

**KORI Holdings Limited and its Subsidiaries**  
**Registration Number: 201212407R**

**Unaudited Condensed Interim Consolidated Financial Statements for  
the six months and full year ended 31 December 2022**

# KORI HOLDINGS LIMITED

---

## Table of Contents

A.	Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income ..	1
B.	Condensed Statements of Financial Position.....	2
C.	Condensed Consolidated Statement of Cash Flows .....	3
D.	Condensed Statements of Changes in Equity.....	4
E.	Notes to the Condensed Interim Consolidated Financial Statements.....	5
F.	Other Information Required Under Appendix 7C of Catalist Rules .....	18
G.	Additional Information Required for Full Year Announcement.....	23

# KORI HOLDINGS LIMITED

## A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

Group	Note	Unaudited 2H2022 S\$'000	Unaudited 2H2021 S\$'000	Change %	Unaudited FY2022 S\$'000	Audited FY2021 S\$'000	Change %
Revenue	E4	10,027	10,963	(9)	19,494	18,300	7
Cost of sales		(5,299)	(6,289)	(16)	(12,672)	(11,742)	8
<b>Gross profit</b>		<b>4,728</b>	<b>4,674</b>	<b>(1)</b>	<b>6,822</b>	<b>6,558</b>	<b>4</b>
Other income	E5	(146)	402	(64)	401	823	(51)
Interest Income		7	-*	N.M.	7	2	250
<b>Expenses:</b>							
Administrative expenses		(1,406)	(1,518)	(7)	(2,624)	(2,731)	(4)
Loss allowance of allowance on trade and other receivables and contract assets		(2,217)	(1,590)	(39)	(2,314)	(1,590)	(46)
Other expenses		(428)	(1,521)	(72)	(428)	(1,609)	(73)
Finance costs		(125)	(106)	18	(270)	(178)	52
<b>Profit before taxation</b>	E5	<b>413</b>	<b>341</b>	<b>21</b>	<b>1,594</b>	<b>1,275</b>	<b>25</b>
Income tax expense	E6	(58)	(60)	(3)	(339)	(99)	242
<b>Profit for the financial period/ year</b>		<b>355</b>	<b>281</b>	<b>26</b>	<b>1,255</b>	<b>1,176</b>	<b>7</b>
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified to profit or loss subsequently</i>							
Foreign currency differences on translation of foreign operations (net)		37	-*	N.M.	6	(26)	(77)
<b>Total comprehensive income for the financial period/ year</b>		<b>392</b>	<b>281</b>	<b>40</b>	<b>1,261</b>	<b>1,150</b>	<b>10</b>
<b>Earnings per share</b>							
Basic (Cents)	E15	0.36	0.28	29	1.27	1.19	7
Diluted (Cents) Based on weighted average number of shares	E15	0.34	0.28	21	1.25	1.19	5

\*Amount less than S\$1,000

N.M. - Not meaningful

# KORI HOLDINGS LIMITED

## B. Condensed Statements of Financial Position

	Note	Group		Company	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		Unaudited	Audited	Unaudited	Audited
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		691	756	39	9
Fixed deposits	E10	2,572	2,066	-	-
Trade and other receivables	E7	33,381	25,986	4,146	1,143
Contract assets	E8	4,546	7,024	-	-
Capitalised contract costs	E8	266	461	-	-
Prepayments		238	270	1	1
Current income tax recoverable		643	643	-	-
<b>Total current assets</b>		<b>42,337</b>	<b>37,206</b>	<b>4,186</b>	<b>1,153</b>
<b>Non-current assets</b>					
Property, plant and equipment	E9	32,705	35,445	-	-
Investments in subsidiaries		-	-	25,825	27,070
<b>Total non-current assets</b>		<b>32,705</b>	<b>35,445</b>	<b>25,825</b>	<b>27,070</b>
<b>Total assets</b>		<b>75,042</b>	<b>72,651</b>	<b>30,011</b>	<b>28,223</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	E11	8,483	7,864	266	146
Contract liabilities	E8	5,242	3,786	-	-
Lease liabilities	E12	203	208	-	-
Bank borrowings	E12	1,750	5,224	-	-
Current income tax payable		6	2	6	2
<b>Total current liabilities</b>		<b>15,684</b>	<b>17,084</b>	<b>272</b>	<b>148</b>
<b>Non-current liabilities</b>					
Lease liabilities	E12	158	104	31	-
Bank borrowings	E12	1,153	1,903	-	-
Provision for reinstatement cost		50	-	-	-
Deferred tax liabilities		1,101	776	-	-
Convertible bond	E12	2,812	-	2,812	-
<b>Total non-current liabilities</b>		<b>5,274</b>	<b>2,783</b>	<b>2,843</b>	<b>-</b>
<b>Total liabilities</b>		<b>20,958</b>	<b>19,867</b>	<b>3,115</b>	<b>148</b>
<b>Net assets</b>		<b>54,084</b>	<b>52,784</b>	<b>26,896</b>	<b>28,075</b>
<b>EQUITY</b>					
Share capital	E13	32,291	32,291	32,291	32,291
Retained earnings/ (Accumulated losses)		47,395	46,140	(5,434)	(4,216)
Capital reserve		39	-	39	-
Foreign currency translation reserve		(13)	(19)	-	-
Merger reserve		(25,628)	(25,628)	-	-
<b>Total equity</b>		<b>54,084</b>	<b>52,784</b>	<b>26,896</b>	<b>28,075</b>

