

**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 2023**

# KORI HOLDINGS LIMITED

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# KORI HOLDINGS LIMITED

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

Group	Note	Unaudited 2H2023 S\$'000	Unaudited 2H2022 S\$'000	Change %	Unaudited dFY2023 S\$'000	Audited FY2022 S\$'000	Change %
Revenue	E4	6,527	10,027	(35)	17,871	19,494	(8)
Cost of sales		(5,819)	(5,299)	10	(12,640)	(12,672)	-*
Gross profit		708	4,728	(85)	5,231	6,822	(23)
Other income/(loss)	E5	(65)	(146)	(55)	27	401	(93)
Interest Income		7	7	-	16	7	129
<b>Expenses:</b>							
Administrative expenses		(1,428)	(1,406)	2	(2,457)	(2,624)	(6)
Loss allowance of allowance on trade and other receivables and contract assets		(94)	(2,217)	(96)	(826)	(2,314)	(64)
Other expenses		(1,037)	(428)	142	(1,044)	(428)	144
Finance costs		(135)	(125)	8	(278)	(270)	3
Profit/(loss) before taxation	E5	(2,044)	413	(595)	669	1,594	(58)
Income tax reverse/(expense)	E6	342	42	714	(146)	(239)	(39)
Profit/(loss) for the financial period/ year		(1,702)	455	(474)	523	1,355	(61)
<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)		1	37	(97)	7	6	17
Total comprehensive income/(loss) for the financial period/ year		(1,701)	492	(446)	530	1,361	(61)
<b>Earnings/(loss) per share</b>							
Basic (Cents)	E15	(1.72)	0.46	(474)	0.53	1.37	(61)
Diluted (Cents) Based on weighted average number of shares	E15	(1.72)	0.48	(385)	0.53	1.34	(56)

\*Amount less than S\$1,000

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## B. Condensed Statements of Financial Position

	Note	Group		Company	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		Unaudited	Audited	Unaudited	Audited
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		427	691	14	39
Fixed deposits	E10	1,015	2,572	-	-
Trade and other receivables	E7	35,799	33,381	4,316	4,146
Contract assets	E8	4,348	4,546	-	-
Capitalised contract costs	E8	184	266	-	-
Prepayments		160	238	-*	1
Current income tax recoverable		643	643	-	-
<b>Total current assets</b>		<b>42,576</b>	<b>42,337</b>	<b>4,330</b>	<b>4,186</b>
<b>Non-current assets</b>					
Property, plant and equipment	E9	32,270	32,705	-	-
Investments in subsidiaries		-	-	25,825	25,825
<b>Total non-current assets</b>		<b>32,270</b>	<b>32,705</b>	<b>25,825</b>	<b>25,825</b>
<b>Total assets</b>		<b>74,846</b>	<b>75,042</b>	<b>30,155</b>	<b>30,011</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	E11	7,671	8,483	529	266
Contract liabilities	E8	6,961	5,242	-	-
Lease liabilities	E12	189	203	-	-
Bank borrowings	E12	765	1,750	-	-
Current income tax payable		-	6	-	6
<b>Total current liabilities</b>		<b>15,586</b>	<b>15,684</b>	<b>529</b>	<b>272</b>
<b>Non-current liabilities</b>					
Lease liabilities	E12	114	158	-	-
Bank borrowings	E12	388	1,153	-	-
Provision for reinstatement cost		50	50	-	-
Deferred tax liabilities		1,147	1,001	7	31
Convertible bond	E12	2,847	2,812	2,847	2,812
<b>Total non-current liabilities</b>		<b>4,546</b>	<b>5,174</b>	<b>2,854</b>	<b>2,843</b>
<b>Total liabilities</b>		<b>20,132</b>	<b>20,858</b>	<b>3,383</b>	<b>3,115</b>
<b>Net assets</b>		<b>54,714</b>	<b>54,184</b>	<b>26,772</b>	<b>26,896</b>
<b>EQUITY</b>					
Share capital	E13	32,291	32,291	32,291	32,291
Retained earnings/ (Accumulated losses)		48,018	47,495	(5,558)	(5,434)
Capital reserve		39	39	39	39
Foreign currency translation reserve		(6)	(13)	-	-
Merger reserve		(25,628)	(25,628)	-	-
<b>Total equity</b>		<b>54,714</b>	<b>54,184</b>	<b>26,772</b>	<b>26,896</b>

