amounts of the non-current term loans approximate their fair values, as the term loans bear interest at variable rates, which are re-priced within a period of up to six months. These term loans can be contractually re-priced at one, two, three or six-monthly intervals except for a term loan of S\$2,344,000 (2022: S\$3,585,000), which bears interest at fixed rate of 2.10% (2022: 2.10%) per annum.

The Group's term loans bear interest rate ranging from 4.53% to 5.13% (2022: at weighted average effective interest rate of 4.38%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 30. Notes payables

	Group and Company	
	2023	2022
	S\$'000	S\$'000
Balance at 1 January	22,168	70,000
Redemption of notes payables	-	(57,750)
Proceeds from issuance of new series of notes payable	-	10,500
Notes issuance expense paid	-	(582)
Amortisation of notes issuance expenses	177	-
Balance at 31 December	<b>22,345</b>	<b>22,168</b>

The Company has established a S\$250 million Multicurrency Medium Term Note programme, under which the Company may, from time to time, issue notes in series or tranches in Singapore Dollars or in other currencies, in various amounts and tenors and interest rates agreed between Company and the relevant dealer. The net proceeds arising from the issue of notes will be used for general corporate purposes, financing investments and general working capital of the Group.

The Company issued the second series of notes amounting to S\$70,000,000 in October 2017. The notes bear a fixed rate of 5.10% per annum payable semi-annually in arrears. In the previous financial year, part of the second series of notes amounting to S\$57,750,000 were repaid upon maturity and the remaining balance of S\$12,250,000 were exchanged to the third series of notes.

The Company issued the third series of notes amounting to S\$22,750,000 (including S\$12,250,000 exchanged from the second series of notes) in October 2022. The new notes bear a fixed rate of 6.50% per annum payable semi-annually in arrear and are due on 17 April 2026.

At the balance sheet date, the fair value of the notes payables is S\$23,742,000 (2022: S\$22,507,000).

## 31. Share capital, treasury shares and reserves

### (a) Share capital and treasury shares

	No. of		Amount	
	← Issued share capital '000	→ Treasury shares '000	← Share capital S\$'000	→ Treasury shares S\$'000
<b>Group and Company</b>				
<b>2023</b>				
Balance at 1 January and 31 December	<b>438,000</b>	<b>(25,541)</b>	<b>36,981</b>	<b>(7,983)</b>
<b>2022</b>				
Balance at 1 January and 31 December	438,000	(25,541)	36,981	(7,983)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. Share capital, treasury shares and reserves (continued)

### (b) Other reserves

	Group	
	2023 S\$'000	2022 S\$'000
<u>Composition</u>		
Fair value reserve	(8,373)	(7,606)
Capital reserve	1,596	1,596
Share-based payment reserve	16	17
	<b>(6,761)</b>	<b>(5,993)</b>

Other reserves are non-distributable.

#### Movements

##### (i) Fair value reserve

Balance at 1 January	(7,606)	(4,807)
Fair value loss on financial assets, at FVOCI [Note 13(b)]	(767)	(2,844)
Less: Non-controlling interests	-	45
Balance at 31 December	<b>(8,373)</b>	<b>(7,606)</b>

##### (ii) Capital reserve

Balance at 1 January and 31 December	<b>1,596</b>	1,596
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As at 31 December 2023 and 2022, capital reserve comprises goodwill in relation to acquisitions of subsidiaries prior to 1 January 2001.

##### (iii) Share-based payment reserve

Balance at 1 January	17	17
Performance share plan of a subsidiary		
- Value of employee services (Note 8)	5	5
- Performance shares awarded	(6)	(5)
Balance at 31 December	<b>16</b>	17

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. Share capital, treasury shares and reserves (continued)

### (b) Other reserves (continued)

#### Performance share plan of a subsidiary

On 20 April 2017, the shareholders of a listed subsidiary, Koh Brothers Eco Engineering Limited, approved a performance share plan to be known as the "Koh Brothers Eco Engineering Limited Performance Share Plan 2017 ("KBE PSP"). Under the KBE PSP, the total number of shares which may be delivered (whether in the form of shares or in the form of cash in lieu of shares) shall not exceed 20% of the total number of issued shares (excluding treasury shares) from time to time. The KBE PSP shall continue in force at the discretion of its Remuneration Committee subject to a maximum period of 10 years commencing on the date on which KBE PSP is adopted.

No new share awards under the KBE PSP were granted to KBE's employees during the financial years ended 31 December 2023 and 2022.

During the financial year, KBE issued 93,820 (2022: 99,700) ordinary shares to its employees pursuant to the vesting of share awards granted under KBE PSP.

Details of the performance share plan granted by KBE are disclosed in KBE's audited consolidated financial statements for the financial year ended 31 December 2023, which is publicly available.

### (c) Currency translation reserve

	Group	
	2023	2022
	S\$'000	S\$'000
Balance at 1 January	(10,551)	(9,382)
Change in ownership interests in subsidiaries	-	220
Net currency translation differences of financial statements of foreign operations	(1,001)	(1,666)
Less: Non-controlling interests	550	277
Balance at 31 December	<u>(11,002)</u>	<u>(10,551)</u>

## 32. Dividend

	Company	
	2023	2022
	S\$'000	S\$'000
Final dividend paid in respect of the previous financial year ended of 0.20 Singapore cent (2022: 0.20 Singapore cent) per share	<u>825</u>	<u>825</u>

## 33. Commitments

### Capital commitments

The Group do not have any capital expenditures contracted for but not recognised in the financial statements as at 31 December 2023 and 2022.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Financial risk management

### Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. Where possible, the Group seeks to match assets and liabilities of the same currency. Derivative financial instruments are only used where necessary to reduce exposure to fluctuation in foreign exchange rates and interest rates.

#### (a) Market risk

##### (i) Currency risk

The Group operates mainly in Asia with operations primarily in Singapore, Malaysia, Indonesia, and South Korea. Entities in the Group transact predominantly in their respective functional currencies, except for balances between entities in the Group.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), and others. The Group monitors the foreign currency exchange rate movements closely to ensure that its exposures are minimised. The Group also has investments in foreign subsidiaries and is exposed to currency translation risk.