# KORI HOLDINGS LIMITED

## C. Condensed Consolidated Statement of Cash Flows

	31 Dec 2022 Unaudited	31 Dec 2021 Audited
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	1,594	1,275
Adjustments for:		
Amortisation of capitalised contract costs	209	160
Depreciation of property, plant, equipment and right of use asset	1,670	2,125
Reversal of unutilised leave	(11)	-
Loss /(Gain) on disposal property, plant and equipment	30	(1)
Loss allowance on trade and other receivables and contract assets	2,314	1,590
Interest income	(7)	(2)
Interest expense	273	180
Property, plant and equipment written off	398	1,610
Unrealised exchange difference	6	3
Operating cash flows before changes in working capital	6,476	6,940
<b>Changes in working capital</b>		
Trade and other receivables	(9,398)	(7,010)
Contract assets	2,167	3,271
Capitalised contract costs	(14)	(138)
Trade and other payables	(701)	224
Contract liabilities	1,456	(250)
Prepayments	33	(183)
Cash generated from operations	19	2,854
Income tax paid	(2)	(9)
<b>Net cash from operating activities</b>	17	2,845
<b>Cash flows from investing activities</b>		
Interest received	7	2
Purchase of property, plant and equipment	(219)	(340)
Proceeds from disposal of property, plant and equipment	2,073	7
<b>Net cash from/ (used in) in investing activities</b>	1,861	(331)
<b>Cash flows from financing activities</b>		
Fixed deposits pledged with a financial institution	-	(2)
Repayment of principal portion of lease liabilities	(253)	(306)
Repayment of interest portion of lease liabilities	(6)	(5)
Proceeds from convertible bond	3,000	-
Payments for issuance of convertible bond	(159)	-
Proceeds from borrowings	248	2,112
Proceeds from loan from director	525	-
Repayment of loan from director	(130)	-
Repayment of bank borrowings	(4,448)	(4,213)
Interest paid	(213)	(175)
<b>Net cash used in from financing activities</b>	(1,436)	(2,589)
Net change in cash and cash equivalents	442	(75)
Cash and cash equivalents at the beginning of the year	756	830
Effects of exchange rate changes on cash and cash equivalents	(1)	1
<b>Cash and cash equivalents at end of the year</b>	1,197	756

# KORI HOLDINGS LIMITED

## D. Condensed Statements of Changes in Equity

Group	Share capital S\$'000	Retained earnings S\$'000	Currency translation reserve S\$'000	Merger reserve S\$'000	Capital reserve S\$'000	Total S\$'000
Balance as at 1 January 2022	32,291	46,140	(19)	(25,628)	-	52,784
Total comprehensive income for the financial year	-	1,255	6	-	-	1,261
Issue of convertible bonds, representing total transactions with owners	-	-	-	-	39	39
Balance as at 31 December 2022	32,291	47,395	(13)	(25,628)	39	54,084
Balance as at 1 January 2021	32,291	44,964	7	(25,628)	-	51,634
Total comprehensive income for the financial year	-	1,176	(26)	-	-	1,150
Balance as at 31 December 2021	32,291	46,140	(19)	(25,628)	-	52,784

Company	Share capital S\$'000	Accumulated losses S\$'000	Capital reserve S\$'000	Total S\$'000
Balance as at 1 January 2022	32,291	(4,216)	-	28,075
Total comprehensive income for the financial year	-	(1,218)	-	(1,218)
Issue of convertible bonds, representing total transactions with owners	-	-	39	39
Balance as at 31 December 2022	32,291	(5,434)	39	26,896
Balance as at 1 January 2021	32,291	(4,247)	-	28,044
Total comprehensive income for the financial year	-	31	-	31
Balance as at 31 December 2021	32,291	(4,216)	-	28,075

## E. Notes to the Condensed Interim Consolidated Financial Statements

### 1. Corporate information

The Company (Registration Number: 201212407R) is incorporated in Singapore with its principal place of business and registered office at 11 Sims Drive #06-01 SCN Centre Singapore 387385. The Company is listed on Catalist of the Singapore Exchange Securities Trading Limited. The condensed interim consolidated financial statements comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are those of investment holding and the provision of management and administrative support to its subsidiaries.