\*Amount less than S\$1,000

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## C. Condensed Consolidated Statement of Cash Flows

	31 Dec 2023 Unaudited	31 Dec 2022 Audited
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	669	1,594
Adjustments for:		
Amortisation of capitalised contract costs	82	209
Depreciation of property, plant, equipment and right of use asset	1,672	1,670
Loss on disposal and write-off of property, plant and equipment	1,044	428
Loss allowance on trade and other receivables and contract assets	826	2,314
Interest income	(16)	(7)
Interest expense	280	273
Unrealised exchange difference	9	47
Operating cash flows before changes in working capital	4,566	6,528
<b>Changes in working capital</b>		
Trade and other receivables	(3,184)	(9,398)
Contract assets	137	2,167
Capitalised contract costs	-	(14)
Trade and other payables	(3,251)	1,001
Contract liabilities	1,719	1,456
Prepayments	77	33
Cash generated from operations	64	1,773
Income tax paid	(6)	(2)
<b>Net cash from operating activities</b>	<b>58</b>	<b>1,771</b>
<b>Cash flows from investing activities</b>		
Interest received	16	7
Purchase of property, plant and equipment	(121)	(1,919)
Proceeds from disposal of property, plant and equipment	217	2,032
<b>Net cash from investing activities</b>	<b>112</b>	<b>120</b>
<b>Cash flows from financing activities</b>		
Release of pledged fixed deposit	1,054	-*
Repayment of principal portion of lease liabilities	(220)	(260)
Repayment of interest portion of lease liabilities	(7)	(7)
Proceeds from convertible bond	-	3,000
Payments for issuance of convertible bond	-	(159)
Proceeds from borrowings	-	248
Proceeds from loan from director	90	500
Repayment of loan from director	(40)	(130)
Repayment of bank borrowings	(1,750)	(4,448)
Interest paid	(64)	(193)
<b>Net cash used in from financing activities</b>	<b>(937)</b>	<b>(1,449)</b>
Net change in cash and cash equivalents	(767)	442
Cash and cash equivalents at the beginning of the year	1,197	756
Effects of exchange rate changes on cash and cash equivalents	-	(1)
<b>Cash and cash equivalents at end of the year</b>	<b>430</b>	<b>1,197</b>

\*Amount less than S\$1,000

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## 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 2023	32,291	47,495	(13)	(25,628)	39	54,184
Total comprehensive income for the financial year	-	523	7	-	-	530
Balance as at 31 December 2023	32,291	48,018	(6)	(25,628)	39	54,714
Balance as at 1 January 2022	32,291	46,140	(19)	(25,628)	-	52,784
Total comprehensive income for the financial year	-	1,355	6	-	-	1,361
Issue of convertible bonds, representing total transactions with owners	-	-	-	-	39	39
Balance as at 31 December 2022	32,291	47,495	(13)	(25,628)	39	54,184

Company	Share capital S\$'000	Accumulated losses S\$'000	Capital reserve S\$'000	Total S\$'000
Balance as at 1 January 2023	32,291	(5,434)	39	26,896
Total comprehensive income for the financial year	-	(125)	-	(125)
Balance as at 31 December 2023	32,291	(5,559)	39	26,771
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

## 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 2023 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 31 December 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 2023) 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 2022.

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 2023.

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 2022, except as disclosed below.

