

HOCK LIAN SENG HOLDINGS LIMITED
(Company Registration No. 200908903E)
(Incorporated in the Republic of Singapore)

RESPONSES TO QUERIES FROM SHAREHOLDERS ON THE ANNUAL GENERAL MEETING (“AGM”) TO BE HELD ON 21 APRIL 2022

The Board of Directors of Hock Lian Seng Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised from shareholders of the Company in relation to the Company’s AGM for the financial year ended 31 December 2021 (“**FY2021**”) and appends the replies as follows:

Question 1:

It is stated on page 2 of the annual report that Gross profit increased by S\$11.1 million from S\$5.9 million in the previous year to S\$17.0 million in FY2021 mainly due to higher revenue and contribution from the Property Development segment. Is this property development referring to the Mattar Road residential project?

Company’s response:

The breakdown and comparison of Gross profit of FY2021 and FY2020 was tabled on page 6 of annual report 2021 (attached below for easy reference). The revenue and gross profit from the Property Development segment was contributed from the Group’s industrial development project, ie Shine@Tuassouth and Ark@Gambas.

Gross Profit

In \$’ million	FY 2021	%	FY 2020	%
Civil Engineering	163.5	96.9	60.0	99.7
Properties Development	5.0	3.0	-	-
Properties Investment	0.1	0.1	0.2	0.3
	168.6	100.0	60.2	100.0

Question 2:

Do the infrastructure engineering and private property development projects differ significantly in terms of profitability and risk? Does the company has a preference of one over the other?

Company's response:

Civil Engineering and Property Developments are two different business activities which require different resources and expertise. The management believes the two business segment will provide the group different opportunities and revenue streams. Every project is unique and offer different returns depending on the market conditions. The Group will continue to apply strict cost management measures and a risk-managed approach to business opportunities and investment decisions to enhance shareholders' value.

Question 3:

Does the company have any competitive advantages/disadvantages compare to the large foreign construction companies competing for the same infrastructure projects in Singapore?

Company's response:

The Group has strong track record of more than 50 years in civil engineering projects, completed a wide range of big scale infrastructure projects. With the support of experience team and strong financial position, the Group is confident to compete against international and local competitors.

By Order of the Board

Siau Kuei Lian
Company Secretary
14 April 2022