The Group's currency exposure is as follows:

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
<b>Group</b>				
<b>At 31 December 2023</b>				
<b>Financial assets</b>				
Cash and bank balances	53,374	15,449	27,009	95,832
Investment securities	2,465	5,435	-	7,900
Trade and other receivables	71,435	4,088	4,266	79,789
Amounts due from joint ventures	29,913	-	-	29,913
Inter-company balances	60,844	-	4,400	65,244
	<b>218,031</b>	<b>24,972</b>	<b>35,675</b>	<b>278,678</b>
<b>Financial liabilities</b>				
Notes payables, borrowings and lease liabilities	(239,662)	-	(429)	(240,091)
Trade and other payables	(81,250)	(909)	(13,516)	(95,675)
Amounts due to joint ventures	(35,796)	-	-	(35,796)
Inter-company balances	(60,844)	-	(4,400)	(65,244)
	<b>(417,552)</b>	<b>(909)</b>	<b>(18,345)</b>	<b>(436,806)</b>
<b>Net financial assets/(liabilities)</b>	<b>(199,521)</b>	<b>24,063</b>	<b>17,330</b>	<b>(158,128)</b>
Less: Net financial liabilities denominated in the respective entities' functional currency	199,486	-	(17,087)	182,399
<b>Net currency exposure</b>	<b>(35)</b>	<b>24,063</b>	<b>243</b>	<b>24,271</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

The Group's currency exposure is as follows: (continued)

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
<b>Group</b>				
<b>At 31 December 2022</b>				
<b>Financial assets</b>				
Cash and bank balances	58,346	9,643	14,443	82,432
Investment securities	3,050	6,292	-	9,342
Trade and other receivables	69,227	327	4,978	74,532
Amounts due from joint ventures	28,060	-	-	28,060
Inter-company balances	33,419	-	3,368	36,787
	192,102	16,262	22,789	231,153
<b>Financial liabilities</b>				
Notes payables, borrowings and lease liabilities	(287,922)	-	(1,299)	(289,221)
Trade and other payables	(84,364)	(1,092)	(16,807)	(102,263)
Amounts due to joint ventures	(38,291)	-	-	(38,291)
Inter-company balances	(33,419)	-	(3,368)	(36,787)
	(443,996)	(1,092)	(21,474)	(466,562)
<b>Net financial assets/(liabilities)</b>	(251,894)	15,170	1,315	(235,409)
Less: Net financial liabilities denominated in the respective entities' functional currency	251,692	-	(3,218)	248,474
<b>Net currency exposure</b>	(202)	15,170	(1,903)	13,065

As at 31 December 2023 and 2022, the Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies. All financial assets and financial liabilities are mainly denominated in SGD.

If the USD changes against the SGD by 5% (2022: 5%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial assets and liabilities will be as follows:

	Increase/(decrease) Profit after tax	
	2023	2022
	S\$'000	S\$'000
<b>Group</b>		
USD against SGD		
- Strengthened	999	630
- Weakened	(999)	(630)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets. The Group's exposure to cash flow interest rate risks arises mainly from the Group's debt obligations. The Group manages its cash flow interest rate risks by adopting a preference for fixed rate instruments over variable-rate instruments.

The Group's borrowings at variable rates are denominated mainly in SGD. If the SGD interest rates increase/decrease by 1% (2022: 1%) with all other variables including tax rate being held constant, the loss after tax (2022: profit after tax) will be higher/lower (2022: lower/higher) by S\$1,711,000 (2022: S\$2,071,000) as a result of higher/lower interest expense on these borrowings.

#### (iii) Price risk

The Group is exposed to equity and debt securities price risk arising from the quoted investments held by the Group which are classified as financial assets, at FVOCI. These securities are listed in Singapore. The Group is not exposed to commodity price risk.

If prices for the equity and debt securities listed in Singapore change by 10% (2022: 10%) with all other variables including tax rate being held constant, the effects would have been:

	Increase/(decrease) Other comprehensive income	
	2023 S\$'000	2022 S\$'000
<b>Group</b>		
Listed in Singapore		
- Increased by 10%	775	833
- Decrease by 10%	(775)	(833)

The Company is not exposed to any price risk for the financial year ended 31 December 2023 and 2022.

### (b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, where cash term, advance payments, bankers' guarantees and performance bonds are required for customers of lower credit standing; and
- High credit quality counterparties.

The Group's investments in quoted debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration. The trade receivables of the Group comprise five debtors (2022: five debtors) that accounted for approximately 49% (2022: 33%) of the balance.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Financial risk management (continued)

### (b) Credit risk (continued)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except for corporate guarantees as follows:

	2023 S\$'000	2022 S\$'000
<b>Group</b>		
Corporate guarantees provided to banks on		
- Joint ventures' loan	<b>159,859</b>	202,532
<b>Company</b>		
Corporate guarantees provided to banks on		
- Subsidiaries' loan	<b>161,492</b>	229,617
- Joint ventures' loan	<b>159,859</b>	202,532

Information on trade receivables provided to key management are as follows:

#### **By geographical areas**

Singapore	<b>32,548</b>	32,255
Malaysia	<b>2,488</b>	2,574
Indonesia	<b>4,711</b>	717
Others	<b>439</b>	146
	<b>40,186</b>	35,692

#### **By industry sectors**

Construction and Building Materials	<b>38,455</b>	30,403
Real Estate	<b>1,711</b>	4,958
Leisure & Hospitality	<b>20</b>	331
	<b>40,186</b>	35,692

The movement in credit loss allowance are as follows:

#### **Trade receivables<sup>(1)</sup>**

Balance at 1 January	<b>950</b>	797
Loss allowance recognised in profit or loss on assets acquired/originated	<b>228</b>	119
Currency translation difference	<b>(9)</b>	34
Balance at 31 December	<b>1,169</b>	950

<sup>(1)</sup> Loss allowance measured at lifetime expected credit loss

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Financial risk management *(continued)*

### (b) Credit risk *(continued)*

The Group's contract assets and other receivables are subject to immaterial credit loss. Within other receivables are non-trade amounts due from non-related parties of S\$30,127,000 (2022: S\$30,127,000) [Note 14(ii)] which are considered to have low credit risk. This was based on management's assessment of the debtors' financial position and performance, cash flows, valuation of their residential properties held and their ability to repay via realisation of these residential properties.

The Company's debt financial assets are subject to immaterial credit loss.

#### (i) Trade receivables and contract assets

In measuring the expected credit losses ("ECL"), trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic data. The Group has identified the gross domestic product ("GDP") growth of the countries in which it sells goods and services to be the most relevant factor, and accordingly adjust the historical loss rates based on expected changes in this factor.

