

# ***Unaudited Condensed Interim Financial Statements***

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## **For the Six Months and Full Year Ended 31 December 2022**

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**Koyo International Limited  
and its Subsidiaries**  
(Incorporated in Singapore)  
(Company Registration No: 200100075E)

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## (A) Condensed interim consolidated statement of profit or loss and other comprehensive income

The Group	Note	Six Months Ended			Twelve Months Ended		
		31-Dec-22	31-Dec-21	%	31-Dec-22	31-Dec-21	%
		(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
		S\$ '000	S\$ '000		S\$ '000	S\$ '000	
Revenue	4.2	23,092	14,507	59.2	41,090	28,043	46.5
Cost of construction		(19,210)	(12,140)	58.2	(34,293)	(22,253)	54.1
<b>Gross profit</b>	4.1	3,882	2,367	64.0	6,797	5,790	17.4
Other income		72	1,245	-94.2	689	1,980	-65.2
Selling and distribution expenses		(64)	(106)	-39.6	(102)	(127)	-19.7
Administrative expenses		(4,723)	(3,702)	27.6	(9,076)	(7,488)	21.2
Other operating expenses		(1,709)	(1,013)	68.7	(1,898)	(1,116)	70.1
Finance expenses		(29)	(17)	70.6	(46)	(37)	24.3
<b>Loss before income tax</b>		(2,571)	(1,226)	109.7	(3,636)	(998)	264.3
Income tax (expense) / benefit		(162)	111	-245.9	(162)	95	-270.5
<b>Net loss</b>		(2,733)	(1,115)	145.1	(3,798)	(903)	320.6
<b>Other comprehensive income:</b>							
Items that will not be reclassified to profit or loss:							
Net fair value gains on leasehold property	11.1	-	1,909	n.m.	-	1,909	n.m.
Net fair value gains/(loss) on equity instruments at fair value through other comprehensive income		(3)	(2)	-50.0	(2)	2	-200.0
<b>Other comprehensive income/(loss), net of tax</b>		(3)	1,907	-100.2	(2)	1,911	-100.1
<b>Total comprehensive income / (loss)</b>		(2,736)	792	-445.5	(3,800)	1,008	-477.0
<b>Loss attributable to :</b>							
Equity holders of the Company		(2,733)	(1,115)	145.1	(3,798)	(903)	320.6
<b>Total comprehensive income / (loss) attributable to:</b>							
Equity holders of the Company		(2,736)	792	-445.5	(3,800)	1,008	-477.0
<b>Loss per share (Singapore cents)</b>							
Basic		(1.44)	(0.59)		(2.00)	(0.48)	
Diluted		(1.44)	(0.59)		(2.00)	(0.48)	
Loss per share was calculated based on weighted average number of ordinary shares in issue ('000):							
(a) Basic		189,824	189,824		189,824	189,824	
(b) Diluted		189,824	189,824		189,824	189,824	

Basic and diluted earnings per share of the Group were the same as there were no potential dilutive securities in issue as at 31 December 2022 and 31 December 2021.

n.m.: not meaningful

## (B) Condensed interim statements of financial position

	Note	<u>Group</u>		<u>Company</u>	
		31-Dec-22 (Unaudited)	31-Dec-21 (Audited)	31-Dec-22 (Unaudited)	31-Dec-21 (Audited)
		S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b><u>ASSETS</u></b>					
<b><u>Non-current Assets</u></b>					
Property, plant and equipment	11	6,302	7,034	-	81
Investments in subsidiaries		-	-	18,850	28,450
Financial assets, at FVOCI	10	18	20	-	-
Financial assets, at FVPL	14	584	658	584	658
		6,904	7,712	19,434	29,189
<b><u>Current Assets</u></b>					
Inventories		47	36	-	-
Deferred income tax assets		-	140	-	-
Trade and other receivables		5,536	6,087	14	7
Contract assets		16,076	4,524	-	-
Cash and bank balances		8,897	13,323	230	425
		30,556	24,110	244	432
<b>Total Assets</b>		37,460	31,822	19,678	29,621
<b><u>LIABILITIES</u></b>					
<b><u>Non-current Liabilities</u></b>					
Lease liabilities	12	1,559	1,815	-	-
<b><u>Current Liabilities</u></b>					
Trade and other payables		9,806	7,047	1,051	935
Provision		1,720	828	-	-
Contract liabilities		6,034	-	-	-
Lease liabilities	12	256	266	-	-
Current income tax liabilities		129	110	-	-
		17,945	8,251	1,051	935
<b>Total Liabilities</b>		19,504	10,066	1,051	935
<b>Net Assets</b>		17,956	21,756	18,627	28,686
<b><u>EQUITY</u></b>					
Share capital	13	4,477	4,477	40,072	40,072
Treasury shares	13	(630)	(630)	(630)	(630)
Other reserves		1,644	1,646	-	-
Retained profits / (accumulated loss)		12,465	16,263	(20,815)	(10,756)
<b>Total Equity</b>		17,956	21,756	18,627	28,686