#### Income tax recoverable

During the financial year, a subsidiary of the Company received a favourable response from the tax authority acknowledging the subsidiary's entitlement to claim capital allowances on the cost of steel beams recognised as fixed assets. However, the tax authority would require additional time to verify, among other things, that there was no double claim of the cost of steel beams in respect of certain years of assessment ("Relevant YAs"). The situation arose from the change in the accounting treatment of steel beams (and consequently, the restatement of financial statements) as a result of the adoption of SFRS(I) 15 a few years ago. To this end, the tax authority has invited the company to present and substantiate its case that there has been no double claim of the cost of steel beams in the Relevant YAs despite the adoption of SFRS (I) 15. The subsidiary has been tentatively scheduled to present its case to the tax authority in or around May 2024. Based on the advice from our tax specialist, management has determined that the amount of \$643,094 recorded as income tax recoverable as at 31 December 2023 remains appropriate under the relevant income tax law.

#### Potential income tax liability

In December 2023, the subsidiary received a protective assessment from the tax authority imposing an additional tax liability of \$679,000 for the Year of Assessment ("YA") 2019. The alleged additional tax liability stemmed from the exclusion of certain carried-forward capital allowances attributable to the Relevant YAs, which are currently under review by the tax authority. On 30 January 2024, the subsidiary, through its tax specialist, filed a notice of objection to the protective assessment. Based on the advice of our tax specialist, management is of the view that the additional tax payable is not probable. As such, no provision for this alleged tax liability has been recognised as at 31 December 2023.

### 3. Seasonal operations

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



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## 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 2023 to 31 December 2023	Structural steel works	Tunnelling works	Unallocated items	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	16,848	1,023	-	17,871
Inter segment revenue	-	-	-	-
Revenue from external parties	16,848	1,023	-	17,871
Project costs	(9,420)	(1,771)	-	(11,191)
Depreciation	(1,428)	(21)	-	(1,449)
Total cost of sales	(10,848)	(1,792)	-	(12,640)
Segment profit/ (loss)	6,000	(769)	-	5,231
Other income	-	-	43	43
Administrative expenses	-	-	(2,234)	(2,234)
Depreciation	-	-	(223)	(223)
Loss allowance on trade and other receivables and contract assets	(828)	2	-	(826)
Loss on disposal and write-off of property, plant and equipment	(1,044)	-	-*	(1,044)
Finance costs	-	-	(278)	(278)
Profit/ (Loss) before taxation	4,128	(767)	(2,692)	669
Taxation	-	-	(146)	(146)
Profit/ (Loss) for the financial year	4,128	(767)	(2,838)	523
Segment assets	71,355	653	-	72,008
Other assets	-	-	2,838	2,838
Total assets per consolidated statement of financial position	71,355	653	2,838	74,846
Expenditure for segment non-current assets	2,324	-	-	2,324
Segment liabilities	10,820	-	-	10,820
Deferred tax liabilities	-	-	1,147	1,147
Other liabilities	-	-	8,165	8,165
Total liabilities per consolidated statement of financial position	10,820	-	9,312	20,132

\*Amount less than S\$1,000

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

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

1 July 2023 to 31 December 2023	Structural steel works	Tunnelling works	Unallocated items	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue/(loss)	6,855	(328)	-	6,527
Inter segment revenue	-	-	-	-
Revenue from external parties	6,855	(328)	-	6,527
Project costs	(4,397)	(698)	-	(5,095)
Depreciation	(711)	(13)	-	(724)
Total cost of sales	(5,108)	(711)	-	(5,819)
Segment profit/ (loss)	1,747	(1,039)	-	708
Other income	-	-	(58)	(58)
Administrative expenses	-	-	(1,318)	(1,318)
Depreciation	-	-	(110)	(110)
Loss allowance on trade and other receivables and contract assets	(97)	3	-	(94)
Loss on disposal and write-off of property, plant and equipment	(1,044)	-	7	(1,037)
Finance costs	-	-	(135)	(135)
Profit/ (Loss) before taxation	606	(1,036)	(1,614)	(2,044)
Taxation	-	-	342	342
Profit/ (Loss) for the financial period	606	(1,036)	(1,272)	(1,702)
Segment assets	71,355	653	-	72,008
Other assets	-	-	2,838	2,838
Total assets per consolidated statement of financial position	71,355	653	2,838	74,846
Expenditure for segment non-current assets	2,324	-	-	2,324
Segment liabilities	10,820	-	-	10,820
Deferred tax liabilities	-	-	1,147	1,147
Other liabilities	-	-	8,165	8,165
Total liabilities per consolidated statement of financial position	10,820	-	9,312	20,132

