

KORI HOLDINGS LIMITED

**Unaudited Full Year Financial Statement and Dividend Announcement
For the Financial Year Ended 31 December 2015**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Financial year ended 31 December 2015 (“FY2015”) vs. financial year ended 31 December 2014 (“FY2014”)

	Group		Increase/ (Decrease) %
	FY2015 (Unaudited) S\$'000	FY2014 (Restated) S\$'000	
Revenue	50,992	31,212	63.4
Cost of works	(43,039)	(27,427)	56.9
Gross profit	7,953	3,785	110.1
Other losses-net	(3,196)	(483)	561.7
Expenses:			
- Administrative	(2,813)	(2,273)	23.8
- Finance	(344)	(273)	26.0
Share of profit of an associated company	77	503 ⁽¹⁾	(84.7)
Profit before income tax	1,677	1,259	33.2
Income tax (expense)/credit	(108)	64	N.M
Net profit for the year	1,569	1,323	18.6
Other comprehensive income: Items that may be reclassified to profit or loss subsequently			
- Currency translation differences arising from consolidation	2	2	N.M
Total comprehensive income for the year	1,571	1,325	18.6
Earnings per share attributable to equity holders of the Company			
Basic	0.02	0.01	100.0
Diluted	0.02	0.01	100.0

N.M-Not meaningful

The Group's profit before income tax is arrived at after crediting/ (charging):

	Group		Increase/ (Decrease) %
	FY2015 (Unaudited) S\$'000	FY2014 (Restated) S\$'000	
Loss on foreign exchange	(287)	(70)	310.0
Gain on disposal of property, plant and equipment	63	-	N.M
Loss from sales of scrap materials	(1,314)	(636)	106.6
Government grant income	114	113	0.9
Interest income-bank deposit & loan to associated company	68	62	9.7
Allowance for impairment loss on trade receivables	(632)	-	N.M
Allowance for impairment loss on investment in an associated company	(1,900)	-	N.M
Interest expense	(344)	(273)	26.0
Depreciation of property, plant and equipment	(90)	(88)	2.3
Professional fees	(344)	(420)	(18.1)

N.M-Not meaningful

	Group		Increase/ (Decrease) %
	FY2015 (Unaudited) S\$'000	FY2014 (Restated) S\$'000	
Income Tax (Expense)/Credit			
Tax expense attributable to profit is made up of			
-Current income tax			
Singapore	(67)	(15)	346.7
Foreign	-	-	-
-Deferred income tax	2	1	100
	(65)	(14)	364.3
(Under)/Over provision in prior financial years	(43)	78	N.M
Income tax (expense)/credit	(108)	64	N.M

N.M-Not meaningful

Note:

- (1) The post-acquisition net profit of the Company's 51% owned associated company, Fuchiang Construction Pte Ltd ("**Fuchiang**"), for the period from 1 July 2014 (acquisition date) to 31 December 2014 was adjusted from S\$1,396,741 to S\$986,545 following the completion of the audit of Fuchiang's FY2014 financial statements. Consequently, the carrying amount of the Group's "Investment in Associated Company" as at 31 December 2014 and Group's "Share of Profit of an Associated Company" for the financial year ended 31 December 2014 were restated as follows:

	As previously reported S\$'000	Adjustment S\$'000	As restated S\$'000
Investment in Associated Company	3,194	(209)	2,985
Share of Profit of an Associated Company	712	(209)	503

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group			Company	
	31 Dec 2015 Unaudited S\$'000	31 Dec 2014 Restated S\$'000	1 Jan 2014 Unaudited S\$'000	31 Dec 2015 Unaudited S\$'000	31 Dec 2014 Audited S\$'000
ASSETS					
Current assets					
Cash and bank balances	6,643	2,687	9,216	1,072	153
Trade and other receivables	58,205	49,375	52,882	10,737	10,681
Inventories	5,994	9,488	1,447	-	-
Total current assets	70,842	61,550	63,545	11,809	10,834
Non-current assets					
Property, plant and equipment	2,012	1,599	1,512	-	-
Investment in subsidiaries	-	-	-	26,070	26,070
Investment in associated company	403	2,985	-	640	2,540
Total non-current assets	2,415	4,584	1,512	26,710	28,610
Total assets	73,257	66,134	65,057	38,519	39,444
LIABILITIES					
Current liabilities					
Trade and other payables	21,234	15,075	16,369	1,638	2,769
Income tax payable	67	15	934	-	-
Borrowings	6,667	1,533	27	5,000	-
Total current liabilities	27,968	16,623	17,330	6,638	2,769
Non-current liabilities					
Borrowings	178	5,472	5,000	-	5,000
Deferred tax liabilities	12	15	28	-	-
Total non-current liabilities	190	5,487	5,028	-	5,000
Total liabilities	28,158	22,110	22,358	6,638	7,769
NET ASSETS	45,099	44,024	42,699	31,881	31,675
EQUITY					
Share capital	32,291	32,291	32,291	32,291	32,291
Retained earnings / (accumulated losses)	38,438	37,365	36,042	(410)	(616)
Merger reserve	(25,628)	(25,628)	(25,628)	-	-
Currency translation reserve	(2)	(4)	(6)	-	-
Total equity	45,099	44,024	42,699	31,881	31,675