The principal activities of the subsidiaries are building construction, civil engineering work and contractors for construction works for all kind.

### 2. Basis of preparation

The condensed interim financial statements for the six-months and full year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The interim condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim condensed financial statements for the financial period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore Dollars ("\$") which is the functional currency of the Company and the presentation currency for the condensed interim consolidated financial statements and all values presented are rounded to the nearest thousand ("'\$'000") as indicated.

#### 2.1 New and Amended Standards adopted by the Group

There are no new or amended Standards (effective from annual period beginning on or after 1 January 2022) which will result in any significant impact on the condensed interim financial statements.

#### 2.2 Uses of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last audited financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 2. Basis of preparation (continued)

#### 2.3 Uses of judgement and estimates (continued)

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognized in the Group's financial statements for the year ended 31 December 2022.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Loss allowance and impairment for trade receivables, unbilled receivables, retention receivables and contract assets due from third parties - Estimation of expected credit risk
- Revenue from contracts with customers - Estimation of total contract costs
- Depreciation of steel beams - Estimation of useful lives and residual value of steel beams
- Amounts due from subsidiaries - Estimation of any significant increase in credit risk
- Measurement of lease liabilities- Estimation of incremental borrowing rate applied

There were no significant changes to the major assumptions used in assessing the accounting estimates above and the carrying amounts of the relevant assets and liabilities. Details of such assumptions and estimations are disclosed in the last audited financial statements for the financial year ended 31 December 2021, except as disclosed below.

During the financial year, the Group received a letter from the tax authority to disregard certain capital allowances. Accordingly, the management had engaged a tax specialist to review the relevant tax computations and raised an objection to the tax authority. Based on the advice of the tax specialist, the management is of the view that the amount of S\$ 643,000 recorded as income tax recoverable as at 31 December 2022 remains appropriate under the relevant income tax rule.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



# KORI HOLDINGS LIMITED

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 4. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Structural steel works; and
- Segment 2: Tunnelling works

These operating segments are reported in a manner consistent with internal reporting provided to chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

1 January 2022 to 31 December 2022	Structural steel works	Tunnelling works	Unallocated items	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	17,933	1,561	-	19,494
Inter segment revenue	-	-	-	-
Revenue from external parties	17,933	1,561	-	19,494
Project costs	(8,704)	(2,695)	-	(11,399)
Depreciation	(1,273)	-	-	(1,273)
Total cost of sales	(9,977)	(2,695)	-	(12,672)
Segment profit	7,956	(1,134)	-	6,822
Other income	-	-	408	408
Administrative expenses	-	-	(2,227)	(2,227)
Depreciation	-	-	(397)	(397)
Loss allowance on trade and other receivables and contract assets	(2,246)	(68)	-	(2,314)
Loss on disposal of property, plant and equipment	(5)	-	(25)	(30)
Property, plant and equipment written off	(396)	-	(2)	(398)
Finance costs	-	-	(270)	(270)
Profit/ (Loss) before taxation	5,309	(1,202)	(2,513)	1,594
Taxation	-	-	(339)	(339)
Profit/ (Loss) for the financial year	5,309	(1,202)	(2,852)	1,255
Segment assets	67,928	2,261	-	70,189
Other assets	-	-	4,853	4,853
Total assets per consolidated statement of financial position	67,928	2,261	4,853	75,042
Expenditure for segment non-current assets	1,131	-	-	1,131
Segment liabilities	9,500	-	-	9,500
Current tax expense	-	-	6	6
Deferred tax liabilities	-	-	1,101	1,101
Other liabilities	-	-	10,351	10,351
Total liabilities per consolidated statement of financial position	9,500	-	11,458	20,958

# KORI HOLDINGS LIMITED

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 4. Segment and revenue information (continued)

1 July 2022 to 31 December 2022	Structural steel works	Tunnelling works	Unallocated items	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue/(loss)	10,681	(654)	-	10,027
Inter segment revenue	-	-	-	-
Revenue from external parties	10,681	(654)	-	10,027
Project costs	(4,034)	(1,322)	-	(5,356)
Depreciation	56	-	-	56
Total cost of sales	(3,978)	(1,322)	-	(5,300)
Segment profit	6,703	(1,976)	-	4,727
Other income	-	-	(132)	(132)
Administrative expenses	-	-	(1,139)	(1,139)
Depreciation	-	-	(267)	(267)
Reverse allowance on trade and other receivables and contract assets	(2,162)	(55)	-	(2,217)
Loss on disposal of property, plant and equipment	(5)	-	(32)	(37)
Property, plant and equipment written off	(396)	-	(2)	(398)
Finance costs	-	-	(124)	(124)
Profit/ (Loss) before taxation	4,140	(2,031)	(1,696)	413
Taxation	-	-	(59)	(59)
Profit/ (Loss) for the financial period	4,140	(2,031)	(1,755)	354
Segment assets	67,928	2,261	-	70,189
Other assets	-	-	4,853	4,853
Total assets per consolidated statement of financial position	67,928	2,261	4,853	75,042
Expenditure for segment non-current assets	1,131	-	-	1,131
Segment liabilities	9,500	-	-	9,500
Current tax expense	-	-	6	6
Deferred tax liabilities	-	-	1,101	1,101
Other liabilities	-	-	10,351	10,351
Total liabilities per consolidated statement of financial position	9,500	-	11,458	20,958