## (C) Condensed interim statements of changes in equity

### Attributable to equity holders of the Company

<u>The Group</u>	Note	Share Capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Retained Profits/(a ccumulate d loss S\$'000	Total Equity S\$'000
<b>2022 (Unaudited)</b>						
<b>At 1 January 2022</b>	2.2	4,477	(630)	1,646	16,263	21,756
Loss for the year		-	-	-	(3,798)	(3,798)
<u>Other comprehensive income</u>						
Net fair value losses on equity securities at fair value through OCI		-	-	(2)	-	(2)
<b>Total comprehensive loss for the year</b>		-	-	(2)	(3,798)	(3,800)
<u>Contribution by and distributions to owners</u>						
Dividends	8	-	-	-	-	-
<b>Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners</b>		-	-	-	-	-
<b>At 31 December 2022</b>		4,477	(630)	1,644	12,465	17,956
<b>2021 (Audited)</b>						
<b>At 1 January 2021 (restated)</b>		4,477	(630)	(265)	17,261	20,843
Loss for the year	2.2	-	-	-	(903)	(903)
<u>Other comprehensive income</u>						
Net fair value gains on equity securities at fair value through OCI				2		2
Net fair value gain on leasehold property		-	-	1,909	-	1,909
<b>Total comprehensive income for the year</b>		-	-	1,911	(903)	1,008
<u>Contribution by and distributions to owners</u>						
Dividends	8	-	-	-	(95)	(95)
<b>Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners</b>		-	-	-	(95)	(95)
<b>At 31 December 2021</b>		4,477	(630)	1,646	16,263	21,756

## (C) Condensed interim statements of changes in equity (cont'd)

<u>The Company</u>	Note	Attributable to equity holders of the Company				Total Equity S\$'000
		Share Capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Accumulated Losses S\$'000	
<b>2022 (Unaudited)</b>						
<b>At 1 January 2022</b>		40,072	(630)	-	(10,756)	28,686
Total comprehensive loss for the year		-	-	-	(459)	(459)
Dividends	8	-	-	-	-	-
Impairment loss on investment in a subsidiary					(9,600)	(9,600)
<b>At 31 December 2022</b>		40,072	(630)	-	(20,815)	18,627
<b>2021 (Audited)</b>						
<b>At 1 January 2021</b>		40,072	(630)	-	(10,396)	29,046
Total comprehensive loss for the year		-	-	-	(265)	(265)
Dividends	8	-	-	-	(95)	(95)
<b>At 31 December 2021</b>		40,072	(630)	-	(10,756)	28,686

## (D) Condensed interim consolidated statement of cash flows

<b><u>The Group</u></b>	Note	<b>Twelve Months Period Ended</b>	
		<b>31-Dec-22 (Unaudited)</b>	<b>31-Dec-21 (Audited)</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>			
Net Loss		(3,798)	(903)
Adjustments for:			
Income tax expense/ (benefit)		162	(95)
Depreciation of property, plant and equipment	6	816	1,173
Provision for onerous contracts		1,021	828
Provision for other liabilities		466	-
Allowance for expected credit loss		-	23
Interest expenses		40	37
Interest income		(36)	(53)
Reversal of claim relief		258	-
Dividend income from financial assets, at FVPL		(8)	(5)
Loss on disposal of property, plant and equipment		-	9
Fair value loss /(gain) on financial assets, at FVPL		127	(19)
Exchange loss /(gain) on financial assets, at FVPL		5	(2)
<b>Operating (loss) / profit before working capital changes</b>		<b>(947)</b>	<b>993</b>
<b>Changes in working capital:</b>			
Inventories		(11)	(36)
Trade and other receivables, contract assets		(11,257)	(3,087)
Trade and other payables, contract liabilities		8,238	(513)
Provisions		(595)	-
<b>Cash used in operations</b>		<b>(4,572)</b>	<b>(2,643)</b>
Income tax paid		(3)	(5)
<b>Net cash used in operating activities</b>		<b>(4,575)</b>	<b>(2,648)</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant & equipment		(84)	(812)
Investments in financial assets, at FVPL		(50)	(632)
Proceeds from disposal of property, plant & equipment		-	14
Interest income received		34	70
<b>Net cash used in investing activities</b>		<b>(100)</b>	<b>(1,360)</b>
<b>Cash flows from financing activities</b>			
Secured bank deposits pledged to banks		(2)	(3)
Principal payment of lease liabilities		(266)	(300)
Net changes in trust receipts		555	-
Interest paid		(40)	(37)
Dividends paid to equity holders of the Company	8	-	(95)
<b>Net cash generated from / (used in) financing activities</b>		<b>247</b>	<b>(435)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,428)</b>	<b>(4,443)</b>
Cash and cash equivalents at beginning of the year		12,200	16,643
<b>Cash and cash equivalents at end of the year</b>		<b>7,772</b>	<b>12,200</b>