The Group considers a financial asset to be in default when the counterparty fails to make contractual payments for a prolonged period of time when they fall due, and the Group may also consider internal and external information, such as significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flow, such as a debtor failing to engage in a repayment plan with the Group and it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management has assessed and concluded that the expected credit loss rate for trade receivables past due less than 1 year is immaterial, while the expected credit loss rate for trade receivables past due more than 1 year approximates 50% to 100%, except for specific cases where management has assessed the amount is still fully recoverable.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Financial risk management (continued)

### (b) Credit risk (continued)

#### (i) Trade receivables and contract assets (continued)

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 are set out as follows:

	←	←	←	→	
	Current	1 to 6	Past due	Over	Total
	S\$'000	months	7 to 12	12 months	S\$'000
		S\$'000	months	S\$'000	S\$'000
			S\$'000	S\$'000	
<b>Group</b>					
<b>At 31 December 2023</b>					
<b>Construction and Building Materials</b>					
Contract assets	117,898	-	-	-	117,898
Trade receivables	31,309	6,466	977	166	38,918
Loss allowance	-	-	(297)	(166)	(463)
<b>Real Estate</b>					
Contract assets	77,092	-	-	-	77,092
Trade receivables	1,228	41	-	1,148	2,417
Loss allowance	-	-	-	(706)	(706)
<b>Leisure &amp; Hospitality</b>					
Trade receivables	20	-	-	-	20
Loss allowance	-	-	-	-	-
<b>At 31 December 2022</b>					
<b>Construction and Building Materials</b>					
Contract assets	150,497	-	-	-	150,497
Trade receivables	24,884	5,504	92	167	30,647
Loss allowance	-	-	(77)	(167)	(244)
<b>Real Estate</b>					
Contract assets	29,378	-	-	-	29,378
Trade receivables	4,441	50	21	1,152	5,664
Loss allowance	-	-	-	(706)	(706)
<b>Leisure &amp; Hospitality</b>					
Trade receivables	331	-	-	-	331
Loss allowance	-	-	-	-	-

#### (ii) Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries and joint ventures. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries and these joint ventures have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Financial risk management (continued)

### (c) Liquidity risk

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year S\$'000	Between 1 and 2 years S\$'000	Between 2 and 5 years S\$'000	Over 5 years S\$'000
<b>Group</b>				
<b>At 31 December 2023</b>				
Payables	120,725	6,979	3,767	-
Borrowings and lease liabilities	143,659	8,255	54,848	44,289
Notes payables	1,175	1,479	23,181	-
Financial guarantee contracts	159,859	-	-	-
<b>At 31 December 2022</b>				
Payables	131,074	-	9,480	-
Borrowings and lease liabilities	188,333	9,539	58,542	49,861
Notes payables	1,175	1,479	24,660	-
Financial guarantee contracts	202,532	-	-	-
<b>Company</b>				
<b>At 31 December 2023</b>				
Payables	1,297	-	-	-
Amounts due to subsidiaries	37,346	19,011	-	-
Notes payables	1,175	1,479	23,181	-
Financial guarantee contracts	321,351	-	-	-
<b>At 31 December 2022</b>				
Payables	1,462	-	-	-
Amounts due to subsidiaries	38,186	19,011	-	-
Notes payables	1,175	1,479	24,660	-
Financial guarantee contracts	432,149	-	-	-

The Group and Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Financial risk management (continued)

### (d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The gearing ratio is calculated as net debt divided by shareholders' funds. Net debt is calculated as notes payables, bank borrowings and lease liabilities less cash and bank balances.

	Group	
	2023 S\$'000	2022 S\$'000
Net debt	144,259	206,789
Shareholders' funds	264,885	288,889
<b>Gearing ratio (times)</b>	<b>0.54</b>	<b>0.72</b>

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2023 and 2022 respectively.

### (e) Fair value measurements

The following presents the assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted price (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See Note 22 for disclosure of the investment properties that are measured at fair value.

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Group</b>				
<b>31 December 2023</b>				
<i>Assets</i>				
Financial assets, at FVOCI	7,750	-	-	7,750
<b>31 December 2022</b>				
<i>Assets</i>				
Financial assets, at FVOCI	8,327	-	-	8,327

The Company has no financial assets measured at fair value as at 31 December 2023 and 31 December 2022.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. Financial risk management (continued)

### (f) Financial instrument by category

The carrying amounts of financial assets measured at FVOCI are disclosed in Note 13.

The aggregate carrying amounts of financial assets and liabilities at amortised cost are as follows:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Financial assets at amortised cost	205,684	186,039	21,670	22,959
Financial liabilities at amortised cost	371,562	429,775	79,999	80,827

## 35. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group has significant transactions with related parties on terms agreed between the parties concerned as shown below:

### (a) Sales and purchases of goods and services

	Group	
	2023 S\$'000	2022 S\$'000
Progressive billing recognised from sale of residential properties to related parties	-	349

Related party comprises companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2023 and 2022, arising from sale/purchase of goods and services, are disclosed in Notes 14, 15, and 27.

### (b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

Salaries and other short-term employee benefits	7,163	8,060
Post-employment benefits - contribution to Central Provident Fund	221	260
	<b>7,384</b>	<b>8,320</b>

Included in the above was total directors' fees to directors of the Company amounting to approximately S\$499,000 (2022: S\$546,000).

## 36. Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Executive Chairman and Group Chief Executive Officer and Executive Directors.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 36. Segment information (continued)

The Exco considers the business from a business segment perspective. Management manages and monitors the business in three main business segments which are Construction and Building Materials, Real Estate and Leisure & Hospitality. The Exco assesses the performance of these business segments based on sales, segment results, segment assets and segment liabilities.

1. Construction and Building Materials – This business segment undertakes construction activities for “Engineering and Construction”, “Bio-Refinery and Renewable Energy” segments and sales of building materials. Management has aggregated the above businesses under Construction and Building Materials as they have similar economic growth prospects.
2. Real Estate – This business segment involves real estate development and rental of properties.
3. Leisure & Hospitality – This business segment involves hotel and leisure operations.