# KORI HOLDINGS LIMITED

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 4. Segment and revenue information (continued)

1 January 2021 to 31 December 2021	Structural steel works	Tunnelling works	Unallocated items	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	13,771	4,529	-	18,300
Inter segment revenue	-	-	-	-
Revenue from external parties	13,771	4,529	-	18,300
Project cost	(7,469)	(2,808)	-	(10,277)
Depreciation	(1,465)	-	-	(1,465)
Total cost of sales	(8,934)	(2,808)	-	(11,742)
Segment profit	4,837	1,721	-	6,558
Other income	-	-	825	825
Administrative expenses	-	-	(2,368)	(2,368)
Depreciation	-	-	(363)	(363)
Loss allowance on trade and other receivables and contract assets	(1,588)	(2)	-	(1,590)
Gain on disposal of property, plant and equipment	-	-	1	1
Property, plant and equipment written off	(1,610)	-	-	(1,610)
Finance costs	-	-	(178)	(178)
Profit/ (Loss) before taxation	1,639	1,719	(2,083)	1,275
Taxation	-	-	(99)	(99)
Profit/ (Loss) for the financial period	1,639	1,719	(2,182)	1,176
Segment assets	62,730	3,751	-	66,481
Other assets	-	-	6,170	6,170
Total assets per consolidated statement of financial position	62,730	3,751	6,170	72,651
Expenditure for segment non-current assets	8,139	-	349	8,488
Segment liabilities	8,155	-	-	8,155
Current tax expense	-	-	2	2
Deferred tax liabilities	-	-	776	776
Other liabilities	-	-	10,934	10,934
Total liabilities per consolidated statement of financial position	8,155	-	11,712	19,867

# KORI HOLDINGS LIMITED

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 4. Segment and revenue information (continued)

1 July 2021 to 31 December 2021	Structural steel works	Tunnelling works	Unallocated items	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	8,682	2,281	-	10,963
Inter segment revenue	-	-	-	-
Revenue from external parties	8,682	2,281	-	10,963
Project costs	(4,147)	(1,422)	-	(5,569)
Depreciation	(729)	7	-	(722)
Total cost of sales	(4,876)	(1,415)	-	(6,291)
Segment profit	3,806	866	-	4,672
Other income	-	-	402	402
Administrative expenses	-	-	(1,321)	(1,321)
Depreciation	-	-	(107)	(107)
Loss allowance on trade and other receivables and contract assets	(1,588)	(2)	-	(1,590)
Gain on disposal of property, plant and equipment	-	-	1	1
Property, plant and equipment written off	(1,610)	-	-	(1,610)
Finance costs	-	-	(106)	(106)
Profit/ (Loss) before taxation	608	864	(1,131)	341
Taxation	-	-	(60)	(60)
Profit/ (Loss) for the financial period	608	864	(1,191)	(281)
Segment assets	62,730	3,751	-	66,481
Other assets	-	-	6,170	6,170
Total assets per consolidated statement of financial position	62,730	3,751	6,170	72,651
Expenditure for segment non-current assets	8,139	-	349	8,488
Segment liabilities	8,155	-	-	8,155
Current tax expense	-	-	2	2
Deferred tax liabilities	-	-	776	776
Other liabilities	-	-	10,934	10,934
Total liabilities per consolidated statement of financial position	8,155	-	11,712	19,867

# KORI HOLDINGS LIMITED

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 5. Profit Before Taxation

The following items have been included in arriving at profit before tax:

Group	Unaudited	Unaudited	Unaudited	Audited
	2H2022 S\$'000	2H2021 S\$'000	FY 2022 S\$'000	FY 2021 S\$'000
<b>Income</b>				
Government grants	4	376	257	772
Miscellaneous income	(143)	25	144	51
Interest income from bank deposits	7	1	7	2
	(132)	402	408	825
<b>Expenses</b>				
(Loss) /Gain on disposal property, plant and equipment	(37)	1	(30)	1
Property, plant and equipment written off	(398)	(1,610)	(398)	(1,610)
Loss on foreign exchange	(126)	(32)	(162)	(34)
Loss allowance on trade and other receivables and contract assets	(2,217)	(1,590)	(2,314)	(1,590)
Interest expense	(79)	(106)	(225)	(179)
Amortisation of capitalised contract costs	(94)	(52)	(209)	(160)
Depreciation of property, plant and equipment	(80)	(1,126)	(1,670)	(2,125)
Professional fees	(122)	(110)	(287)	(235)
Key management personnel compensation	(915)	(1,040)	(1,310)	(1,436)