## (D) Condensed interim consolidated statement of cash flows (cont'd)

### Non-cash transaction:

During the financial year ended 31 December 2022 (“FY2022”), the Group acquired property, plant and equipment with an aggregate cost of S\$84,000 (31 December 2021: S\$912,000), of which none (31 December 2021: S\$100,000) was acquired under leases and the S\$84,000 (31 December 2021: S\$812,000) via cash payment.

### Reconciliation of liabilities arising from financing activities

	<b>1-Jan-22</b>	<b>Principal &amp; Interest</b>	<b>Acquisition</b>	<b>Interest Expense</b>	<b>31-Dec-22</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Lease liabilities	2,081	(299)	-	33	1,815

	<b>1-Jan-21</b>	<b>Principal &amp; Interest</b>	<b>Acquisition</b>	<b>Interest Expense</b>	<b>31-Dec-21</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Lease liabilities	812	(337)	1,569	37	2,081

For the purpose of the condensed interim consolidated statement of cash flows, cash and cash equivalents comprise the following:

<b>The Group</b>	<b>Twelve Months Ended</b>	
	<b>31-Dec-22 (Unaudited)</b>	<b>31-Dec-21 (Audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Short-term bank deposits	2,396	6,243
Cash and bank balances	6,501	7,080
	8,897	13,323
Less: Fixed deposits pledged to banks	(1,125)	(1,123)
	<u>7,772</u>	<u>12,200</u>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. General information**

Koyo International Limited (“Company”) is listed on the Catalist Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore. These unaudited condensed interim consolidated financial statements as at and for the twelve months ended 31 December 2022 comprise the financial statements of the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those of investment holding and business of providing integrated mechanical and electrical engineering (“M&E”) services.

The principal activities of its subsidiaries are:

- (a) Providing integrated mechanical and electrical engineering services and facilities management services;
- (b) Engineering contract works;
- (c) Supply of essential construction materials, including but not limited to reclamation sand, construction sand, armour rock, granite and other aggregates;
- (d) Supply and installation of audio, video and security and communication systems;
- (e) Environmental engineering work;
- (f) General trading of products;
- (g) Building construction, air-conditioner, mechanical ventilation system installation and engineering works; and
- (h) Interior design services and renovation work.

### **2. Basis of preparation**

The unaudited condensed interim financial statements for the twelve months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The unaudited condensed interim 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 financial statements for the period ended 30 June 2022.

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

The unaudited condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

In the current financial year, the Group has adopted all the new and revised SFRS(I) that relevant to its operations and effective for the current financial year.

The adoption of these new/revised SFRS(I)s did not result in material changes to the Group’s accounting policies and has no material effect on the financial results or position of the Group and the Company.



## **2.2 Use of judgements and estimates**

In preparing the unaudited 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 were applied to the consolidated 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 financial period in which the estimates are revised and in any future financial periods affected.

## **3. Seasonal operations**

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

## **4. Segment and revenue information**

The Group is organised into the following main business segments:

- Mechanical Engineering
- Electrical Engineering
- Facilities Management
- Investment Holding

These operating segments are reported in a manner consistent with internal reporting provided to the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments. The Group's operations are mainly located in Singapore.