The segment information and the reconciliations of segment results to (loss)/profit before tax and segment assets and liabilities to total assets and liabilities are as follows:

Group (\$\$'000)	Construction and Building Materials	Real Estate	Leisure & Hospitality	Others	Total
<b>2023</b>					
<b>Sales</b>					
– External	245,126	107,089	4,034	-	356,249
– Inter-segment	11,410	814	-	1,396	13,620
	<b>256,536</b>	<b>107,903</b>	<b>4,034</b>	<b>1,396</b>	<b>369,869</b>
Elimination					<b>(13,620)</b>
					<b>356,249</b>
<b>Results</b>					
Segment results					
– Company and subsidiaries	(12,699)	(4,662)	802	945	(15,614)
– Associated companies	187	-	-	-	187
– Joint ventures	-	2,541	-	-	2,541
(Loss)/earnings before interest and tax	(12,512)	(2,121)	802	945	(12,886)
Interest income (Note 5)					1,099
Finance expenses (Note 9)					(14,031)
Loss before income tax					<b>(25,818)</b>
<b>Other information</b>					
Capital expenditure	5,246	248	76	-	5,570
Depreciation	10,375	284	388	-	11,047
<b>As at 31 December 2023</b>					
<b>Segment assets</b>	273,400	278,203	24,854	1,987	578,444
Associated companies	284	-	-	-	284
Joint ventures	-	92,719	-	-	92,719
<u>Unallocated assets:</u>					
Income tax receivables					730
Short-term bank deposits					43,291
Investment securities					7,900
<b>Consolidated total assets</b>					<b>723,368</b>
<b>Segment liabilities</b>	101,358	54,812	447	808	157,425
<u>Unallocated liabilities:</u>					
Current income tax liabilities					538
Deferred income tax liabilities					6,519
Bank borrowings, notes payables, and lease liabilities					240,091
<b>Consolidated total liabilities</b>					<b>404,573</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 36. Segment information (continued)

The segment information and the reconciliations of segment results to (loss)/profit before tax and segment assets and liabilities to total assets and liabilities are as follows: (continued)

Group (\$S'000)	Construction and Building Materials	Real Estate	Leisure & Hospitality	Others	Total
<b>2022</b>					
<b>Sales</b>					
- External	288,199	62,239	2,612	-	353,050
- Inter-segment	13,769	652	-	1,565	15,986
	<u>301,968</u>	<u>62,891</u>	<u>2,612</u>	<u>1,565</u>	<u>369,036</u>
Elimination					(15,986)
					<u>353,050</u>
<b>Results</b>					
Segment results					
- Company and subsidiaries	14,034	2,821	(141)	698	17,412
- Associated companies	(342)	-	-	-	(342)
- Joint ventures	-	1,974	-	-	1,974
Earnings/(loss) before interest and tax	13,692	4,795	(141)	698	19,044
Interest income (Note 5)					993
Finance expenses (Note 9)					(10,788)
Profit before income tax					<u>9,249</u>
<b>Other information</b>					
Capital expenditure	7,309	214	371	-	7,894
Depreciation	9,268	351	403	-	10,022
<b>As at 31 December 2022</b>					
<b>Segment assets</b>	293,359	339,502	25,104	1,073	659,038
Associated companies	97	-	-	-	97
Joint ventures	-	93,178	-	-	93,178
<b>Unallocated assets:</b>					
Income tax receivables					730
Short-term bank deposits					39,525
Investment securities					9,342
<b>Consolidated total assets</b>					<u>801,910</u>
<b>Segment liabilities</b>	104,777	48,745	688	1,430	155,640
<b>Unallocated liabilities:</b>					
Current income tax liabilities					1,069
Deferred income tax liabilities					6,717
Bank borrowings, notes payables, and lease liabilities					289,221
<b>Consolidated total liabilities</b>					<u>452,647</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 36. Segment information (continued)

The measurement of segment sales, results, assets and liabilities are as follows:

- (a) Inter-segment transactions are determined on an arm's length basis. The sales from external parties reported to the Exco are measured in a manner consistent with that in the statement of comprehensive income.
- (b) The Exco assesses the performance of the business segments based on a measure of earnings before interest and tax for continuing operations. This measurement excludes the income or expenses that are not expected to recur regularly in every period. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash performance of the Group.
- (i) The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than income tax receivables, short-term bank deposits and investment securities.
- (ii) The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments other than current income tax liabilities, deferred income tax liabilities, bank borrowings, notes payables and lease liabilities.

### Geographical information

The Group's three business segments operate in four main geographical areas: Singapore, Malaysia, Indonesia and others.

The following table presents sales and non-current assets information for the main geographical areas for the financial years ended 31 December 2023 and 2022.

	Group	
	2023 S\$'000	2022 S\$'000
<b>Total sales</b>		
Singapore	296,913	301,534
Malaysia	7,691	9,928
Indonesia	46,127	31,520
Others	5,518	10,068
	<b>356,249</b>	<b>353,050</b>
<b>Total non-current assets</b>		
Singapore	329,683	366,241
Malaysia	10,194	10,962
Others	8,475	8,782
	<b>348,352</b>	<b>385,985</b>

### Information about major customers

Revenue of approximately 23% (2022: 39%) are derived from one (2022: two) major customers. These revenues are attributable to the Construction and Building Materials segment.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 37. Significant Group companies

The Group's significant subsidiaries, joint ventures, joint operations and associated companies at 31 December 2023 and 2022 are as follows:

Name of company	Country of incorporation and business	Principal activities	Effective holding by the Group	
			2023	2022
<b>SUBSIDIARIES</b>				
<b>Held by the Company:</b>				
Construction Consortium Pte Ltd <sup>a</sup>	Singapore	Investment holding	100%	100%
Koh Brothers Development Pte Ltd <sup>a</sup>	Singapore	Property development and management services	100%	100%
Koh Brothers Eco Engineering Limited <sup>a</sup>	Singapore	Investment holding and management services	54.81%	54.81%
Koh Brothers Holdings Pte Ltd <sup>a</sup>	Singapore	Investment holding and property investment	100%	100%
Koh Brothers Investment Pte Ltd <sup>a</sup>	Singapore	Hotel investment	100%	100%
Oxford Hotel Pte Ltd <sup>a</sup>	Singapore	Hotel management	100%	100%
<b>Held by subsidiaries:</b>				
G & W Industrial Corporation Pte Ltd <sup>a</sup>	Singapore	Investment holding	100%	100%
G & W Precast Pte Ltd <sup>a</sup>	Singapore	Manufacture of precast products	100%	100%
G & W Ready-Mix Pte Ltd <sup>a</sup>	Singapore	Manufacture of building materials	100%	100%
KBD Kosdale Pte Ltd <sup>a</sup>	Singapore	Property investment	100%	100%
KBD Holland Pte Ltd <sup>a</sup>	Singapore	Property Development	100%	100%
Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd <sup>a</sup>	Singapore	Engineering and construction	54.81%	54.81%
Kosland Pte Ltd <sup>a</sup>	Singapore	Property investment	100%	100%
Oiltek International Limited <sup>a</sup>	Singapore	Investment holding	37.35%	37.35%
Oiltek Sdn Bhd <sup>b</sup>	Malaysia	Specialist engineers and commission agent	37.35%	37.35%
Oiltek Global Energy Sdn Bhd <sup>b</sup>	Malaysia	Specialist engineers	37.35%	37.35%
G & W Building Materials Sdn Bhd <sup>a</sup>	Malaysia	Manufacture of building materials	100%	100%
PT Koh Brothers Indonesia <sup>d</sup>	Indonesia	Property investment and development	100%	100%
<b>JOINT VENTURE COMPANIES</b>				
<b>Held by subsidiaries:</b>				
Canberra Development Pte Ltd <sup>c</sup>	Singapore	Property investment	50%	50%
Phileap Pte Ltd <sup>c</sup>	Singapore	Liquidated	-	25%
FEC Skypark Pte Ltd <sup>a</sup>	Singapore	Property development	20%	20%
<b>JOINT OPERATIONS</b>				
<b>Held by a subsidiary:</b>				
Samsung – Koh Brothers Joint Venture <sup>e, #</sup>	Singapore	Construction	16.44%	16.44%
POKB JV <sup>a, #</sup>	Singapore	Construction	19.18%	19.18%
Koh Brothers – China Harbour Joint Venture <sup>a, #</sup>	Singapore	Construction	32.89%	32.89%
<b>ASSOCIATED COMPANY</b>				
<b>Held by subsidiary:</b>				
Tricaftan Environmental Technology Pte Ltd <sup>e</sup>	Singapore	Construction and project management	21.93%	21.93%