### 6. Income tax expense

Group	Unaudited	Unaudited	Unaudited	Audited
	2H2022 S\$'000	2H2021 S\$'000	FY 2022 S\$'000	FY 2021 S\$'000
<b>Current income tax</b>				
- current financial year	5	1	6	2
- Under provision in prior years	-	-	-	2
	5	1	6	4
<b>Deferred tax</b>				
- current financial year	54	119	333	155
- over provision in prior years	-	(60)	-*	(60)
	54	59	333	95
	59	60	339	99

\*Amount less than S\$1,000

# KORI HOLDINGS LIMITED

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 7. Trade and Other Receivables

	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Trade receivables - Third parties	1,806	888
Less: Loss allowance	(97)	-*
	<u>1,709</u>	<u>888</u>
Unbilled receivables - Third parties	30,857	23,616
Less: Loss allowance	(1,651)	(101)
	<u>29,206</u>	<u>23,515</u>
Retention receivables	2,715	1,525
Less: Loss allowance	(506)	(150)
	<u>2,209</u>	<u>1,375</u>
Other receivables	<u>55</u>	<u>21</u>
Deposits	<u>202</u>	<u>187</u>
Total trade and other receivables	<u><u>33,381</u></u>	<u><u>25,986</u></u>

\*Amount less than S\$1,000

Trade receivables are unsecured, non-interest bearing and generally on 30 to 60 days credit terms.

Unbilled receivables relate to income recognised for the rental of steel beams to customers that have yet to be billed as at the end of the reporting period.

Retention receivables are due for settlement beyond 12 months from the end of the reporting period. Nevertheless, they have been classified as current assets because they are expected to be realised in the normal operating cycle of the Group.

Other receivables are unsecured, non-interest bearing and repayable on demand.

Movements in loss allowances on trade receivables, unbilled receivables and retention receivables were as follows

	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Balance at beginning of financial year	251	1,602
Reversal of loss allowance	-	(57)
Additional loss allowance made during the financial year	2,003	196
Write-off of loss allowance	-	(1,490)
Balance at end of financial year	<u><u>2,254</u></u>	<u><u>251</u></u>

# KORI HOLDINGS LIMITED

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 8. Contract Assets, Capitalised Contract Costs and Contract Liabilities

	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
<u>Contract assets</u>		
Gross amount	6,309	8,476
Less: Loss allowance	(1,763)	(1,452)
Carrying amount of contract assets	4,546	7,024
<u>Capitalised contract costs</u>		
Balance at beginning of financial year	461	483
Additions during the financial year	14	138
Amortised during the financial year	(209)	(160)
Balance at end of financial year	266	461
<u>Contract liabilities</u>		
Structural steel works	5,242	3,786

Contract assets arise from structural steel works and tunnelling works mainly due to the Group's rights to consideration for work completed and transferred to customers are conditioned upon future performance. These contract assets arise as the customer is invoiced based on payment certification. Contract assets are transferred to receivables when the rights become unconditional.

Movements in loss allowances on contract assets were as follows

	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Balance at beginning of financial year	1,452	-
Additional loss allowance made during the financial year	311	1,452
Reversal of loss allowance	-	-
Balance at end of financial year	1,763	1,452

### 9. Property, Plant and Equipment

During 2022, the Group acquired assets amounting to S\$1.1 million (31 Dec 2021: S\$8.2 million) and disposal assets amounting to S\$3.1 million (31 Dec 2021: S\$2.9 million).

### 10. Cash and bank balances and fixed deposits

	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Cash and bank balances	691	756
Total fixed deposits	2,572	2,066
Less: Fixed deposits pledged	(2,066)	(2,066)
Cash and cash equivalents per consolidated cash flow statement	1,197	756

As at 31 December 2022, the fixed deposits of the Company amounting to \$2,066,000 (2021: \$2,066,000) were pledged to banks as security for banking facilities, of which S\$1 million is for a term loan, and the remaining S\$1 million is for performance and advance payment bonds.

# KORI HOLDINGS LIMITED

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 11. Trade and Other Payables

	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Trade payables	4,069	5,367
Other payables	554	538
Amount owing to director	545	130
Goods & service tax payable, net	138	64
Advance billings to customers	2,362	854
Accrued operating expenses	815	911
Trade and other payables	8,483	7,864

Trade payables are unsecured, non-interest bearing and are generally on 30 to 90 days credit terms.