\*Amount less than S\$1,000

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

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

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 cost	(8,704)	(2,695)	-	(11,399)
Depreciation	(1,273)	-	-	(1,273)
Total cost of sales	(9,977)	(2,695)	-	(12,672)
Segment profit/ (loss)	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 and write-off of property, plant and equipment	(401)	-	(27)	(428)
Finance costs	-	-	(270)	(270)
Profit/ (Loss) before taxation	5,309	(1,202)	(2,513)	1,594
Taxation	-	-	(239)	(239)
Profit/ (Loss) for the financial period	5,309	(1,202)	(2,752)	1,355
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	-	-	1,001	1,001
Other liabilities	-	-	10,351	10,351
Total liabilities per consolidated statement of financial position	9,500	-	11,358	20,858

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## 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	10,681	(654)	-	10,027
Inter segment revenue	-	-	-	-
Revenue from external parties	10,681	(654)	-	10,027
Project costs	(4,033)	(1,322)	-	(5,356)
Depreciation	56	-	-	56
Total cost of sales	(3,978)	(1,322)	-	(5,300)
Segment profit/ (loss)	6,704	(1,976)	-	4,728
Other income	-	-	(139)	(139)
Administrative expenses	-	-	(1,139)	(1,139)
Depreciation	-	-	(267)	(267)
Loss allowance on trade and other receivables and contract assets	(2,162)	(55)	-	(2,217)
Loss on disposal and write-off of property, plant and equipment	(401)	-	(27)	(428)
Finance costs	-	-	(124)	(124)
Profit/ (Loss) before taxation	4,141	(2,031)	(1,696)	414
Taxation	-	-	41	41
Profit/ (Loss) for the financial period	4,141	(2,031)	(1,655)	455
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	-	-	1,001	1,001
Other liabilities	-	-	10,351	10,351
Total liabilities per consolidated statement of financial position	9,500	-	11,358	20,858

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## 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
	2H2023 S\$'000	2H2022 S\$'000	FY 2023 S\$'000	FY 2022 S\$'000
<b>Income</b>				
Government grants	4	3	12	256
Miscellaneous income	(69)	(149)	15	145
Interest income from bank deposits	7	7	16	7
	(58)	(139)	43	408
<b>Expenses</b>				
Loss on disposal and write-off of property, plant and equipment	(1,037)	(428)	(1,044)	(428)
Gain/(Loss) on foreign exchange	13	(126)	24	(162)
Loss allowance on trade and other receivables and contract assets	(94)	(2,217)	(826)	(2,314)
Interest expense	(137)	(127)	(280)	(273)
Amortisation of capitalised contract costs	(25)	(94)	(82)	(209)
Depreciation of property, plant and equipment	(834)	(80)	(1,672)	(1,670)
Professional fees	(122)	(46)	(232)	(211)
Key management personnel compensation	(855)	(914)	(1,249)	(1,309)

### 6. Income tax expense

Group	Unaudited	Unaudited	Unaudited	Audited
	2H2023 S\$'000	2H2022 S\$'000	FY 2023 S\$'000	FY 2022 S\$'000
<b>Current income tax</b>				
- current financial year	-	5	-	6
- Under provision in prior years	-*	-	-*	-
	-*	5	-*	6
<b>Deferred tax</b>				
- current financial year	(347)	123	141	402
- over provision in prior years	5	(169)	5	(169)
	(342)	(46)	146	233
	(342)	(41)	146	239