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less

	As at 31 Dec 2015 (Unaudited)		As at 31 Dec 2014 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible bond	-	5,000	-	-
Finance lease liabilities	20	-	-	-
Bank loans	1,000	647	1,000	533

Amount repayable after one year

	As at 31 Dec 2015 (Unaudited)		As at 31 Dec 2014 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible bond	-	-	-	5,000
Finance lease liabilities	65	-	-	-
Bank loans	-	113	-	472

Details of any collateral:

Finance leases as at 31 December 2015 are secured by the leased asset (motor vehicle).

Bank loans as at 31 December 2015 are secured by fixed deposit pledged to the bank of S\$1 million.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	FY2015 (Unaudited) S\$'000	FY2014 (Restated) S\$'000
Operating activities		
Net profit for the year	1,569	1,323
Adjustments for:		
Income tax expense/(credit)	108	(64)
Gain on disposal of property, plant & equipment	(63)	-
Depreciation	90	88
Interest income-bank deposit & loan to associated company	(68)	(62)
Interest expense	344	273
Allowance for impairment loss on trade receivables	632	-
Unrealised gain on transaction with associated company	759	-
Allowance for impairment loss on investment in an associated company	1,900	-
Share of profit of an associated company	(77)	(503)
Loss on unrealised currency translation	194	27
Operating cash flows before changes in working capital	5,388	1,082
Changes in working capital		
Trade and other receivables	(9,395)	4,613
Trade and other payables	6,159	(1,294)
Inventories	3,494	(8,041)
Cash provided by/(used in) operations	5,646	(3,640)
Income tax paid	(58)	(867)
Net cash provided by/(used in) operating activities	5,588	(4,507)
Cash flows from investing activities		
Acquisition of investment in an associated company, net off unrealised gain on transaction with associated company	-	(2,482)
Repayment of loan granted to associated company	100	-
Dividend paid to shareholders	(496)	-
Loan to an associated company	(103)	(1,050)
Additions of property, plant and equipment	(594)	(200)
Proceeds from disposals of property, plant & equipment	63	-
Net cash used in investing activities	(1,030)	(3,732)

Cash flows from financing activities		
Interest received	5	5
Interest paid	(344)	(273)
Bank deposit pledged	(5)	(1,002)
Proceeds from borrowing	260	2,005
Repayment of finance lease	(17)	(27)
Repayment of bank borrowings	(506)	-
Net cash (used in)/generated from financing activities	(607)	708
Net increase/(decrease) in cash and cash equivalents	3,951	(7,531)
Cash and cash equivalents at the beginning of the financial year	1,685	9,216
Cash and cash equivalents at end of the financial year	5,636	1,685

Note:

(1) Cash and cash equivalents at the end of the financial year comprise the following:

	FY2015 (Unaudited) S\$'000	FY2014 (Audited) S\$'000
Cash at bank and on hand	5,636	1,685
Short-term bank deposits	1,007	1,002
Cash and bank balances per consolidated statement of financial position	6,643	2,687
Less: short-term bank deposit pledged	(1,007)	(1,002)
Cash and cash equivalents per consolidated cash flow statement	5,636	1,685

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital S\$'000	Retained earnings S\$'000	Merger Reserve S\$'000	Currency translation reserve S\$'000	Total S\$'000
(Unaudited)					
Balance as at 1 January 2015	32,291	37,365	(25,628)	(4)	44,024
Total comprehensive income for the financial year	-	1,569	-	2	1,571
Dividend paid for FY2014	-	(496)	-	-	(496)
Balance as at 31 December 2015	32,291	38,438	(25,628)	(2)	45,099
(Restated)					
Balance as at 1 January 2014	32,291	36,042	(25,628)	(6)	42,699
Total comprehensive income for the financial year:-					
As previously reported	-	1,532	-	2	1,534
Prior year adjustments (see Note 1 at para 1(a)(i))	-	(209)	-	-	(209)
As restated	-	1,323	-	2	1,325
Balance as at 31 December 2014	32,291	37,365	(25,628)	(4)	44,024