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4.1 Reportable segments

<b>Group</b> <b>1 January 2022 to 31</b> <b>December 2022</b> <b>(Unaudited)</b>	<b>Mechanical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Electrical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Facilities</b> <b>Management</b> <b>S\$'000</b>	<b>Investment</b> <b>Holding</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
Revenue from external parties	25,604	9,288	6,322	(124)	41,090
Gross profit/(loss)	7,411	(3,631)	3,141	(124)	6,797
Segment assets	13,335	3,028	2,182	585	19,130
Segment liabilities	11,197	3,672	924	-	15,793

<b>Group</b> <b>1 January 2021 to 31</b> <b>December 2021</b> <b>(Audited)</b>	<b>Mechanical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Electrical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Facilities</b> <b>Management</b> <b>S\$'000</b>	<b>Investment</b> <b>Holding</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
Revenue from external parties	12,451	7,765	7,808	19	28,043
Gross profit/(loss)	5,406	(2,820)	3,185	19	5,790
Segment assets	4,674	3,037	1,902	658	10,271
Segment liabilities	2,439	3,551	828	-	6,818

<b>Group</b> <b>1 July 2022 to 31 December</b> <b>2022</b> <b>(Unaudited)</b>	<b>Mechanical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Electrical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Facilities</b> <b>Management</b> <b>S\$'000</b>	<b>Investment</b> <b>Holding</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
Revenue from external parties	15,654	4,400	3,021	17	23,092
Gross profit/(loss)	4,394	(1,787)	1,258	17	3,882

<b>Group</b> <b>1 July 2021 to 31 December</b> <b>2021</b> <b>(Unaudited)</b>	<b>Mechanical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Electrical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Facilities</b> <b>Management</b> <b>S\$'000</b>	<b>Investment</b> <b>Holding</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
Revenue from external parties	6,430	3,666	4,396	15	14,507
Gross profit/(loss)	3,067	(2,937)	2,222	15	2,367

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4.2 Disaggregation of revenue

The Group	Six Months Ended		Twelve Months Ended	
	31-Dec-22 (Unaudited) S\$ '000	31-Dec-21 (Unaudited) S\$ '000	31-Dec-22 (Unaudited) S\$ '000	31-Dec-21 (Audited) S\$ '000
<b>Construction contracts</b>				
Mechanical (Singapore)				
- At a point in time	755	5	755	5
- Over time	14,899	6,425	24,849	12,446
Electrical (Singapore)				
- At a point in time	-	-	-	-
- Over time	4,400	3,666	9,288	7,765
	20,054	10,096	34,892	20,216
<b>Facilities management (Singapore)</b>				
- At a point in time	1,285	67	1,285	67
- Over time	1,736	4,329	5,037	7,741
<b>Investment holding</b>	17	15	(124)	19
	<u>23,092</u>	<u>14,507</u>	<u>41,090</u>	<u>28,043</u>

### 5. Financial assets and financial liabilities

	Group		Company	
	31-Dec-22 (Unaudited) S\$ '000	31-Dec-21 (Audited) S\$ '000	31-Dec-22 (Unaudited) S\$ '000	31-Dec-21 (Audited) S\$ '000
<b>Financial Assets</b>				
Financial assets at amortised cost	12,292	17,488	240	429
<b>Financial Liabilities</b>				
Financial liabilities at amortised cost	11,595	9,120	1,051	935

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 6. Profit / (Loss) before taxation

#### 6.1. Significant items

The Group	Six Months Ended		Twelve Months Ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	(Unaudited) S\$ '000	(Unaudited) S\$ '000	(Unaudited) S\$ '000	(Audited) S\$ '000
Interest income	18	22	36	53
Exchange gain / (loss) on financial assets, at FVPL	(24)	(1)	(5)	2
Depreciation of property, plant and equipment ("PPE")	(371)	(671)	(816)	(1,173)
Provision for onerous contracts	(1,021)	(828)	(1,021)	(828)
Provision for other liabilities	(466)	-	(466)	-
Fair value gain /(loss) on financial assets, at FVPL	14	19	(127)	19
Loss on disposal of PPE	-	(9)	-	(9)
Allowance for expected credit loss	-	(23)	-	(23)
Income tax (expense)/ benefit	(162)	111	(162)	95
Dividend income from financial assets, at FVPL	4	5	8	5

#### 6.2. Related party transactions

Save as disclosed below, no related party transactions took place between the Group and related parties during FY2022.