The amount owing to director comprises the outstanding principal amount of an unsecured loan extended by a director of the Company, and the interest accrued on the loan at 5% per annum. The amount is repayable on demand.

Advance billings to customers relate to billings for rental of steel beams to customers in respect of financial periods beyond the end of the reporting period.

### 12. Borrowings and Lease Liabilities

#### (i) Amount repayable < 1 year

	31 Dec 2022		31 Dec 2021	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	-	203	-	208
Bank borrowings	1,000	750	1,000	4,223

#### (ii) Amount repayable > 1 year

	31 Dec 2022		31 Dec 2021	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	-	158	-	104
Bank borrowings	-	1,153	-	1,903
Convertible Bond	-	2,812	-	-

#### Details of any collateral:

Bank loans of S\$1 million as at 31 Dec 2022 and 31 December 2021 respectively were secured by fixed deposits of S\$1 million pledged with the lending bank.

In FY2020, the Group (via one of its subsidiaries) obtained a temporary bridging loan of S\$3 million under the Enterprise Financing Scheme. The loan is repayable over 5 years and is secured by a corporate guarantee provided and executed by the Company. The repayment of the loan principal commenced in July 2021.

In September 2022, the Company issued a convertible bond with 5% interest and a maturity period of 5 years. As the convertible bond is a compound financial instrument, it was bifurcated into a debt (liability) component and an equity component at inception. As at 31 December 2022, the balance of the liability component for the convertible bond is S\$ 2.8 million. The equity component is presented as a capital reserve.



# KORI HOLDINGS LIMITED

---

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 13. Share Capital

- (i) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Company	Number of Shares	Share capital (\$)
As at 31 December 2022 and 31 December 2021	<u>99,200,000</u>	<u>32,290,650</u>

As at 31 December 2022, up to 18,750,000 (31 December 2021: Nil) new shares of the Company may be issued upon conversion of the Convertible bonds that were issued by the Company in September 2022.

- (ii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	As at 31 December 2022	As at 31 December 2021
Total number of issued shares excluding treasury shares	<u>99,200,000</u>	<u>99,200,000</u>

The Company did not have any treasury shares as at 31 December 2022 and 31 December 2021.

- (iii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- (iv) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during, and at the end of the current financial period reported on.

# KORI HOLDINGS LIMITED

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 14. Net Asset Value

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset value (S\$'000)	54,084	52,784	26,927	28,075
Number of issued shares ('000)	99,200	99,200	99,200	99,200
Net asset value per ordinary share based on issued share capital (S\$)	0.55	0.53	0.27	0.28

### 15. Earnings per ordinary share (EPS)

Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

#### (a) Basic earnings per share

	Group	
	FY2022	FY2021
Net profit attributable to equity holders of the Company (S\$'000)	1,255	1,176
Weighted average number of ordinary shares ('000)	99,200	99,200
Basic EPS (cents)	<u>1.27</u>	<u>1.19</u>

#### (b) Diluted earnings per share

To calculate diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company's convertible bond is the only dilutive potential ordinary shares issued during the year. Convertible bond are assumed to have been converted into ordinary shares at issuance and the net profit is adjusted to eliminate the interest expense less the tax effect.

	Group	
	FY2022	FY2021
Net profit attributable to equity holders of the Company (S\$'000)	1,255	1,176
Interest expense on convertible bonds	54	-
Tax effect relating to interest expense on convertible bond	<u>(2)</u>	<u>-</u>
Net profit used to determine diluted earnings per share	1,307	1,176
Weighted average number of ordinary shares for basic EPS ('000)	99,200	99,200
Adjustment for convertible bond ('000)	<u>5,497</u>	<u>-</u>
	104,697	99,200
Diluted earnings per share (cents)	<u>1.25</u>	<u>1.19</u>

## E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 16. Subsequent Events

There are no known significant subsequent events which have led to adjustments to this set of condensed interim financial statements.

# KORI HOLDINGS LIMITED

## F. Other Information Required Under Appendix 7C of Catalyst Rules

### 1. Review

The condensed consolidated statement of financial position of Kori Holdings Limited and its subsidiaries as of 31 December 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the year ended and certain explanatory notes have not been audited and reviewed by the Company's auditors.

### 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### Review of the Income Statement of the Group

Description	Structural Steel Works S\$'000		Tunneling Works S\$'000	
	FY2022	FY2021	FY2022	FY2021
Revenue	17,933	13,771	1,561	4,529
Cost of sales	(9,977)	(8,934)	(2,695)	(2,808)
Gross profit/(Loss)	7,956	4,837	(1,134)	1,721

### Revenue

#### *Structural Steel Works*

Revenue from this segment comprises income from the provision of structural steel construction services ("Structural Steel Works Income") and income from leasing of steel beams ("Lease Income"). Structural Steel works income is recognised over the period of the contracts by reference to the stage (or percentage) of completion as estimated by applying the "input method". Lease Income is recognised on a time-proportion basis. (See summary of accounting policies as set out in the latest audited financial statements for the financial year ended 31 December 2021 for more details.)