\*Amount less than S\$1,000

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

### 7. Trade and Other Receivables

	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
Trade receivables - Third parties	772	1,806
Less: Loss allowance	(53)	(97)
	<u>719</u>	<u>1,709</u>
Unbilled receivables - Third parties	34,357	30,857
Less: Loss allowance	(2,336)	(1,651)
	<u>32,021</u>	<u>29,206</u>
Retention receivables	3,471	2,715
Less: Loss allowance	(631)	(506)
	<u>2,840</u>	<u>2,209</u>
Other receivables	<u>2</u>	<u>55</u>
Deposits	<u>217</u>	<u>202</u>
Total trade and other receivables	<u>35,799</u>	<u>33,381</u>

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

Unbilled receivables, which comprise 89% of total trade and other receivables, relates to income recognised for the rental of steel beams ("Lease Income") to customers that have yet to be billed as at the end of the reporting period. The Group has determined that its supply of steel beams embedded in the revenue from contract with customers constitute a leasing arrangement. Therefore, the revenue from leasing of steel beams is recognised on a time-proportion basis (i.e. over the contractual period) which are independent from the recognition of revenue from structural steel works as those revenue are recognised based on the stage (percentage) of completion method (see Section F2 below). The unbilled receivables are expected to be progressively billed to customers alongside with payment certification by customers for the structural steel works carried out.

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 2023 S\$'000	31 Dec 2022 S\$'000
Balance at beginning of financial year	2,254	251
Additional loss allowance made during the financial year	766	2,003
Balance at end of financial year	<u>3,020</u>	<u>2,254</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 2023 S\$'000	31 Dec 2022 S\$'000
<u>Contract assets</u>		
Gross amount	6,171	6,309
Less: Loss allowance	(1,823)	(1,763)
Carrying amount of contract assets	<u>4,348</u>	<u>4,546</u>
<u>Capitalised contract costs</u>		
Balance at beginning of financial year	266	461
Additions during the financial year	-	14
Amortised during the financial year	(82)	(209)
Balance at end of financial year	<u>184</u>	<u>266</u>
<u>Contract liabilities</u>		
Structural steel works	<u>6,961</u>	<u>5,242</u>

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 2023 S\$'000	31 Dec 2022 S\$'000
Balance at beginning of financial year	1,763	1,452
Additional loss allowance made during the financial year	60	311
Balance at end of financial year	<u>1,823</u>	<u>1,763</u>

### 9. Property, Plant and Equipment

During 2023, the Group acquired fixed assets amounting to S\$2.5 million (31 Dec 2022: S\$1.5 million) and disposed of (including write-offs) fixed assets with carrying amount of S\$1.3 million (31 Dec 2022: S\$2.5 million). The new assets were purchased through the following means: (i) S\$2.2 million on credit; (ii) \$0.2 million by lease arrangements; and (iii) S\$0.1 million by cash payment.

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

	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
Cash and bank balances	427	691
Total fixed deposits	1,015	2,572
Less: Fixed deposits pledged	(1,012)	(2,066)
Cash and cash equivalents per consolidated cash flow statement	<u>430</u>	<u>1,197</u>

As at 31 December 2023, the fixed deposits of the Company amounting to \$1,012,000 (2022: \$2,066,000) were pledged to banks as security for banking facilities, of which \$1 million is for performance and advance payment bonds. In October 2023, the company repaid a \$1 million secured loan with the pledged fixed deposit of \$1 million.