- (a) Outstanding balances as at 31 December 2022, arising from sales/purchases of goods and services, are unsecured and receivables/payable within 12 months (31 December 2021: 12 months) from the end of reporting period are disclosed as follows:

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	(Unaudited) S\$ '000	(Audited) S\$ '000	(Unaudited) S\$ '000	(Unaudited) S\$ '000
Trade receivables				
- Subsidiary	-	-	10	4
Other payables				
- Subsidiary	-	-	(1,000)	(880)

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### (b) Key management remuneration

The key management remuneration representing directors' and other key management personnel's are as follows:

The Group	Six Months Ended		Twelve Months Ended	
	31-Dec-22 (Unaudited)	31-Dec-21 (Unaudited)	31-Dec-22 (Unaudited)	31-Dec-21 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Directors' fees	49	60	99	120
Salaries and short-term employee benefits	1,229	1,145	2,448	2,669
Employer's contribution to Central Provident Fund	113	78	179	186
	<u>1,391</u>	<u>1,283</u>	<u>2,726</u>	<u>2,975</u>

The above includes total remuneration to directors of the Company and its subsidiaries amounting to \$1,184,000(31 December 2021: \$1,572,000).

## 7. Taxation

The Group calculates the current financial year's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the unaudited condensed interim consolidated statement of profit or loss are:

The Group	Six Months Ended		Twelve Months Ended	
	31-Dec-22 (Unaudited)	31-Dec-21 (Unaudited)	31-Dec-22 (Unaudited)	31-Dec-21 (Audited)
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Current income tax (expense) / benefit	(162)	111	(162)	95

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 8. Dividends

	<b>The Group</b>	
	<b>31-Dec-22 (Unaudited) S\$ '000</b>	<b>31-Dec-21 (Audited) S\$ '000</b>
Ordinary dividends paid:		
Final tax-exempt dividend paid	-	95
Dividend per ordinary share (Singapore cents)	-	0.05

### 9. Net asset value

	<b>The Group</b>		<b>The Company</b>	
	<b>31-Dec-22 (Unaudited)</b>	<b>31-Dec-21 (Audited)</b>	<b>31-Dec-22 (Unaudited)</b>	<b>31-Dec-21 (Audited)</b>
Net asset value per ordinary share (Singapore cents/share)	9.46	11.46	9.81	15.11
Number of Shares (excluding treasury shares) as at end of year (‘000)	189,824	189,824	189,824	189,824

### 10. Financial assets at fair value through other comprehensive income (OCI)

	<b>The Group</b>	
	<b>31-Dec-22 (Unaudited) S\$ '000</b>	<b>31-Dec-21 (Audited) S\$ '000</b>
Financial assets, at FVOCI	18	20

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 10.1. Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measure hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	<b>Group Level 1 S\$'000</b>
<b>31 December 2022</b>	
<u>Fair value through OCI</u>	
Financial assets, at FVOCI	<u>18</u>
<b>31 December 2021</b>	
<u>Fair value through OCI</u>	
Financial assets, at FVOCI	<u>20</u>

The fair value of investment securities traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in Level 1.

The Company has elected to measure these quoted investment securities at fair value through other comprehensive income due to the Group's intention to hold these investment securities for long-term appreciation.

### 11. Property, plant and equipment

During the year ended 31 December 2022, the Group acquired assets amounting to \$84,000 (31 December 2021: \$912,000) and there was no disposal of assets (31 December 2021: \$23,000).

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 11.1 Leasehold property under Property, plant and equipment at revaluation model

	<b>The Group</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>S\$ '000</b>	<b>S\$ '000</b>
At 1 January	5,650	2,998
- Addition of Right of use assets	-	1,263
- Depreciation charges	(228)	(520)
- Revaluation increase	-	1,909
At 31 December	<u>5,422</u>	<u>5,650</u>

#### Valuation of leasehold property

In FY2021, leasehold property was stated at fair value, which had been determined based on valuation performed as at 31 December 2021. The valuation was performed by independent valuation specialist with recognized and relevant professional qualifications.

#### Detail of the Group's leasehold property is as follows:

<u>Description and location</u>	<u>Tenure</u>	<u>Existing use</u>	<u>Gross Floor Area</u> (sq m)	<u>Effective</u> <u>Interest</u>
4 Kwong Min Road Singapore	Leasehold	Industrial	3,744	100%

### 12. Lease liabilities

	<b><u>31-Dec-22 (Unaudited)</u></b>		<b><u>31-Dec-21 (Audited)</u></b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Amount repayable in one year or less</b>				
Lease liabilities	34	222	33	233
<b>Amount repayable after one year</b>				
Lease liabilities	3	1,556	37	1,778
	<u>37</u>	<u>1,778</u>	<u>70</u>	<u>2,011</u>

#### Details of collateral:

The Group's secured borrowings relates to lease, secured against the respective motor vehicles with carrying amount of approximately S\$204,000 (31 Dec 2021: S\$273,000).



## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 13. Share Capital

	<u>31-Dec-22 (Unaudited)</u>		<u>31-Dec-21 (Audited)</u>	
	<u>No. of shares</u>		<u>No. of shares</u>	
	<u>'000</u>	<u>S\$'000</u>	<u>'000</u>	<u>S\$'000</u>
<b>Group</b>				
Issued and fully paid ordinary shares	196,124	4,477	196,124	4,477
Less: Treasury shares	(6,300)	(630)	(6,300)	(630)
	<u>189,824</u>	<u>3,847</u>	<u>189,824</u>	<u>3,847</u>
<b>Company</b>				
Issued and fully paid ordinary shares	196,124	40,072	196,124	40,072
Less: Treasury shares	(6,300)	(630)	(6,300)	(630)
	<u>189,824</u>	<u>39,442</u>	<u>189,824</u>	<u>39,442</u>

The Company holds 6,300,000 treasury shares as at 31 December 2022 and 31 December 2021.

There were no changes to the Company's share capital since 30 June 2022. The Company has no subsidiary holdings and convertible securities as at 31 December 2022 and 31 December 2021.

### 14. Financial assets at fair value through profit or loss

	<u>Group and Company</u>	
	<u>31-Dec-22</u>	<u>31-Dec-21</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>S\$ '000</u>	<u>S\$ '000</u>
Financial assets – quoted (Level 1)	<u>584</u>	<u>658</u>

The investment securities represent the fair value as at 31 December 2022. The Company has elected to measure these quoted investment securities at fair value through profit or loss as it is classified under the investment holding business segment.

### 15. Subsequent events

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

## F. Other Information Required by Appendix 7C of the Catalist Rules

### Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements

#### 1. Review

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

## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

### 2. Review of the performance of the Group

#### i) Revenue

	<b>GROUP</b>					
	<b>Twelve Months Ended 31 December</b>					
	<b>2022 (Unaudited)</b>		<b>2021 (Audited)</b>		<b>Increase/(Decrease)</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
Mechanical Engineering	25,604	62.3	12,451	44.4	13,153	105.6
Electrical Engineering	9,288	22.6	7,765	27.7	1,523	19.6
Facilities Management	6,322	15.4	7,808	27.8	(1,486)	(19.0)
Investment Holding	(124)	(0.3)	19	0.1	(143)	(752.6)
<b>Total</b>	<b>41,090</b>	<b>100.0</b>	<b>28,043</b>	<b>100.0</b>	<b>13,047</b>	<b>46.5</b>

#### ii) Gross Profit/(Loss)

	<b>GROUP</b>					
	<b>Twelve Months Ended 31 December</b>					
	<b>2022 (Unaudited)</b>		<b>2021 (Audited)</b>		<b>Increase/ (Decrease)</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
Mechanical Engineering	7,411	108.2	5,406	93.4	2,005	37.1
Electrical Engineering	(3,631)	(53.4)	(2,820)	(48.7)	(811)	28.8
Facilities Management	3,141	45.9	3,185	55.0	(44)	(1.4)
Investment Holding	(124)	(1.8)	19	0.3	(143)	(752.6)
<b>Total</b>	<b>6,797</b>	<b>100.0</b>	<b>5,790</b>	<b>100.0</b>	<b>1,007</b>	<b>17.4</b>

<b>iii) Gross Profit/(Loss) Margin</b>	<b>2022</b>	<b>2021</b>	<b>Increase/</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Decrease)</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Mechanical Engineering	28.9	43.4	(14.5)
Electrical Engineering	(39.1)	(36.3)	(2.8)
Facilities Management	49.7	40.8	8.9
Investment Holding	n.m.	n.m.	n.m.
<b>Total</b>	<b>16.5</b>	<b>20.6</b>	<b>(4.1)</b>

n.m.: not meaningful

## **F. Other Information Required by Appendix 7C of the Catalyst Rules (cont'd)**

### **2. Review of the performance of the Group (cont'd)**

The increase in total revenue for FY2022 is mainly attributable to the increase in revenue from the mechanical engineering and electrical engineering, offset by the decrease in facilities management segment. Revenue from the mechanical engineering segment increased as there were multiple projects ongoing during FY2022 compared to one project in FY2021. Revenue from the electrical engineering segment increased slightly. Revenue from the facilities management segment decreased as one project was completed in earlier FY2022.