Revenue for FY2022 amounting to S\$17.9 million (FY2021: S\$13.8 million) comprises: (i) Lease Income of S\$13.1 million (FY2021: S\$12.5 million); and (ii) Structural Steel Works Income of S\$4.8 million (FY2021: S\$1.3 million). The increase of S\$4.1 million in revenue from this business segment was mainly attributed to new projects being procured and commenced during the FY2022 as well as the positive progress of the other ongoing projects.

#### *Tunneling Works*

Revenue from this segment pertains to income from the provision of tunneling services ("Tunneling Works Income") which is also recognised over the period of the contracts by reference to the stage (or percentage) of completion as estimated by applying the "input method" (see summary of accounting policies as set out in the latest audited financial statements for the financial year ended 31 December 2021 for more details).

The decrease in Tunneling Works Income compared with last year's was due mainly to an estimation of higher budget costs to complete the projects which stem from significant increases in labour and transportation costs in FY2022. This has the effect of lowering the percentage of revenue to be recognised for FY2022 pursuant to the "input method".

# KORI HOLDINGS LIMITED

---

## F. Other Information Required Under Appendix 7C of Catalyst Rules (continued)

### Review of the Income Statement of the Group (continued)

#### Cost of sales

The increase in cost of sales for Structural Steel Works is in line with the increase in its revenue. While the cost of sales for Tunneling Works has decreased, the extent of the decrease is higher vis-à-vis that of the Tunneling Works revenue due mainly to the significant increases in labour and transportation costs during FY2022.

#### Gross profit margin

As a result of the above, overall gross profit margin decreased marginally from 36% in FY2021 to 35% in FY2022.

#### Other income

The decrease in other income by 51% compared with FY2021 was due mainly to lower income from government grants.

#### Loss allowance on trade and retention receivables, unbilled receivables and contract assets

A loss allowance of S\$2.3 million was recognized in FY2022, which comprises a specific allowance of S\$385,000 and a general allowance of S\$1.9 million made against the receivables and contract assets arising from an ongoing project for FY2022.

#### Other Expenses

The decrease in other expenses was mainly attributable to a decrease in steel beams being written off during FY2022.

#### Finance expense

The increase in finance costs in FY2022 is due to the interest incurred on the loan from a director loan and on the convertible bond which was issued in September 2022.

#### Income tax expense

Income tax expense amounting to S\$339,000 mainly relates to the estimated deferred tax arising from the temporary differences between the tax bases and the carrying amounts of the relevant assets and liabilities of the Group.

### Review of the Financial Position of the Group

#### Assets

Trade and other receivables increased by S\$7.4 million principally due to an increase in retention sum and unbilled receivables. The increase in both items arose from a couple of ongoing projects as well as new projects that commenced in FY2022. See section E7 for more information.

Contract assets decreased by S\$2.5 million as a result of transfer of contract assets to trade receivables account in the light of more progress billings raised for work certified during FY2022.

Capitalised contract costs decreased by S\$194,000 due to continuous amortization for ongoing projects which was slightly offset by cost being incurred and capitalized from a new project which commenced in FY2022.

# KORI HOLDINGS LIMITED

---

## F. Other Information Required Under Appendix 7C of Catalist Rules (continued)

### Review of the Financial Position of the Group (continued)

#### Property, plant and equipment

The decrease of S\$2.7 million in property, plant and equipment was mainly due to the depreciation of S\$1.4 million and disposal of steel beams and leasehold property with aggregated net book value of S\$2.5 million in FY2022. This is offset by additional purchases of steel beams costing S\$1.1 million in contemplation of the requirement of some new projects for FY2022.

#### Liabilities

Trade and other payables increased by 8% mainly due to increases in the amount owing to director, GST payable, and advance billings made to customers. The increase in advance billings made to customers is due to the excess of progress billings rendered over the revenue recognised in respect of Lease Income during FY2022. Please refer to Section E11 for detail.

Contract liabilities increased by S\$1.5 million due to the excess of progress billings rendered over the revenue in respect of Structural Steel Works Income during FY2022.

Bank borrowings decreased by S\$4.2 million compared with FY2021. It was mainly due to the repayment of bills receivable purchase (BRP) facility and the bridging loan.

There was a provision for reinstatement cost of S\$ 50,000 based on the office rental agreement.

In September 2022, the Company issued a convertible bond with 5% interest and a maturity period of 5 years. As the convertible bond is a compound financial instrument, it was bifurcated into a debt (liability) component and an equity component at inception. As at 31 December 2022, the balance of the liability component for the convertible bond is S\$ 2.8 million. The equity component is presented as a capital reserve.