Company	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
(Unaudited)			
Balance as at 1 January 2015	32,291	(616)	31,675
Total comprehensive income for the financial year	-	702	702
Dividend paid for FY2014	-	(496)	(496)
Balance as at 31 December 2015	32,291	(410)	31,881
(Audited)			
Balance as at 1 January 2014	32,291	(1,226)	31,065
Total comprehensive income for the financial year	-	610	610
Balance as at 31 December 2014	32,291	(616)	31,675

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares 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.

	Number of Shares	Share capital (S\$)
As at 30 June 2015 and 31 December 2015	99,200,000	32,269,650

The Company had on 19 August 2013 issued an unsecured 3-year, 5% convertible bond to Keong Hong Holdings Limited with a principal amount of S\$5 million ("Convertible Bond"). The Convertible Bond may be converted at the option of Keong Hong Holdings Limited into ordinary shares of the Company from 31 December 2014 till 18 August 2016, at a conversion price of S\$0.42. As the Convertible Bond has yet to be converted, the total number of shares that may be issued upon conversion of the Convertible Bond is 11,904,000.

Save for the aforementioned Convertible Bond, the Company did not have any other outstanding convertibles or treasury shares as at 31 December 2015 and 31 December 2014.

1(d) (iii) 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 2015	Company As at 31 December 2014
Total number of issued shares excluding treasury shares	99,200,000	99,200,000

The Company did not have any treasury shares as at 31 December 2015 and 31 December 2014.

1(d) (iv) A statement showing all sales, transfers, disposals, 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 year reported on.

2. 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 Company's auditors.

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the most recently audited annual financial statements for the financial year ended 31 December 2014.

5. If there are 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

In the current financial year reported on, the Group and the Company adopted the new Financial Reporting Standards ("FRS") and Amendments to FRS that are effective for annual period beginning on or after 1 January 2015.

The adoption of the new FRSs and Amendments to FRSs did not result in any substantial change to the Group and the Company's accounting policies and methods of computation, nor had any material impact on the financial statements of the Group.

6. 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

	Group	
	FY2015 (Unaudited)	FY2014 (Restated)
Net profit attributable to equity holders of the Company (S\$'000)	1,569	1,323
Basic earnings per share (EPS) in Singapore dollar ⁽¹⁾	0.02	0.01
Diluted EPS in Singapore dollar ⁽²⁾	0.02	0.01

Notes:

- (1) The basic EPS for FY2015 and FY2014 was calculated based on the weighted average number of ordinary shares in issue during FY2015 and FY2014 of 99,200,000 shares.
- (2) The diluted EPS for FY2015 and FY2014 was calculated based on 111,104,000 shares assuming full conversion of the Convertible Bond and by adding back the interest paid on the Convertible Bond in the respective financial years to the net profit attributable to equity holders of the Company.

7. **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 2015 Unaudited	31 Dec 2014 Restated	31 Dec 2015 Unaudited	31 Dec 2014 Audited
Net asset value (S\$'000)	45,099	44,024	31,881	31,675
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\$)	0.45	0.44	0.32	0.32

8. **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:**
- 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**
 - 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

FY2015 vs. FY2014

Revenue

Our total revenue increased by approximately S\$19.8 million or 63.4% from S\$31.2 million in FY2014 to S\$51.0 million in FY2015. Revenue derived from the structural steelworks services segment accounted for approximately 87.0% of our Group's total revenue.

The increase in revenue from our structural steelworks services segment by approximately 81.2% from S\$24.5 million in FY2014 to S\$44.4 million in FY2015 mainly due to the increase in work done for Mayflower Station Project, Shenton Way Station Project, EW1 Strutting Project and a newly commenced project, the Marina Bay Station Project. The increase in revenue was partially offset by a decrease in revenue contributed from the Bedok Town Park Station Project, Ubi Station Project, Bedok Reservoir Station Project and Tampines West Station Project, which are projects nearing their completion stage.

Revenue from the tunneling services segment decreased from S\$6.7 million in FY2014 to S\$6.6 million in FY2015 mainly due to lesser work done on existing projects that had reached their completion stage, partially offset by increase in

work done for the East-West Transmission Cable Tunnel Project and Jurong Island to Pioneer Transmission Cable Tunnel Project.