Gross profit increased mainly due to an increase in gross profit contributed by the mechanical engineering and offset by a decrease in gross profit contributed by the facilities management segment, an increase in gross loss from the electrical engineering segment and loss on the fair value of investment securities. The gross loss occurred for the electrical engineering segment in FY2022 as a result of projects awarded pre-Covid which faced higher cost for subcontractors' services and increase in labour cost when employing foreign workers.

Gross profit margin decreased from 20.6% in FY2021 to 16.5% in FY2022 mainly due to lower gross profit margin derived from the mechanical engineering and a gross loss margin derived from the electrical engineering segment. The gross profit margin for mechanical engineering is lower mainly due to higher subcontractor cost and usage of downpayment upon completion of the related works. The gross loss margin from the electrical engineering segment was mainly attributable to higher cost for subcontractors' services and higher cost of employing manpower.

The gross profit margin for facilities management segment increased slightly mainly due to variation orders with better margins carried out during the year.

#### **iv) Other Income**

Other income decreased mainly due to a decrease in the provision of government support grants such as job support scheme and levy rebates.

#### **v) Selling and distribution expenses**

Selling and distribution expenses decreased mainly due to decrease in entertainment expense.

#### **vi) Administrative Expenses**

Administrative expenses increased mainly due to an increase in staff cost, recruitment costs, rental of workers' quarters and an increased hiring of personnel during FY2022 for increased operation of projects, partially offset by the decrease of depreciation expenses.

#### **v) Other operating expenses**

The increase in other operating expenses is mainly due to provision of additional cost for completing the onerous contracts and provision for other liabilities of \$466,000 for contingent cost on completed projects.

#### **vi) Net fair value gains on leasehold property**

There is no net fair value gains on leasehold property as valuation of the leasehold property was done in FY2021.

## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

### 3. Review of condensed interim statements of financial position

Total assets as at 31 December 2022 have increased as compared to 31 December 2021, and are mainly attributable to the following :-

- a. **Property, plant and equipment (“PPE”)** decreased by 10.4%, mainly due to the depreciation expenses on PPE.
- b. **Investment securities at fair value through profit or loss** decreased by 11.3% due to loss in fair values of the existing investment securities.
- c. **Trade and other receivables** decreased by 9.1% due to decreased in downpayment for subcontractors/suppliers and offset by increased in rental deposit to dormitories and increased in prepaid insurance premium. Likewise, the trade receivables turnover days decreased from 46 days to 26 days as at end of FY2022.
- d. **Contract assets** increased by 255.3% due to work completed but not yet billed as at 31 December 2022.
- e. **Cash and bank balances** decreased due to reasons as described in the cash flows analysis below.

Total liabilities as at 31 December 2022 have increased as compared to 31 December 2021, and are mainly attributable to the following :-

- a) **Trade and other payables** increased by 39.2% due to accrual of purchases and subcontractors’ cost not yet billed as at 31 December 2022.
- b) **Provisions** increased mainly due to provisions for onerous contracts comprising additional cost for completing the onerous contracts and provision for other liabilities which include provision of contingent costs on completed projects.
- c) **Contract liabilities** increased as a result of payment received for advance mobilization bond.
- d) **Lease liabilities (for current and non-current)** decreased due to the repayment of leases.

### 4. Review of condensed interim consolidated statement of cash flows

The Group had a negative operating cash flow before changes in working capital of S\$0.9 million. The increase in trade and other receivables and contract assets of S\$11.3 million, as well as a decrease in trade and other payables and contract liabilities of S\$8.2 million, and increase in provisions of S\$0.6 million, thus resulted in net cash used in operating activities of S\$4.6 million.

The net cash used in investing activities amounting to S\$100,000 was mainly due to additions of property, plant and equipment and investment securities measured at fair value through profit or loss.

The net cash generated from financing activities amounting to S\$0.2 million was mainly due to net changes in trust receipts and offset by the repayment of lease liabilities and interest paid.

As at 31 December 2022, the Group had cash and cash equivalents of S\$7.8 million after excluding fixed deposits of S\$1.1 million pledged to banks for banking facilities.

## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

**5(a) Details of any changes in the company's share capital arising from rights 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.**

### Ordinary Shares

There was no change in the Company's share capital from 30 June 2022 to 31 December 2022.

	<u>Number of shares</u>	<u>Share capital</u>
Ordinary shares (excluding treasury shares) as at 31 December 2022 and 30 June 2022	189,823,497	S\$ 39,442,252

There were no outstanding convertibles or share options as at 31 December 2022 and 31 December 2021.