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 37. Significant Group companies (continued)

- <sup>a</sup> Audited by PricewaterhouseCoopers LLP, Singapore.
- <sup>b</sup> Audited by PricewaterhouseCoopers PLT, Malaysia.
- <sup>c</sup> Audited by Ernst & Young LLP, Singapore.
- <sup>d</sup> Audited by Riyanto, SE, Ak, Registered Public Accountants.
- <sup>e</sup> Audited by Apen Chartered Accountants, Singapore.
- <sup>f</sup> Audited by RSM Chio Lim LLP, Singapore.
- <sup>g</sup> Audited by Baker Tilly HYT, Malaysia
- <sup>h</sup> In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit and Risk Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries, joint venture companies and associated companies would not compromise the standard and effectiveness of the audit of the Group.
- <sup>\*</sup> These partnerships are regarded as joint operations in accordance with SFRS(I) 11 Joint Arrangements as the joint venture agreements for these partnerships require unanimous consent from all parties and the partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. Therefore these partnerships are classified as joint operations and the Group recognise its direct right to the jointly held assets, liabilities, revenues and expenses as described in Note 2.4(d).

## 38. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted:

### Amendments to SFRS(I) 1-1 Presentation of Financial Statements:

*Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)*

*Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)*

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

## 39. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Koh Brothers Group Limited on 28 March 2024.

# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

Number of issued shares	: 438,000,000
Number of issued shares (excluding treasury shares)	: 412,459,100
Class of shares	: Ordinary shares
Voting rights	: One vote per share
Number of subsidiary holdings held	: Nil
Treasury shares	: 25,540,900 (representing 5.83% of the total number of issued shares)

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 18 MARCH 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	4	0.05	124	0.00
100 – 1,000	111	1.37	82,284	0.02
1,001 – 10,000	6,276	77.24	28,252,286	6.85
10,001 – 1,000,000	1,711	21.06	85,225,815	20.66
1,000,001 and above	23	0.28	298,898,591	72.47
<b>Total</b>	<b>8,125</b>	<b>100.00</b>	<b>412,459,100</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS AS AT 18 MARCH 2024

No.	Shareholder's Name	No. of Shares Held	%
1	Kohs Investment Pte Ltd	60,000,000	14.55
2	Koh Keng Hiong	55,260,100	13.40
3	Koh Keng Siang	38,981,189	9.45
4	Koh Teak Huat	35,713,088	8.66
5	Quek Chee Nee	25,896,814	6.28
6	Phillip Securities Pte Ltd	15,778,500	3.83
7	Morph Investments Ltd	15,073,000	3.65
8	Koh Kheng How	14,908,800	3.61
9	DBS Nominees Pte Ltd	7,249,000	1.76
10	Ang Hao Yao (Hong Haoyao)	4,317,600	1.05
11	Ong Sze Wang (Wang Siyuan)	3,646,300	0.88
12	United Overseas Bank Nominees Pte Ltd	3,164,900	0.77
13	Tan Thian Hwee	2,651,600	0.64
14	Tan Noi Soon	2,400,000	0.58
15	OCBC Nominees Singapore Pte Ltd	2,047,800	0.50
16	OCBC Securities Private Ltd	1,966,500	0.48
17	Khoo Swee Kwang	1,750,000	0.42
18	Toh Ong Tiam	1,466,600	0.36
19	Citibank Nominees Singapore Pte Ltd	1,455,000	0.35
20	Chin Phak Lin	1,400,000	0.34
	<b>TOTAL</b>	<b>295,126,791</b>	<b>71.56</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

## SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Koh Keng Siang	39,181,189	9.50	60,020,000 <sup>(1)(4)</sup>	14.55
Koh Teak Huat	35,713,088	8.66	325,000 <sup>(2)</sup>	0.08
Koh Keng Hiong	55,260,100	13.40	10,000 <sup>(3)</sup>	0.00
Quek Chee Nee	25,896,814	6.28	Nil	Nil
Kohs Investment Pte. Ltd. <sup>(4)</sup>	60,000,000	14.55	Nil	Nil

### Notes:

- (1) Mr Koh Keng Siang is deemed interested in (i) 60,000,000 shares held by Kohs Investment Pte. Ltd., and (ii) 20,000 shares held by his spouse, Mdm Phua Siew Gaik.
- (2) Mr Koh Teak Huat is deemed interested in 325,000 shares held by his spouse, Mdm Quek Siew Lang.
- (3) Mr Koh Keng Hiong is deemed interested in 10,000 shares held by his spouse, Mdm Erliana Sutadi.
- (4) Kohs Investment Pte. Ltd. is wholly owned by Mr Koh Keng Siang.

## SHAREHOLDINGS HELD BY PUBLIC

Based on the information available to the Company as at 18 March 2024, approximately 43.73% of the issued ordinary shares of the Company is held by the public, and therefore the Company complied with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

# NOTICE OF ANNUAL GENERAL MEETING

Unless otherwise defined herein, capitalised terms shall have the meaning ascribed to them in the Company's Appendix to the Annual Report dated 11 April 2024.

