

Unaudited Condensed Interim Financial Statements

For the Six Months and Full Year Ended 31 December 2023

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

Contents

	Page
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	2
B. Condensed interim statements of financial position	3
C. Condensed interim statements of changes in equity	4
D. Condensed interim consolidated statement of cash flows	6
E. Notes to the condensed interim consolidated financial statements	8
F. Other information required by Appendix 7C of the Catalist Rules	17

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

The Group	Note	Six Months Ended			Twelve Months Ended		
		31-Dec-23	31-Dec-22	%	31-Dec-23	31-Dec-22	%
		(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
		S\$ '000	S\$ '000		S\$ '000	S\$ '000	
Revenue	4	36,035	23,092	56.1	58,566	41,090	42.5
Cost of construction		(26,371)	(19,210)	37.3	(46,021)	(34,293)	34.2
Gross profit	4	9,664	3,882	148.9	12,545	6,797	84.6
Other income		158	72	119.4	351	689	(49.1)
Selling and distribution expenses		(39)	(64)	(39.1)	(110)	(102)	7.8
Administrative expenses		(4,730)	(4,723)	0.2	(9,744)	(9,076)	7.4
Allowance for expected credit losses		(2,653)	-	n.m.	(3,106)	-	n.m.
Other operating expenses		(231)	(1,709)	(86.5)	(492)	(1,898)	(74.1)
Finance expenses		(245)	(29)	744.8	(322)	(46)	600.0
Profit/(Loss) before income tax		1,924	(2,571)	n.m.	(878)	(3,636)	(75.9)
Income tax (expense) / benefit	7	3	(162)	n.m.	3	(162)	n.m.
Net Profit/(loss)		1,927	(2,733)	n.m.	(875)	(3,798)	(77.0)
Other comprehensive loss:							
Items that will not be reclassified to profit or loss:							
Net fair value loss on equity instruments at fair value through other comprehensive income		(2)	(3)	(33.3)	(3)	(2)	50.0
Other comprehensive loss, net of tax		(2)	(3)	(33.3)	(3)	(2)	50.0
Total comprehensive income / (loss)		1,925	(2,736)	n.m.	(878)	(3,800)	(76.9)
Profit/(Loss) attributable to :							
Equity holders of the Company		1,927	(2,733)	n.m.	(875)	(3,798)	(77.0)
Total comprehensive income / (loss) attributable to:							
Equity holders of the Company		1,925	(2,736)	n.m.	(878)	(3,800)	(76.9)
Profit/(Loss) per share (Singapore cents)							
Basic		1.02	(1.44)		(0.46)	(2.00)	
Diluted		1.02	(1.44)		(0.46)	(2.00)	
Profit/(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 2023 and 31 December 2022. n.m.: not meaningful

(B) Condensed interim statements of financial position

	Note	<u>Group</u>		<u>Company</u>	
		31-Dec-23 (Unaudited)	31-Dec-22 (Audited)	31-Dec-23 (Unaudited)	31-Dec-22 (Audited)
		S\$ '000	S\$ '000	S\$ '000	S\$ '000
<u>ASSETS</u>					
<u>Non-current Assets</u>					
Property, plant and equipment	11	6,237	6,302	-	-
Investments in subsidiaries		-	-	18,850	18,850
Financial assets, at FVOCI	10	15	18	-	-
Financial assets, at FVPL	14	665	584	665	584
Other receivables		1,200	1,200	-	-
		8,117	8,104	19,515	19,434
<u>Current Assets</u>					
Inventories		30	47	-	-
Trade and other receivables		8,147	4,336	12	14
Contract assets		20,564	16,076	-	-
Cash and bank balances		9,387	8,897	194	230
		38,128	29,356	206	244
Total Assets		46,245	37,460	19,721	19,678
<u>LIABILITIES</u>					
<u>Non-current Liabilities</u>					
Lease liabilities	12	1,484	1,559	-	-
Bank borrowing	12	3,500	-	-	-
		4,984	1,559	-	-
<u>Current Liabilities</u>					
Trade and other payables		18,632	9,806	1,254	1,051
Provision		-	1,720	-	-
Contract liabilities		3,875	6,034	-	-
Lease liabilities	12	163	256	-	-
Bank borrowing	12	1,513	-	-	-
Current income tax liabilities		-	129	-	-
		24,183	17,945	1,254	1,051
Total Liabilities		29,167	19,504	1,254	1,051
Net Assets		17,078	17,956	18,467	18,627
<u>EQUITY</u>					
Share capital	13	4,477	4,477	40,072	40,072
Treasury shares	13	(630)	(630)	(630)	(630)
Other reserves		1,641	1,644	-	-
Retained profits / (accumulated loss)		11,590	12,465	(20,975)	(20,815)
Total Equity		17,078	17,956	18,467	18,627