### Treasury Shares

The Company has 6,300,000 treasury shares as at 31 December 2022 and 31 December 2021, which represented 3.3% of the Company's ordinary shares (excluding treasury shares) of 189,823,497 as at 31 December 2022 and 31 December 2021 respectively.

### Subsidiary Holdings

There were no subsidiary holdings as at 31 December 2022 and 31 December 2021.

**5(b). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of immediately preceding year.**

	<u>Company</u>	
	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
Total number of issued shares (excluding treasury shares)	<u>189,823,497</u>	<u>189,823,497</u>

The Company held 6,300,000 treasury shares as at 31 December 2022 and 31 December 2021.

**5(c). 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. There were no sales, transfers, cancellations and/or use of treasury shares during and as at the end of the financial period reported on.

## **F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)**

**5(d). 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. There were no subsidiary holdings during and as the end of the current financial period reported on.

**6. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**7. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**8. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):—**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

**9. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Please refer to Section 2 Basis of preparation.

**10. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to Section 2 Basis of preparation.

**11. 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 had been previously disclosed to shareholders for the current reporting period.

## **F. Other Information Required by Appendix 7C of the Catalyst Rules (cont'd)**

### **12. 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.**

As at the date of this announcement, the Group has approximately S\$264.9 million worth of contracts on hand, with completion dates ranging from financial years 2022 to 2028. The Group expects the construction industry to remain challenging in the next 12 months. The Group will continue to explore revenue/profit accretive acquisitions as part of its growth strategies.

The Group continues to face uncertainties and challenges resulting from uncertain operating environment impacted by continued supply chain disruptions and inflationary pressures.

Notwithstanding the above, the Group will cautiously monitor and take necessary steps to mitigate the impact of uncertain operating environment on the Group's operations.

### **13. If a decision regarding dividend has been made:**

#### **(a) Whether an interim/final ordinary dividend has been declared/recommended**

No dividends have been declared or recommended for FY2022.

#### **(b)(i) Amount per share (cents)**

Not applicable.

#### **(b)(ii) Previous corresponding period (cents)**

No dividends had been declared or recommended for FY2021.

#### **(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate 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) Book closure date**

Not applicable.

### **14. Dividends**

No dividend has been declared or recommended for FY2022 to conserve the Company's cash resources for upcoming projects.

## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

**15. If the Group has obtained a general mandate from shareholders for IPTs, 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.**

There were no Interested Party Transactions of S\$100,000 and above during the current financial period reported on. The Group does not have a general mandate from shareholders for IPT.

**16. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

**17. Additional Information required per Catalist Rule 706A**

Not applicable.

### Part II Additional Information Required for Full Year Announcement

**18. 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 Section 4 Segment and Revenue Information.

**19. 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 Section 2 Review of the Performance of the Group.

**20. A breakdown of sales as follows:**

#### The Group

	Twelve Months Ended		
	31-Dec-22 (Unaudited) S\$'000	31-Dec-21 (Audited) S\$'000	Increase/ (Decrease) %
Sales reported for first half year	17,998	13,536	33.0
Operating profit / (loss) after income tax before deducting non-controlling interests reported for first half year	(1,065)	212	(602.3)
Sales reported for second half year	23,092	14,507	59.2
Operating loss after income tax before deducting non-controlling interests reported for second half year	(2,571)	(1,115)	130.6

n.m.: not meaningful



## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

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

Please refer to Note 8 of the condensed interim consolidated financial statements

22. 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.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Dalat Kositanon	71	<p>(1) Mother of Foo Suay Lun, Executive Director of the Company who owns 100% of Salix Capital Pte Ltd, a substantial shareholder of the Company.</p> <p>(2) Mother of Foo Suay Wei, Managing Director and Chief Executive Officer of the Company.</p> <p>Note: Dalat Kositanon is also a shareholder of Koyo International Limited, holding 400,000 shares (representing 0.21% of the Company's 189,823,497 shares (excluding treasury shares))</p>	<p>Group's Corporate Services Director.</p> <p>Oversees the administrative and human resource functions of the Group.</p> <p>Manager/Administration &amp; Human Resources since 1994 for Koyo Engineering S.E. Asia Pte Ltd and since 21 January 2009 for Koyo International Limited.</p>	None

On behalf of the Board

**Foo Suay Wei**  
Managing Director and Chief Executive Officer

**Wong Loke Tan**  
Chairman

**BY ORDER OF THE BOARD**

28 February 2023

This announcement has been reviewed by the Company's sponsor.

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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