**NOTICE IS HEREBY GIVEN** that the annual general meeting ("AGM") of Koh Brothers Group Limited (the "Company") will be convened and held at Dunearn Ballroom III, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Monday, 29 April 2024 at 3.00 p.m. for the following purposes:

## ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 December 2023. **(Resolution 1)**
2. To re-elect Mr Goh Mou Lih, a Director retiring by rotation pursuant to Regulation 110 of the Constitution of the Company and who, being eligible, offers himself for re-election. **(Resolution 2)**
3. To re-elect Mr Ong Seet Joon, a Director retiring by rotation pursuant to Regulation 110 of the Constitution of the Company and who, being eligible, offers himself for re-election. **(Resolution 3)**
4. To note the retirement of Mr Lai Mun Onn as a Director of the Company in accordance with Regulation 110 of the Company's Constitution. *(Please refer to Explanatory Note 1)*
5. To note the retirement of Mr Lee Sok Khian John as a Director of the Company in accordance with Regulation 110 of the Company's Constitution. *(Please refer to Explanatory Note 2)*
6. To approve the sum of S\$499,171 as Directors' fees for the financial year ended 31 December 2023. (FY2022: S\$546,000) **(Resolution 4)**
7. To re-appoint PricewaterhouseCoopers LLP as the Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

## SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:

8. **Proposed Renewal of Share Issue Mandate** **(Resolution 6)**

That authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any convertible securities;
  - (ii) new shares arising from exercising share options or vesting of share awards, provided the share options or share awards were granted in compliance with the Listing Manual of the SGX-ST; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of shares,provided further that adjustments in accordance with sub-paragraphs (2)(i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;
- (3) in this Resolution, "subsidiary holdings" shall have the meaning ascribed to it in the listing rules of the SGX-ST; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

## 9. Proposed Renewal of Share Purchase Mandate

(Resolution 7)

That:

- (a) for the purposes of sections 76C and 76E of the Companies Act 1967 of Singapore ("Companies Act"), as may be amended or modified from time to time, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company (the "Shares") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
  - (i) market purchases (each a "Market Purchase") on the SGX-ST; and/or
  - (ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

# NOTICE OF ANNUAL GENERAL MEETING

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM of the Company is held;
  - (ii) the date by which the next AGM of the Company is required by law to be held; or
  - (iii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;
- (c) in this Resolution:

**"subsidiary holdings"** shall have the meaning ascribed to it in the listing rules of the SGX-ST;

**"Prescribed Limit"** means 10% of the total number of issued Shares of the Company (excluding subsidiary holdings and any Shares which are held as treasury shares) as at the date of the passing of this Resolution; and

**"Maximum Price"**, in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as hereinafter defined); and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as hereinafter defined),

where:

**"Average Closing Price"** means the average of the Closing Market Prices of the Shares over the last five Market Days (as hereinafter defined) on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer (as hereinafter defined) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

**"Closing Market Price"** means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources;

**"date of the making of the offer"** means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

**"Market Day"** means a day on which the SGX-ST is open for trading in securities; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

By Order of the Board

Koh Keng Siang  
Executive Chairman and Group CEO

11 April 2024



# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- Note 1 : Mr Lai Mun Onn will not be seeking re-election and will retire as a Director of the Company at the conclusion of the forthcoming AGM. Upon his retirement as a Director of the Company, he will cease to be the Chairman of the Remuneration Committee as well as a member of the Audit and Risk Committee and the Share Purchase Committee.
- Note 2 : Mr Lee Sok Khian John will be retiring as a Director of the Company at the conclusion of the forthcoming AGM and he does not wish to seek re-election. Notwithstanding this, Mr Lee will remain as part of the Company's Senior Management.
- Ordinary Resolution 2 : Mr Goh Mou Lih will, upon re-election as a Director of the Company, remain as an Independent Director of the Company. He is considered independent for the purposes of the Listing Manual of the SGX-ST.
- Upon his re-election as Director of the Company, Mr Goh Mou Lih will continue to serve as a member of the Share Purchase Committee.
- Certain information on Mr Goh Mou Lih is found in the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election" of the Annual Report.
- Ordinary Resolution 3 : Mr Ong Seet Joon will, upon re-election as a Director of the Company, remain as an Independent Director and will continue to serve as the Chairman of the Share Purchase Committee. He is considered independent for the purposes of the Listing Manual of the SGX-ST.
- Certain information on Mr Ong Seet Joon is found in the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election" of the Annual Report.
- Ordinary Resolution 6 : This Resolution is to empower the Directors from the date of the AGM until the date of the next AGM to issue further shares and Instruments in the Company, including a bonus or rights issue. The maximum number of shares of which the Directors may issue under this Resolution shall not exceed the quantum set out in the Resolution.
- Ordinary Resolution 7 : This Resolution is to renew the Share Purchase Mandate which was approved by shareholders on 25 April 2023. Please refer to the Appendix to the Annual Report for more details.

## Notes:

### Physical meeting

- The AGM is being convened and will be held physically at Dunearn Ballroom III, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Monday, 29 April 2024 at 3.00 p.m.. **There will be no option for members to participate virtually.** Please bring along your NRIC/passport so as to enable the Company to verify your identity.

The Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM.

Printed copies of this notice of AGM (the "Notice"), Proxy Form and Request Form will be mailed to shareholders. This Notice is also published on the Company's website at <http://www.kohbrothers.com/en/for-investors> and available on the SGX website at <https://www.sgx.com/securities/company-announcements>.

### Voting

- Each of the resolutions to be put to vote at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

### Appointment of Proxies

- A proxy need not be a member of the Company.
- (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy (expressed as a percentage of the whole) shall be specified in the form of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

# NOTICE OF ANNUAL GENERAL MEETING

- (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. If the relevant information is not specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings. For the avoidance of doubt, a CPF Agent Bank who intends to appoint Central Provident Fund Investment Scheme investors ("CPF") or Supplementary Retirement Scheme ("SRS") investors as its proxies shall comply with this Note.

"**Relevant intermediary**" has the meaning ascribed to it in section 181 of the Companies Act.

A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.

5. The instrument appointing a proxy must be submitted to the Company in the following manner:
- (a) if submitted by post, be lodged with the Company c/o Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
- (b) if submitted electronically, be submitted via email to the Company at [kohbrothersgroup-agm@complete-corp.com](mailto:kohbrothersgroup-agm@complete-corp.com),

in either case, **by 3.00 p.m. on 26 April 2024**, being 72 hours before the time appointed for holding the AGM and any instrument of proxy received after the cut-off time shall be treated as invalid.