(C) Condensed interim statements of changes in equity

Attributable to equity holders of the Company

<u>The Group</u>	Note	Share Capital	Treasury Shares	Other Reserves	Retained Profits/(accumulated loss)	Total Equity
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2023 (Unaudited)						
At 1 January 2023	2.2	4,477	(630)	1,644	12,465	17,956
Loss for the year		-	-	-	(875)	(875)
<u>Other comprehensive loss</u>						
Net fair value losses on equity securities at fair value through OCI		-	-	(3)	-	(3)
Total comprehensive loss for the year		-	-	(3)	(875)	(878)
At 31 December 2023		4,477	(630)	1,641	11,590	17,078
2022 (Audited)						
At 1 January 2022		4,477	(630)	1,646	16,263	21,756
Loss for the year	2.2	-	-	-	(3,798)	(3,798)
<u>Other comprehensive loss</u>						
Net fair value losses on equity securities at fair value through OCI		-	-	(2)	-	(2)
Total comprehensive income for the year		-	-	(2)	(3,798)	(3,800)
At 31 December 2022		4,477	(630)	1,644	12,465	17,956

(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	
2023 (Unaudited)						
At 1 January 2023		40,072	(630)	-	(20,815)	18,627
Total comprehensive loss for the year		-	-	-	(160)	(160)
At 31 December 2023		40,072	(630)	-	(20,975)	18,467
2022 (Audited)						
At 1 January 2022		40,072	(630)	-	(10,756)	28,686
Total comprehensive loss for the year		-	-	-	(459)	(459)
Impairment loss on investment in a subsidiary		-	-	-	(9,600)	(9,600)
At 31 December 2022		40,072	(630)	-	(20,815)	18,627

(D) Condensed interim consolidated statement of cash flows

<u>The Group</u>	Note	Twelve Months Period Ended	
		31-Dec-23	31-Dec-22
		(Unaudited)	(Audited)
		S\$'000	S\$'000
Cash flows from operating activities			
Net Loss		(875)	(3,798)
Adjustments for:			
Income tax (benefit)/expense		(3)	162
Depreciation of property, plant and equipment	6	754	816
Provision for onerous contracts		-	1,021
Provision for other liabilities		-	466
Allowance for expected credit loss – contract assets		1,915	-
Allowance for expected credit loss – account receivables		1,191	-
Interest expenses		322	46
Interest income		(38)	(36)
Reversal of claim relief		-	258
Dividend income from financial assets, at FVPL		(9)	(8)
Gain on disposal of property, plant and equipment		(30)	-
Fair value (gain)/losses on financial assets, at FVPL		(97)	127
Exchange loss on financial assets, at FVPL		25	5
Operating profit/ (loss) before working capital changes		3,155	(941)
Changes in working capital:			
Inventories		17	(11)
Trade and other receivables, contract assets		(11,403)	(11,257)
Trade and other payables, contract liabilities		1,915	8,232
Provisions		-	(595)
Cash used in operations		(6,316)	(4,572)
Income tax paid		(126)	(3)
Net cash used in operating activities		(6,442)	(4,575)
Cash flows from investing activities			
Additions to property, plant & equipment		(600)	(84)
Investments in financial assets, at FVPL		-	(50)
Proceeds from disposal of property, plant & equipment		30	-
Interest income received		38	34
Net cash used in investing activities		(532)	(100)
Cash flows from financing activities			
Proceeds from bank borrowing		5,000	-
Proceeds from director's loan		500	-
Proceeds from a related party		3,000	-
Secured bank deposits pledged to banks		(2)	(2)
Principal payment of lease liabilities		(258)	(266)
Net changes in trust receipts		(555)	555
Interest paid		(223)	(40)
Net cash from financing activities		7,462	247
Net increase / (decrease) in cash and cash equivalents		488	(4,428)
Cash and cash equivalents at beginning of the year		7,772	12,200
Cash and cash equivalents at end of the year		8,260	7,772

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

Non-cash transaction:

During the financial year ended 31 December 2023 (“FY2023”), the Group acquired property, plant and equipment with an aggregate cost of S\$689,000 (31 December 2022: S\$84,000), of which S\$89,000 (31 December 2022: Nil) was acquired under leases and the S\$600,000 (31 December 2022: S\$84,000) via cash payment.