Cost of works

Our cost of works increased by approximately S\$15.6 million or 56.9% from S\$27.4 million in FY2014 to S\$43.0 million in FY2015, primarily due to the increase in cost of works for the structural steelworks services segment of approximately S\$15.5 million.

Our cost of works for the structural steelworks services segment increased by 69.2% from approximately S\$22.4 million in FY2014 to S\$37.9 million in FY2015 mainly due to increase in material costs of S\$12.2 million, employee compensation of S\$1.8 million and worksite expenses of S\$1.1 million, which was in line with the increase in revenue from our structural steelworks services segment.

Our cost of works for tunneling services segment increased by 2.0% from approximately S\$5.0 million in FY2014 to S\$5.1 million in FY2015 mainly due to increase in employee compensation of S\$0.3 million, partially offset by a decrease in worksite expenses, rental expenses, transport and travelling expenses of approximately S\$0.2 million.

Gross profit

Our Group's gross profit increased by approximately S\$4.2 million or 110.1% from S\$3.8 million in FY2014 to S\$8.0 million in FY2015. Our gross profit margin increased from 12.1% in FY2014 to 15.6% in FY2015. For the structural steelworks segment, the increase in gross profit margin by 6.2 percentage points to 14.6% was due to lower usage of new materials which resulted in decreased material costs. For the tunneling services segment, the decrease in gross profit margin by 3.5 percentage points to 22.5% was due to unexpected prolongation of tunneling activities for the Bedok Town Park Station Project.

Other losses

Other losses increased by S\$2.7 million from S\$0.5 million in FY2014 to S\$3.2 million in FY2015. This was mainly due to the loss on foreign currency exchange of approximately S\$0.2 million in FY2015 and the increase in losses of approximately S\$0.7 million arising from the sale of scrap materials at below cost and an allowance for impairment loss on investment in an associated company, Fuchiang, of S\$1.9 million, offset by gain on disposal of property, plant and equipment of approximately S\$0.06 million. The impairment loss on investment in an associated company was due to the current downturn of the construction industry resulting in lower than expected profit and cash flows.

Administrative expenses

Administrative expenses increased by approximately of S\$0.5 million or 23.8% from S\$2.3 million in FY2014 to S\$2.8 million in FY2015. This was mainly due to an increase in allowance for impairment loss on trade receivables of approximately S\$0.6 million partially offset by a decrease in professional fees of S\$0.1 million. The allowance for impairment loss is in relation to an ongoing court application by one of the main contractors of the Group to restructure

certain of its debt (including a debt owing to the Group of approximately S\$0.9 million) under a scheme of arrangement.

Interest expense

Interest expense increased by S\$0.07 million or 26.0% from S\$0.27 million in FY2014 to S\$0.34 million in FY2015 mainly due to the increased utilisation of bank borrowings in FY2015.

Share of profit of associated company

The Group recorded its share of profit from the Company's 51% owned associated company, Fuchiang, which amounted to approximately S\$77,000 in FY2015, a decrease of approximately S\$0.4 million as compared to FY2014 mainly due to the increase in cost of sales as a result of more expensive materials and labour costs.

Profit before income tax

The Group recorded a profit before tax of S\$1.7 million in FY2015, an increase of S\$0.4 million as compared to the profit before tax of S\$1.3 million in FY2014, mainly due to the above-mentioned factors.

Income tax expense

There was income tax expenses of approximately S\$0.1 million recorded in FY2015 as compared to income tax credit of approximately S\$0.06 million in FY2014. The income tax expense in FY2015 was mainly due to higher profit recognized by the Group while the income tax credit recorded in FY2014 was mainly due to the over provision of taxes in prior years. The effective tax rate in FY2015 was lower than the statutory tax rate of 17% due mainly to higher incentives from enhanced deduction for leasing of PIC automation equipment under the Productivity and Innovation Credit scheme.