# KORI HOLDINGS LIMITED

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

### 11. Trade and Other Payables

	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
Trade payables	1,573	4,039
Other payables	318	400
Amount owing to director	621	545
Goods & service tax payable, net	142	138
Advance billings to customers	3,723	2,362
Accrued operating expenses	1,294	999
Trade and other payables	<u>7,671</u>	<u>8,483</u>

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 2023		31 Dec 2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	-	189	-	203
Bank borrowings	-	765	1,000	750

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

	31 Dec 2023		31 Dec 2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	-	114	-	158
Bank borrowings	-	388	-	1,153
Convertible Bond	-	2,847	-	2,812

#### Details of any collateral:

Bank loans of S\$1 million as at 31 Dec 2022 were secured by fixed deposits of S\$1 million pledged with the lending bank. In October 2023, the company repaid the \$1 million loan with the pledged fixed deposit.

The outstanding loan balance of S\$1.2 million as at 31 Dec 2023 is repayable over 5 years from July 2021 and is secured by a corporate guarantee provided and executed by the Company.

In September 2022, the Company issued a convertible bond with 5% coupon 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. The equity component is presented as a capital reserve.



# KORI HOLDINGS LIMITED

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## 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 2023 and 31 December 2022	<u>99,200,000</u>	<u>32,290,650</u>

As at 31 December 2023, up to 18,750,000 (31 Dec 2022: 18,750,000) 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 2023	As at 31 December 2022
Total number of issued shares	<u>99,200,000</u>	<u>99,200,000</u>

The Company did not have any treasury shares as at 31 December 2023 and 31 December 2022.

- (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 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net asset value (S\$'000)	54,714	54,184	26,772	26,896
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	0.55	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	
	FY2023	FY2022
Net profit attributable to equity holders of the Company (S\$'000)	523	1,355
Weighted average number of ordinary shares ('000)	99,200	99,200
Basic EPS (cents)	<u>0.53</u>	<u>1.37</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 and the associated tax effect thereof.

	Group	
	FY2023	FY2022
Net profit attributable to equity holders of the Company (S\$'000)	523	1,355
Interest expense on convertible bond	183	54
Tax effect relating to interest expense on convertible bond	<u>(6)</u>	<u>(2)</u>
Net profit used to determine diluted earnings per share	700	1,407
Weighted average number of ordinary shares for basic EPS ('000)	99,200	99,200
Adjustment for convertible bond (potential ordinary shares to be issued upon conversion) ('000)	<u>18,750</u>	<u>5,497</u>
Weighted average number of ordinary shares for diluted EPS ('000)	117,950	104,697
Diluted earnings per share (cents)*	<u>0.53</u>	<u>1.34</u>

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

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

\*For FY2023, diluted earnings per share was the same as the basic earnings per share because the effect of potential ordinary shares to be issued upon conversion of the convertible bond is anti-dilutive.

### 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 Catalist Rules

### 1. Review

The condensed consolidated statement of financial position of Kori Holdings Limited and its subsidiaries as of 31 December 2023 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

<i>All figures in S\$'000</i>	Note	Structural Steel Works		Tunnelling Works		Total	
		FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Revenue-Lease income	(a)	10,226	13,140	-	-	10,226	13,140
Revenue-Structural steel works	(b)	6,622	4,793	-	-	6,622	4,793
Revenue-Tunnelling works	(b)	-	-	1,023	1,561	1,023	1,561
<b>Total revenue</b>		<b>16,848</b>	<b>17,933</b>	<b>1,023</b>	<b>1,561</b>	<b>17,871</b>	<b>19,494</b>
Cost of works		(10,848)	(9,977)	(1,792)	(2,695)	(12,640)	(12,672)
<b>Gross profit</b>		<b>6,000</b>	<b>7,956</b>	<b>(769)</b>	<b>(1,134)</b>	<b>5,231</b>	<b>6,822</b>

#### Note:

- (a) Lease Income (from the supply and leasing of steel beams for structural steel work projects) is recognised on a time-proportion basis.
- (b) Structural Steel Works Income and Tunnelling Income are recognised over the period of the contracts by reference to the stage (or percentage) of completion as estimated by the application of the "input method".

For more details, please refer to the summary of accounting policies as set out in the latest audited financial statements for the financial year ended 31 December 2022.

