



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

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON 27 APRIL 2021

The Board of Directors (the "**Board**") of Koh Brothers Group Limited (the "**Company**") refers to:

- (a) the annual report of the Company for the financial year ended 31 December 2020 (the "**Annual Report**");
- (b) the notice of annual general meeting ("**AGM**") issued on 12 April 2021 informing shareholders that the Company's AGM will be convened and held by way of electronic means on Tuesday, 27 April 2021 at 4.00 pm; and
- (c) the accompanying announcement issued by the Company on 12 April 2021 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.

The Company would like to thank shareholders for submitting their questions. Please refer to **Appendix A** for the list of questions received from shareholders, and the Management and the Board's responses to these questions.

By Order of the Board

Koh Keng Siang
Managing Director & Group CEO
Koh Brothers Group Limited

**APPENDIX A
KOH BROTHERS GROUP LIMITED
ANNUAL GENERAL MEETING FY2020
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS**

No.	Question	Response
1.	What is the Group's view on the prospects and outlook for the local construction industry in these challenging times?	<ul style="list-style-type: none"> • FY2020 has been a difficult and challenging year due to COVID-19. We do not expect a complete turnaround in 2021 as we are still in the midst of the pandemic. The construction sector is no exception. In 1Q2021, the Ministry of Trade and Industry (“MTI”) has reported that the Singapore economy contracted by 5.8% for the whole of 2020 amid the disruption to economic activities caused by the COVID-19 pandemic. In 4Q2020, the Singapore economy shrank by 3.8% on a year-on-year basis, an improvement from the 5.6% contraction recorded in the 3Q2020. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 2.1%, following the 9.5% expansion in the third quarter. The construction sector shrank by 28.5% on a year-on-year basis in 4Q2020, improving from the 46.2% contraction in the preceding quarter. The improved performance of the sector came on the back of the resumption of more construction activities in the second half of 2020. • For the whole of 2021, MTI has maintained the GDP growth forecast at 4.0% to 6.0%. The Building and Construction Authority Singapore has projected the total construction demand in 2021 to range between S\$23 billion and S\$28 billion, with the public sector contributing about 65% of the total demand. This is an improvement from the preliminary estimate of S\$21.3 billion in 2020 during the ongoing COVID-19 pandemic. The public sector is expected to drive the construction demand in 2021 and some of the upcoming major public sector projects scheduled to be awarded this year include various contracts under the Jurong Region MRT Line, the Cross Island MRT Line Phase 1 and the Deep Tunnel Sewerage System Phase 2. • However, we expect the construction industry to remain challenging on the back of a competitive environment, supply chain disruptions, labour shortage and higher costs of construction materials.
2.	What is the Group's view on the outlook for the property market going forward?	<ul style="list-style-type: none"> • Latest statistics from the Urban Redevelopment Authority showed that prices of private residential properties increased by 3.3% in 1Q2021, compared with the 2.1% increase in 4Q2020. For the whole of 2020, prices of private residential properties increased by 2.2%, compared with the 2.7% increase in 2019. We expect the private residential market to remain stable with further price growth if the economy rebounds strongly in 2021.

No.	Question	Response
3.	Does the Board have the appropriate level of independence, diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company?	<ul style="list-style-type: none"> • All Directors have been appointed based on their calibre, expertise and experience. • Board members comprise business leaders and professionals with finance, legal and industry knowledge. • The Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. • The Board members, throughout the years, have also contributed to the growth and strategy of the Group.
4.	Kindly provide updates on your latest real estate developments?	<ul style="list-style-type: none"> • To-date, our real estate development in Seoul, South Korea, Nonhyeon IPARK has been fully sold. Our development, Van Holland Luxury Residences, located at Holland Village is 28% sold.
5.	Are there any more profits to be recognised from the Group's real estate development project in South Korea? Will the Group be looking for new real estate development opportunities in South Korea?	<ul style="list-style-type: none"> • There are remaining profits to be recognised for the remaining units sold in Nonhyeon IPARK. In the meantime, we continue to look for new opportunities for development as they arise in South Korea.
6.	What is the Company's dividend policy?	<ul style="list-style-type: none"> • The Company does not have a fixed dividend policy. However, in proposing the dividends to be declared, the Board considers the Group's operating results, economic and financial conditions, cash flows, expected future earnings, capital expenditure programmes, investment plans, the terms of borrowing arrangements entered into by the Group as well as regulatory and other risk factors as applicable, amongst others. • The current COVID-19 situation has developed into a rapidly evolving global pandemic, which has severely impacted the economies in Singapore and overseas. The construction, building materials, real estate and hospitality industries, the Group's core industries, have been affected. Financial uncertainty in the current economic climate is expected to continue, prompting the need to conserve cash flow resources in the event that the COVID-19 measures were to be extended and to meet anticipated business challenges. • Seen in this light, the Board has made the difficult and necessary decision to propose that no dividends to be recommended in FY2020.

No.	Question	Response
7.	How can the Company enhance shareholders' value?	<ul style="list-style-type: none"> • The Group's aim is to enhance shareholders' value by focusing on businesses that deliver recurring earnings and have the ability to sustain growth over the long term. • The Group regularly evaluates all opportunities across its portfolio with the objective of enhancing shareholders' value. We also constantly review our portfolio of investments to unlock value strategically to enhance capital management and create shareholders' value. • Coupled with our solid operational and management capabilities and a disciplined approach towards investment, we believe that focusing on our key businesses will enable us to continue delivering long-term value to our shareholders.
8.	What is the strategic value of Sun Plaza to the Group?	<ul style="list-style-type: none"> • Sun Plaza, located next to Sembawang MRT station, benefits from the large captive sub-urban population and enjoys 100% occupancy and resilient rental yields. • Being a Joint Venture, any appropriate proposal with respect to Sun Plaza would have to be considered by both partners.