### Review of the Cash Flow Statement of the Group

Net cash generated from operating activities amounting to S\$17,000 includes operating cash flows before working capital changes of S\$6.5 million which was, among others, augmented by the changes in contract liabilities and contract assets but reduced by the changes in trade and other receivables.

Net cash generated in investing activities amounted to S\$1.86 million largely due to proceeds from disposal of steel beams and leasehold property in FY2022.

Net cash used in financing activities amounted to S\$1.44 million largely due to repayment of bank borrowings of S\$ 4.4 million which was offset by proceeds from the issuance of convertible bond as well as from the loan from a director totaling to S\$3.5 million in FY2022.

In view of the foregoing, the net cash outflows for FY2022 was S\$442,000.

### 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously issued to the shareholders for the current financial period reported on.

## F. Other Information Required Under Appendix 7C of Catalist Rules (continued)

### 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The outlook for the Singapore construction industry for the next 12 months remains strong. The Building and Construction Authority (“BCA”) projected between S\$27 billion and S\$32 billion of construction demand in 2023. The public sector is expected to contribute about 60% of the total construction demand. Civil engineering construction demand is anticipated to stay firm with continued support from MRT line construction such as Cross Island MRT Line (Phase 2) and other infrastructure works<sup>(1)</sup>. Therefore, the Group remains cautiously optimistic that its established track record and strong technical expertise in past similar infrastructure works will put it in a favourable position to benefit from such developments.

The impact of the global outbreak of COVID-19 pandemic since early February 2020 has gradually subsided with all control measures in Singapore effectively lifted on 13 January 2023. With the worldwide acceptance of COVID-19 as endemic, the construction industry is finally returning to normalcy.

The global shortage in the supply of steel materials has further improved and the price of steel materials has gradually stabilised. As a result, the completion dates of certain steelworks segment projects which have already been delayed by the pandemic may not be further delayed.

However, due to the earlier pandemic-related delays, there is still consequential impact on the timing of recognition of revenue (and hence profit) as well as collections from our customers.

It is also to be noted that the increase in labour cost due to the pandemic as well as the rise of related cost such as accommodation remains post pandemic.

Nevertheless, the Group will continuously monitor its operational constraints and implement the necessary measures to minimise the impact of such constraints. In addition, the Group will continue to work closely with its customers, suppliers, financiers and other stakeholders, and manage its operational costs so as to generate sufficient cash flows to preserve and sustain its operation as a going concern while continuously effecting its Business Continuity Plan.

The continued successful implementation of our precast road decking panels to replace steel decking panels to increase productivity and reduce cost is paying off to alleviate not only the shortage of labour but also the fluctuations in steel price. With the contracts secured in hand, the Group is already coming out from the pandemic stronger.

Source:

- (1) Building and Construction Authority (accessed on 12 January 2023)  
<https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2023/01/12/singapore's-construction-demand-to-remain-strong-in-2023>

# KORI HOLDINGS LIMITED

---

## F. Other Information Required Under Appendix 7C of Catalist Rules (continued)

### 5. Dividend

Decision regarding dividend has been made, the required information has been disclosed.

(a) *Whether an interim (final) ordinary dividend has been declared (recommended); and*

There is no any dividend recommended or declared for the current financial period reported on.

(b)(i) *Amount per share:*

Not applicable.

(b)(ii) *Previous corresponding period*

Not applicable.

(c) *Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated)*

Not applicable.

(d) *The date the dividend is payable*

Not applicable.

(e) *The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.*

Not applicable.

### 6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for FY2022 after taking into consideration of the Group's cash flow requirements in the foreseeable future.

### 7. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for IPTs and there were no IPTs exceeding S\$100,000 and above entered into during the financial period reported on.

### 8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).



# KORI HOLDINGS LIMITED

---

## F. Other Information Required Under Appendix 7C of Catalist Rules (continued)

### 9. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Not applicable. There was no incorporation of new entities, acquisition, and realization of shares in FY2022.

## G. Additional Information Required for Full Year Announcement

1. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to sections E4 and F2 above.

2. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to F2 above.

3. A breakdown of sales as follows:

	Group		
	FY2022 S\$'000	FY2021 S\$'000	Change %
(a) Sales reported for first half year	9,467	7,337	29
(b) Operating profit after tax before deducting minority interests reported for first half year	901	895	1
(c) Sales reported for second half year	10,027	10,963	(9)
(d) Operating profit after tax before deducting minority interests reported for second half year	354	281	26

4. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

There were no dividends were recommended or declared in FY2022 and FY2021.

# KORI HOLDINGS LIMITED

---

## G. Additional Information Required for Full Year Announcement (continued)

5. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable. There are no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

By Order of the Board

---

HOOI YU KOH  
Executive Chairman and CEO

---

NG WAI KIT  
Director

Singapore  
1 March 2023

---

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*

---