#### 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"). Revenue for FY2023 amounting to S\$16.8 million (FY2022: S\$17.9 million) comprises: (i) Lease Income of S\$10.2 million (FY2022: S\$13.1 million); and (ii) Structural Steel Works Income of S\$6.6 million (FY2022: S\$4.8 million). The decrease of S\$1.1 million in revenue from this segment was due to a two-year delay to the north-south corridor projects. The delay resulted in a decrease in recognised lease revenue of S\$2.9 million as compared to the previous year. However, this decrease was mitigated by an increase in service revenue of S\$1.8 million due to the positive progress of ongoing projects.

# KORI HOLDINGS LIMITED

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

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

#### Revenue (continued)

##### *Tunnelling Works*

The decrease in Tunneling Works Income compared with last year's was due mainly to a S\$2.3 million reduction in contract sum during the final reassessment of the contract sum in 2023. This has the effect of lowering the percentage of revenue to be recognised for FY2023 pursuant to the "input method". Additionally, the progress of work on tunneling projects decreased compared to the previous year.

#### Cost of sales

The main portion of cost of sales is the provision of structural steel construction service which comprise labor and installation costs. The rise in costs within the Structural Steel works segment which correlates with increased revenue from the provision of structural steel construction services. Conversely, the cost of sales for Tunnelling Works segment has decreased, which is in line with the decline in revenue of tunnelling works.

#### Gross profit margin

The overall gross profit margin decreased from 35% in FY2022 to 29% in FY2023 due mainly to the extension and delay of north-south corridor projects which resulted in a reduction in lease revenue recognition.

#### Other income

The 93% decrease in other income compared to FY2022 was attributed to lower income from government grants, insurance claims, and income from secondment of workers in FY2023.

#### Administrative expenses

Administrative expenses decreased by 6% in FY2023 compared to FY2022, mainly due to the reversal of expenses for real property gains tax and penalties as well as lower professional fees in FY2023 due to the disposal of leasehold land in FY2022.

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

A total loss allowance of S\$826,000 was recognised in FY2023, comprising a S\$784,000 non-credit impaired allowance (FY2022: 1.9 million) against trade receivables and contract assets arising from ongoing projects for FY2023, as well as a credit-impaired allowance of S\$42,000 (FY2022: S\$ 385,000) relating to retention sums and contract assets. The loss allowance was higher in FY2022 due mainly to the Group also took inflation into consideration for the first time when determining the general provision rate.

#### Other Expenses

The increase in other expenses was mainly attributable to an increase in steel beams being written off during FY2023.

#### Income tax expense

Income tax expense amounting to S\$146,000 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.

# KORI HOLDINGS LIMITED

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

### Review of the Financial Position of the Group

#### Assets

Trade and other receivables increased by S\$2.4 million in FY2023, principally due to an increase in retention sums and unbilled receivables stemming from ongoing projects. See section E7 for more information.

Contract assets decreased by S\$198,000 as a result of the transfer of contract assets to trade receivables account, following an increase in progress billings certified during FY2023.

Capitalised contract costs decreased by S\$82,000 due to continuous amortisation for ongoing projects.

#### Property, plant and equipment

The decrease of S\$435,000 in property, plant and equipment was mainly due to \$1.7 million in depreciation, as well as the disposal and written off of steel beams, furniture and fittings, office equipment and right of use assets with an aggregated net book value of S\$1.3 million in FY2023. This was offset by additional purchases of steel beams and an increase in right-of-use assets costing S\$2.5 million in anticipation of ongoing project requirements for FY2023.

#### Liabilities

Trade and other payables decreased by S\$812,000 mainly due to the Group repaying amounts owing to trade suppliers which was slightly offset by an increase in advance billings made to customers due to the excess of progress billings over revenue recognised in respect of Lease Income during FY2023. Please refer to Section E11 for detail.