A member who wishes to submit a Proxy Form by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or 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.

If a member elects to submit duly completed Proxy Forms electronically via electronic mail, all subsequent correspondence with the Company in relation to the AGM shall be conducted via electronic mail, and sent to the same electronic mail address from which the Proxy Forms were submitted.

6. Completion and return of the instrument appointing a proxy shall not preclude a member from attending, speaking and voting at the AGM if he/she so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument of proxy, to the AGM.
7. The instrument appointing a proxy must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either in accordance with its constitution or under the hand of an officer or attorney duly authorised. Where the instrument of proxy is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
8. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
9. The Company shall be entitled to reject an instrument appointing a proxy or proxies which 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 instrument (including any related attachment) appointing a proxy or proxies.
10. In the case of a member whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company shall be entitled to reject an instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by the CDP to the Company.
11. CPF and SRS investors:
- (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on Thursday, 18 April 2024**.

# NOTICE OF ANNUAL GENERAL MEETING

## **Submission of questions**

12. Members (including CPF and SRS investors) who have any substantial and relevant questions in relation to the resolutions to be tabled at the AGM as set out in this Notice, are encouraged to submit their questions to the Company in advance by no later than **5.00 p.m. on Thursday, 18 April 2024** (the "Cut-Off Time") in the following manner:

- (a) by email to [kohbrothersgroup-agm@complete-corp.com](mailto:kohbrothersgroup-agm@complete-corp.com); or
- (b) by post to the registered office of the Company, at 15 Genting Road, Singapore 349493 (Attention: The Company Secretary).

Members who submit questions by post must include the following information in their submission:

- (i) their (A) full name, (B) full NRIC/Passport/Company Registration No., and (C) address; and
  - (ii) the manner in which the Company's shares are held by them (e.g. via CDP, scrip, CPF or SRS).
13. The Company will publish its responses to substantial and relevant questions from members (received by the Cut-Off Time and in accordance with the relevant requirements herein) on the Company's website and on SGXNET by 3.00 p.m. on 24 April 2024 (being at least 48 hours before the cut-off for submission of Proxy Forms). Any substantial or relevant questions received after the Cut-Off Time will be addressed prior to, or at, the AGM itself. Where substantially similar questions are received, the Company will consolidate its response to such questions.
14. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies can also ask the Chairman of the Meeting questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

## **Documents relating to the AGM**

15. The Annual Report and the Appendix to the Annual Report may be accessed on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and/or the Company's website at the URL <http://www.kohbrothers.com/en/for-investors>. You will need an internet browser and PDF reader to view these documents.
16. Members may request for a printed copy of the Annual Report and the Appendix by completing the Request Form which has been sent to members via post.

## **Personal Data Privacy:**

By attending the AGM, submitting questions in advance of the AGM and/or submitting an instrument appointing a proxy(ies) (including the Chairman of the AGM) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) 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 and administration and analysis by the Company (and/or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (and/or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, (ii) warrants that all information submitted is true and accurate, and where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of director	Goh Mou Lih	Ong Seet Joon
Date of appointment	1 January 2022	1 January 2022
Date of last re-appointment	26 April 2022	26 April 2022
Age	59	57
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment/re-appointment (including, where applicable, rationale, selection criteria and the search and nomination process)	Mr Goh Mou Lih has more than 25 years of working experience in the finance industry. The Board is of the view that Mr Goh will be able to provide different perspectives and add bench strength to the Board.	Mr Ong Seet Joon has more than 30 years of working experience in the banking industry across Singapore, Malaysia, Hong Kong and the Philippines, where he held senior positions. With his experience, the Board is of the view that Mr Ong will contribute positively to the Company.
Where appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>• Non-Executive and Independent Director</li> <li>• Member of Share Purchase Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive and Independent Director</li> <li>• Chairman of Share Purchase Committee</li> </ul>
Professional qualifications	<ul style="list-style-type: none"> <li>• Bachelor of Social Science, First Class (Hons) in Economics, National University of Singapore</li> <li>• Bachelor of Arts, National University of Singapore</li> <li>• Specialist Diploma in Data Science (Artificial Intelligence), Singapore Polytechnic</li> <li>• Specialist Diploma in Data Science (Big Data), Singapore Polytechnic</li> <li>• Specialist Diploma in Data Science (Data Analytics), Singapore Polytechnic</li> <li>• Specialist Diploma in Data Science (Predictive Analytics), Singapore Polytechnic</li> </ul>	<ul style="list-style-type: none"> <li>• Master of Economics, Macquarie University</li> <li>• Bachelor of Arts (Economics), First Class (Hons), London Metropolitan University</li> </ul>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of director	Goh Mou Lih	Ong Seet Joon
Working experience and occupation(s) during the past 10 years	<p><u>2014 to 2015</u> Non-Executive Director, Voyage Research Pte. Ltd.</p> <p><u>2014 to 2023</u> Consultant, Quyntor Pte. Ltd.</p> <p><u>2023 to Present</u> Assistant Vice President, Manulife Financial Advisers Pte. Ltd.</p> <p><u>2023 to Present</u> Board member, Singapore Chinese High School</p>	<p><u>2012 to 2021</u> Head, Client Coverage &amp; Solutioning, Global Banking, Maybank Singapore</p> <p><u>2021 to Present</u> Partner, A3 Capital Pte. Ltd.</p> <p><u>2023 to Present</u> Independent Director, Tiong Seng Holdings Ltd</p> <p><u>2024 to Present</u> Independent Director, Hiap Hoe Ltd</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Whether the undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships	<p><b>Past (for the last 5 years)</b> Nil</p> <p><b>Present</b> Nil</p>	<p><b>Past (for the last 5 years)</b> Nil</p> <p><b>Present</b> Tiong Seng Chang De Investment (Pte.) Ltd.</p>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of director	Goh Mou Lih	Ong Seet Joon
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of director	Goh Mou Lih	Ong Seet Joon
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of director	Goh Mou Lih	Ong Seet Joon
<p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>	<p>No</p>



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

**PROXY FORM**

**IMPORTANT**

- The Meeting (as defined below) will be held physically at Dunearn Ballroom III, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Monday, 29 April 2024 at 3.00 p.m.. **There will be no option for members to participate virtually.**
- This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors.
- CPF and SRS investors may:
  - vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes by **5.00 p.m. on Thursday, 18 April 2024.**
- By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the notice of annual general meeting dated 11 April 2024 (the "Notice").
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).**

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (UEN / NRIC No. or Passport No.)

of \_\_\_\_\_ (Address)

being a member/members of Koh Brothers Group Limited (the "Company") hereby appoint:

Name	Address	NRIC No. or Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

--	--	--	--

or failing him/them, the Chairman of the annual general meeting of the Company (the "Meeting") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Meeting to be held on Monday, 29 April 2024 at Dunearn Ballroom III, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 at 3.00 p.m. and at any adjournment thereof.