Review of the Financial Position of the Group

Current assets

As at 31 December 2015, our current assets of approximately S\$70.8 million accounted for approximately 96.7% of our total assets. Our current assets comprised the following:

- (i) Trade and other receivables of approximately S\$58.2 million (31 Dec 2014: S\$49.4 million), which comprised mainly trade receivables of S\$7.6 million (31 Dec 2014: S\$5.4 million), construction contracts due from customers of S\$37.8 million (31 Dec 2014: S\$35.2 million), loan to an associated company, Fuchiang of S\$1.1 million (31 Dec 2014: S\$1.1 million), trade balance due from Fuchiang of S\$4.0 million (31 Dec 2014: S\$0.9 million) and retention receivables of S\$7.1 million (31 Dec 2014: S\$6.2 million). The increase in trade receivables of approximately S\$2.3 million, construction contract due from customers of approximately S\$2.6 million and retention receivables of approximately S\$1.4 million were in line with our increase in revenue. The increase in amount due from

Fuchiang was mainly due to sales of fabricated material to Fuchiang of approximately S\$3.0 million; and

- (ii) Inventories of approximately S\$6.0 million, a decrease of S\$3.5 million mainly because the Group had utilized materials which were bought back previously for projects such as the Shenton Way Station Project, Woodlands Station Project and Lentor Station Project.

Non-Current assets

Our non-current assets decreased by approximately S\$2.2 million to S\$2.4 million as at 31 December 2015 (31 Dec 2014: S\$4.6 million). Non-current assets consisted of property, plant and equipment of S\$2.0 million and an investment in Fuchiang of S\$0.4 million. The increase in property, plant and equipment of S\$0.4 million was mainly due to the capitalization of development costs for the factory in Malaysia and purchase of a new motor vehicle. The decrease in investment in associated company was mainly due to the impairment loss on investment in Fuchiang of S\$1.9 million and unrealized gain on transactions with Fuchiang of approximately S\$0.7 million.

Current liabilities

As at 31 December 2015, our current liabilities of approximately S\$28.0 million accounted for 99.3% of our total liabilities. Our total current liabilities comprised the following:

- (i) Trade and other payables of approximately S\$21.2 million which comprised trade payables of S\$13.5 million (31 Dec 2014: S\$5.8 million), construction contracts due to customers of S\$1.0 million (31 Dec 2014: S\$0.2 million), retention payables of S\$0.1 million (31 Dec 2014: S\$0.02 million), other payables of S\$4.7 million (31 Dec 2014: S\$7.5 million) and accrued operating expenses of S\$1.9 million (31 Dec 2014: S\$1.5 million). The increase in trade payables of S\$7.7 million and construction contracts due to customers of approximately S\$0.8 million was due to higher volume of work carried out for on-going projects on hand. The decrease in other payables was mainly due to the decrease in advance payment from customers in relation to Woodlands Station Project and Marina Bay Station Project of approximately S\$3.1 million and repayment of amount due to Fuchiang's shareholders of approximately S\$1.1 million which arose from the acquisition of a 51% interest in Fuchiang, offset by advance payment of S\$1.5 million from customer in relation to the Shenton Way Station Project.

Borrowings (current and non-current) in total had decreased by S\$0.16 million mainly due to repayment of bank borrowings and finance lease of approximately S\$0.52 million, partially offset by a drawdown of S\$0.26 million loan to partially fund the development of the factory in Malaysia on the acquired land at Pasir Gudang, Johor Bahru and hire purchase of a new motor vehicle.

Equity

As at 31 December 2015, our equity of approximately S\$45.8 million comprised mainly share capital of S\$32.3 million and net reserves of S\$13.5 million.

Review of the Cash Flow Statement of the Group

Net cash provided by operating activities

In FY2015, we recorded net cash inflow from operating activities of approximately S\$5.6 million, which was a result of operating cash flows before changes in working capital of approximately S\$5.4 million, adjusted for net working capital inflow of approximately S\$0.3 million as well as income tax paid of approximately S\$0.06 million. Our working capital inflows were mainly due to a decrease in inventories of approximately S\$3.5 million and an increase in trade and other payables of approximately S\$6.2 million, offset by an increase in trade and other receivables of approximately S\$9.4 million.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$1.0 million, which was mainly attributable to dividend payment to shareholders of approximately S\$0.5 million and additions of property, plant and equipment of S\$0.6 million, partially offset by repayment of loan granted to an associated company of S\$0.1 million.

Net cash used in financing activities

Net cash used in financing activities amounted to approximately S\$0.6 million in FY2015, which was mainly due to the repayment of bank borrowing and finance leases and interest paid which amounted to an aggregate of approximately S\$0.9 million and partially offset by proceeds from bank borrowing of approximately S\$0.3 million, which was mainly for the development of the factory in Malaysia.

As at 31 December 2015, our cash and cash equivalents were approximately S\$5.6 million.

9. 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 reporting period.