Reconciliation of liabilities arising from financing activities

	1-Jan-23	Principal & Interest	Acquisition	Interest Expense	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	1,815	(280)	89	23	1,647

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

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

The Group	Twelve Months Ended	
	31-Dec-23 (Unaudited)	31-Dec-22 (Audited)
	S\$'000	S\$'000
Short-term bank deposits	2,627	2,396
Cash and bank balances	6,760	6,501
	9,387	8,897
Less: Fixed deposits pledged to banks	(1,127)	(1,125)
	8,260	7,772

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 six and twelve months ended 31 December 2023 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

2. Basis of preparation

The unaudited condensed interim financial statements for the six and twelve months ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore (“SFRS(I)”). 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 2023.

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 2022.

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 year.

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

Group 1 January 2023 to 31 December 2023 (Unaudited)	Mechanical Engineering S\$'000	Electrical Engineering S\$'000	Facilities Management S\$'000	Investment Holding S\$'000	Total S\$'000
Revenue from external parties	50,055	1,821	6,590	100	58,566
Gross profit/(loss)	9,622	(642)	3,465	100	12,545
Segment assets	25,954	1	1,686	-	27,641
Segment liabilities	13,672	946	600	-	15,218
Group 1 January 2022 to 31 December 2022 (Audited)	Mechanical Engineering S\$'000	Electrical Engineering S\$'000	Facilities Management S\$'000	Investment Holding S\$'000	Total S\$'000
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
Group 1 July 2023 to 31 December 2023 (Unaudited)	Mechanical Engineering S\$'000	Electrical Engineering S\$'000	Facilities Management S\$'000	Investment Holding S\$'000	Total S\$'000
Revenue from external parties	30,621	1,093	4,282	39	36,035
Gross profit/(loss)	6,233	823	2,569	39	9,664
Group 1 July 2022 to 31 December 2022 (Unaudited)	Mechanical Engineering S\$'000	Electrical Engineering S\$'000	Facilities Management S\$'000	Investment Holding S\$'000	Total S\$'000
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

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-23 (Unaudited) S\$ '000	31-Dec-22 (Unaudited) S\$ '000	31-Dec-23 (Unaudited) S\$ '000	31-Dec-22 (Audited) S\$ '000
Construction contracts				
Mechanical (Singapore)				
- At a point in time	-	755	-	755
- Over time	30,621	14,899	50,055	24,849
Electrical (Singapore)				
- At a point in time	-	-	-	-
- Over time	1,093	4,400	1,821	9,288
	31,714	20,054	51,876	34,892
Facilities management (Singapore)				
- At a point in time	-	1,285	-	1,285
- Over time	4,282	1,736	6,590	5,037
Investment holding				
- At a point in time	39	17	100	(124)
	<u>36,035</u>	<u>23,092</u>	<u>58,566</u>	<u>41,090</u>

5. Financial assets and financial liabilities

	Group		Company	
	31-Dec-23 (Unaudited) S\$ '000	31-Dec-22 (Audited) S\$ '000	31-Dec-23 (Unaudited) S\$ '000	31-Dec-22 (Audited) S\$ '000
Financial Assets				
Financial assets at amortised cost	17,605	12,292	204	240
Financial Liabilities				
Financial liabilities at amortised cost	24,654	11,595	1,254	1,051

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-23	31-Dec-22	31-Dec-23	31-Dec-22
	(Unaudited) S\$ '000	(Unaudited) S\$ '000	(Unaudited) S\$ '000	(Audited) S\$ '000
<u>Income</u>				
Interest income	(30)	(18)	(38)	(36)
Dividend income	(4)	(4)	(9)	(8)
Fair value (gain)/loss on financial assets, at FVPL	(36)	(14)	(97)	127
Gain on disposal of PPE	(30)	-	(30)	-
<u>Expenses</u>				
Depreciation of property, plant and equipment ("PPE")	378	371	754	816
Allowance for expected credit loss	2,653	-	3,106	-
Interest Expense	245	29	322	46
Provision for onerous contracts	-	1,021	-	1,021
Provision for other liabilities	-	466	-	466
Exchange loss/(gain) on financial assets, at FVPL	19	(24)	25	5
Income tax (expense)/ benefit	3	(162)	3	(162)

6.2. Related party transactions

Save as disclosed below, no related party transactions took place between the Group and related parties during FY2023.