*(Voting will be conducted by poll. Please indicate with a "✓" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice. If you wish your proxy/proxies to abstain from voting on a Resolution, please indicate with a "✓" in the "Abstain" box provided in respect of that Resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each Resolution in the relevant box. In the absence of specific directions, the proxy/proxies may vote or abstain as he/they may think fit on any of the above Resolutions, and on any other matter arising at the Meeting and any adjournment thereof.)*

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
<b>Ordinary Business</b>				
1	To receive and adopt the Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 December 2023 <b>(Resolution 1)</b>			
2	To re-elect Mr Goh Mou Lih as a Director <b>(Resolution 2)</b>			
3	To re-elect Mr Ong Seet Joon as a Director <b>(Resolution 3)</b>			
4	To approve Directors' fees <b>(Resolution 4)</b>			
5	To re-appoint PricewaterhouseCoopers LLP as the Auditor and to authorise the Directors to fix their remuneration <b>(Resolution 5)</b>			
<b>Special Business</b>				
6	To approve the proposed renewal of the Share Issue Mandate <b>(Resolution 6)</b>			
7	To approve the proposed renewal of the Share Purchase Mandate <b>(Resolution 7)</b>			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

<b>Total number of shares held</b>

\_\_\_\_\_  
Signature(s) or Common Seal of Member(s)

*(Please read notes overleaf before completing this Form.)*



**Notes:**

1. A member of the Company 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), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. A proxy need not be a member of the Company. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy (expressed as a percentage of the whole) shall be specified in the form of proxy. If no proportion is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.  
(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. If the relevant information is not specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF investors or SRS investors as its proxies shall comply with this note.  
"Relevant intermediary" has the meaning ascribed to it in section 181 of the Companies Act 1967 of Singapore.
4. The proxy form must be submitted to the Company in the following manner:  
(a) if submitted by post, be lodged with the Company c/o Complete Corporate Services Pte Ltd at 10 Anson Road #29-07 International Plaza Singapore 079903; or  
(b) if submitted electronically, be submitted via email to the Company at [kohbrothersgroup-agm@complete-corp.com](mailto:kohbrothersgroup-agm@complete-corp.com), in either case, **by 3.00 p.m. on 26 April 2024**, being 72 hours before the time appointed for holding the Meeting and any instrument of proxy received after the cut-off time shall be treated as invalid. A member who wishes to submit an instrument of proxy must first download, print, 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.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either in accordance with its constitution or under the hand of an officer or attorney duly authorised. Where an instrument a proxy or proxies 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 instrument of proxy or, if the instrument of proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. 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 Meeting in accordance with its Constitution and section 179 of the Companies Act 1967 of Singapore.
7. The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
8. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the Meeting if he/she so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Meeting.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice.

1<sup>st</sup> fold

**Proxy Form**

PLEASE AFFIX  
POSTAGE  
STAMP HERE

**Koh Brothers Group Limited**  
c/o Complete Corporate Services Pte Ltd  
10 Anson Road  
#29-07 International Plaza  
Singapore 079903

# CORPORATE INFORMATION

## REGISTERED OFFICE

15 Genting Road  
Singapore 349493  
Tel: (65) 6289 8889  
Website: www.kohbrothers.com

## BOARD OF DIRECTORS

### Koh Keng Siang

*(Executive Chairman and Group CEO)*

### Koh Teak Huat

*(Executive Deputy Chairman)*

### Koh Keng Hiong

*(Executive Director and  
Deputy CEO, Real Estate and Leisure & Hospitality divisions)*

### Lee Sok Khian John

*(Executive Director)*

### Quek Chee Nee

*(Non-Executive and Non-Independent Director)*

### Er Dr Lee Bee Wah

*(Non-Executive and Lead Independent Director)*

### Goh Mou Lih

*(Non-Executive and Independent Director)*

### Lai Mun Onn

*(Non-Executive and Independent Director)*

### Low Yee Khim

*(Non-Executive and Independent Director)*

### Ong Seet Joon

*(Non-Executive and Independent Director)*

### Ow Yong Thian Soo

*(Non-Executive and Independent Director)*

## EXECUTIVE COMMITTEE

Koh Keng Siang *(Chairman)*

Koh Teak Huat

Koh Keng Hiong

## AUDIT AND RISK COMMITTEE

Er Dr Lee Bee Wah *(Chairperson)*

Lai Mun Onn

Low Yee Khim

Ow Yong Thian Soo

## NOMINATING COMMITTEE

Ow Yong Thian Soo *(Chairman)*

Er Dr Lee Bee Wah

Koh Keng Siang

## REMUNERATION COMMITTEE

Lai Mun Onn *(Chairman)*

Er Dr Lee Bee Wah

Ow Yong Thian Soo

## SHARE PURCHASE COMMITTEE

Ong Seet Joon *(Chairman)*

Goh Mou Lih

Lai Mun Onn

## COMPANY SECRETARY

Therese Ng

## GROUP PR MANAGER

David Tay

## AUDITOR

PricewaterhouseCoopers LLP

7 Straits View

Marina One East Tower, Level 12

Singapore 018936

Partner-in-charge:

Lee Chian Yorn

*(appointed during the financial year ended  
31 December 2020)*

## SHARE REGISTRAR

Tricor Barbinder Share

Registration Services

*(A division of Tricor Singapore Pte. Ltd.)*

9 Raffles Place

Republic Plaza, Tower 1 #26-01

Singapore 048619

## INVESTOR RELATIONS

Citigate Dewe Rogerson

Singapore Pte. Ltd.

158 Cecil Street #05-01

Singapore 069545

Contact Person: Dolores Phua

Tel: (65) 6534 5122



Building Cities Building Dreams

**KOH BROTHERS GROUP LIMITED**

(Unique Entity Number: 199400775D)  
(Incorporated in Singapore)

15 Genting Road,  
Singapore 349493  
Tel: (65) 6289 8889  
[www.kohbrothers.com](http://www.kohbrothers.com)