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

The outlook for the Singapore construction industry for the next 12 months remains positive. The Building and Construction Authority projected S\$27 billion to S\$34 billion of construction contracts to be awarded in 2016. Major public sector projects likely to be awarded in year 2016 include projects for the Land Transport Authority's East Coast section of the Thomson-East Coast MRT Line and Circle Line Stage 6.

Our established track record and strong technical expertise put us in a favourable position to benefit from the anticipated public sector projects likely to be awarded this year.

On the other hand, we expect pressure from the acute constrain of labour supply and increasing manpower cost in Singapore.

Source:

(1) http://www.bca.gov.sg/Newsroom/others/BCA_Media_Release_Prospects_150116.pdf

11. Dividend

(a) **Current Financial Period Reported On**

Any dividend recommended or declared for the current financial period reported on?

Yes, the proposed dividend below is subject to shareholders' approval at the forthcoming annual general meeting to be held in April 2015.

Name of Dividend	First and Final
Dividend Type	Cash
Dividend amount per ordinary share	0.5 Singapore cents (S\$0.005) per ordinary share
Tax rate	One-tier tax exempt

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes. A first and final dividend (one-tier tax exempt) of 0.5 Singapore cents (S\$0.005) per ordinary share was declared for FY2014 and paid on 25 May 2015.

(c) **Date payable:**

Payment of the said dividend, if approved by shareholders at the forthcoming annual general meeting ("**AGM**") of the Company, will be made on 24 May 2016.

(d) **Books closure date:**

Notice is hereby given that subject to the approval of shareholders to the proposed first and final dividend at the forthcoming AGM, the Transfer Book and Register of Members of the Company will be closed from 5.00 p.m on 9 May 2016 for the purpose of determining shareholders' entitlements to the proposed first and final dividend. Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services of 80 Robinson Road #02-00, Singapore 068898 up to 5.00 p.m. on 9 May 2016 will be registered to determine shareholders' entitlement to the proposed first and final dividend.

Shareholders whose securities accounts with the Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 9 May 2016 will be entitled to the proposed first and final dividend,

12. **If no dividend has been declared (recommended), a statement to that effect**

Not applicable.

13. **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.**

Not applicable. The Group does not have a general mandate for IPTs. There were no IPTs of S\$100,000 and above for FY2015.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. **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.**

Business Segments

	FY2015 (Unaudited)			FY2014 (Restatement)		
	Structural Steel S\$'000	Tunneling S\$'000	Total S\$'000	Structural Steel S\$'000	Tunneling S\$'000	Total S\$'000
Sales	44,362	6,630	50,992	24,494	6,718	31,212
Cost of works	(37,901)	(5,138)	(43,039)	(22,432)	(4,995)	(27,427)
Gross profit	6,461	1,492	7,953	2,062	1,723	3,785
Other losses-net			(3,196)			(483)
Administrative expenses			(2,813)			(2,273)
Finance expenses			(344)			(273)
Shares of profit of an associated company			77			503
Profit before tax			1,677			1,259
Income tax (expenses)/credit			(108)			64
Net Profit			1,569			1,323

15. 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 paragraph 8 above.

16. A breakdown of sales as follows:

	Group		
	FY2015 (Unaudited) S\$'000	FY2014 (Restatement) S\$'000	Increase / (Decrease) %
(a) Sales reported for first half year	17,217	17,225	(0.05)
(b) Operating profit after tax before deducting minority interests reported for first half year	642	124	417.7
(c) Sales reported for second half year	33,775	13,987	141.5
(d) Operating profit after tax before deducting minority interests reported for second half year	927	1,199	(22.7)

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

Total Annual Dividend

	FY2015 (S\$'000)	FY2014 (S\$'000)
Ordinary	496	496
Preference	-	-
Total	496	496

FY2015

The payment of the proposed first and final dividend of 0.5 Singapore cents (S\$0.005) per ordinary share is subject to the approval of the shareholders at the forthcoming AGM of the Company.

FY2014

The first and final dividend of 0.5 Singapore cents (S\$0.005) per ordinary share was approved by the shareholders at the AGM held on 29 April 2015 and was paid on 25 May 2015.

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18. **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.**

The information pursuant to Rule 704(10) on persons occupying managerial positions in the Company or any of its subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company is as follows:

Name	Age	Family relationship with any director, CEO 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
Chin Soon Mei	43	Sister in law of Mr. Hooi Yu Koh (CEO)	Director of Kori Construction (M) Sdn Bhd. Responsible for the administrative and financial operations of Kori Malaysia. Position first held in year 2012.	No changes.

By Order of the Board

HOOI YU KOH
CEO/Managing Director
29 February 2016