Contract liabilities increased by S\$1.7 million due to the excess of progress billings over the revenue recognised in respect of Structural Steel Works Income during FY2023.

Bank borrowings decreased by S\$1.7 million compared to FY2022, primarily due to the repayment the FAFY loan and bridging loan.

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

Net cash generated from operating activities amounting to S\$58,000 includes operating cash flows before working capital changes of S\$4.6 million which was, among others, augmented by the changes in contract liabilities and contract assets but substantially reduced by the changes in trade and other receivables and payables.

Net cash generated in investing activities amounted to S\$112,000 largely due to proceeds from disposal of steel beams and other fixed assets amounted to S\$217,000 and partially offset by payment for additions of steel beams and other fixed assets in FY2023.

Net cash used in financing activities amounted to S\$937,000 largely due to repayment of bank borrowings of S\$ 1.8 million which was partially offset by the release of pledged fixed deposit amounting to S\$1 million in FY2023.

In view of the foregoing, the net cash outflows for FY2023 was S\$767,000.

### 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 Catalyst 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 in the next 12 months remains stable. The Building and Construction Authority (“BCA”) projected total construction demand to range between S\$32 billion and S\$38 billion in 2024, with the public sector expected to drive demand reaching S\$18 billion to S\$21 billion. Some of the major upcoming public sector projects slated for award in 2024 include the additional contracts for the Cross Island MRT Line (Phases 2) and infrastructure works for the future Changi Airport Terminal 5. The construction output is anticipated to increase in 2024, driven by consistent demand levels in recent years and the expected increase in 2024 demand (1).

The Group notes the extended timeline for the North-South Corridor (NSC) development, with the tunnel portion expected to be completed in 2029 (2). The prolonged NSC development timeline has consequential impact on the timing of revenue recognition (and hence, profit) from our NSC-related projects. Additionally, escalating labour costs and related expenses such as accommodation pose challenges.

Be that as it may, we are cautiously confident of benefiting from upcoming public sector projects by leveraging our established track record and robust technical expertise in similar past infrastructure works, coupled with the flexibility afforded by the prolonged NSC timeline.

In addition, the Group remains vigilant in monitoring operational constraints and is committed to implementing the necessary measures to mitigate their impact. In addition, the Group maintains close collaboration with its stakeholders, including customers, suppliers, financiers and others, to manage operational costs effectively, ensuring sufficient cash flows to sustain its operations as a going concern while executing its Business Continuity Plan.

The successful adoption of our precast traffic diversion decking system in all of our existing projects involving traffic diversions underscores its reliability and positive impact on productivity. The system is now poised for adoption in upcoming projects requiring traffic diversions.

Source:

(1) Building and Construction Authority (last accessed 15 January 2024)

<https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024#:~:text=The%20Building%20and%20Construction%20Authority,in%20nominal%20terms%20in%202024>

(2) Land Transport Authority (last accessed 15 January 2024)

[https://www.lta.gov.sg/content/ltagov/en/upcoming\\_projects/road\\_commuter\\_facilities/north\\_south\\_corridor.html](https://www.lta.gov.sg/content/ltagov/en/upcoming_projects/road_commuter_facilities/north_south_corridor.html)

# KORI HOLDINGS LIMITED

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## 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 FY2023 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).



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 FY2023.

# KORI HOLDINGS LIMITED

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## 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		
	FY2023 S\$'000	FY2022 S\$'000	Change %
(a) Sales reported for first half year	11,344	9,467	20
(b) Operating profit after tax before deducting minority interests reported for first half year	2,225	901	147
(c) Sales reported for second half year	6,527	10,027	(35)
(d) Operating (loss)/profit after tax before deducting minority interests reported for second half year	(1,702)	455	N.M.

N.M. - Not meaningful

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 FY2023 and FY2022.

# KORI HOLDINGS LIMITED

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## 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

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HOOI YU KOH  
Executive Chairman and CEO

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NG WAI KIT  
Director

Singapore  
29 February 2024

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*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).*

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