- (a) Outstanding balances as at 31 December 2023, arising from sales/purchases of goods and services, are unsecured and receivables/payable within 12 months (31 December 2022: 12 months) from the end of reporting period are disclosed as follows:

	Group		Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	(Unaudited) S\$ '000	(Audited) S\$ '000	(Unaudited) S\$ '000	(Unaudited) S\$ '000
Trade receivables				
- Subsidiary	-	-	10	10
Other payables				
- Subsidiary	-	-	(1,100)	(1,000)

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

The above includes total remuneration to directors of the Company and its subsidiaries amounting to \$1,049,000(31 December 2022: \$1,184,000).

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

The Group	Six Months Ended		Twelve Months Ended	
	31-Dec-23 (Unaudited)	31-Dec-22 (Unaudited)	31-Dec-23 (Unaudited)	31-Dec-22 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Directors' fees	52	49	104	99
Salaries and short-term employee benefits	1,104	1,229	2,347	2,448
Employer's contribution to Central Provident Fund	76	113	160	179
	<u>1,232</u>	<u>1,391</u>	<u>2,611</u>	<u>2,726</u>

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-23 (Unaudited)	31-Dec-22 (Unaudited)	31-Dec-23 (Unaudited)	31-Dec-22 (Audited)
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Current income tax (expense) / benefit	3	(162)	3	(162)

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

8. Dividends

No dividend is recommended for the financial period and year ended 31 December 2023 (31 December 2022: Nil).

9. Net asset value

	The Group		The Company	
	31-Dec-23 (Unaudited)	31-Dec-22 (Audited)	31-Dec-23 (Unaudited)	31-Dec-22 (Audited)
Net asset value per ordinary share (Singapore cents/share)	9.00	9.46	9.73	9.81
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)

	The Group	
	31-Dec-23 (Unaudited) S\$ ‘000	31-Dec-22 (Audited) S\$ ‘000
Financial assets, at FVOCI	15	18

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).

	Group Level 1 S\$'000
31 December 2023	
<u>Fair value through OCI</u>	
Financial assets, at FVOCI	<u>15</u>
31 December 2022	
<u>Fair value through OCI</u>	
Financial assets, at FVOCI	<u>18</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 2023, the Group acquired assets amounting to \$689,000 (31 December 2022: \$84,000) and there was gain on disposal of motor vehicle of S\$30,000. (31 December 2022: Nil).

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

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

	The Group	
	31-Dec-23	31-Dec-22
	(Unaudited)	(Audited)
	S\$ '000	S\$ '000
At 1 January	5,421	5,650
- Depreciation charges	(227)	(229)
At 31 December	<u>5,194</u>	<u>5,421</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 an independent valuation specialist with recognized and relevant professional qualifications. No revaluation was done for FY2023.

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/Borrowings

	<u>31-Dec-23 (Unaudited)</u>		<u>31-Dec-22 (Audited)</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Amount repayable in one year or less				
Lease liabilities	3	160	34	222
Bank borrowings	1,513	-	-	-
Amount repayable after one year				
Lease liabilities	-	1,484	3	1,556
Bank borrowings	3,500	-	-	-
	<u>5,016</u>	<u>1,644</u>	<u>37</u>	<u>1,778</u>

Details of collateral:

The Group's secured lease liabilities are secured against the respective motor vehicles with carrying amount of approximately S\$136,000 (31 Dec 2022: S\$204,000). The bank borrowings are secured by a first legal mortgage on the leasehold property of the subsidiary, an assignment of project proceeds, a corporate guarantee provided by the Company and a charge on fixed deposit.

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

13. Share Capital

	<u>31-Dec-23 (Unaudited)</u>		<u>31-Dec-22 (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>
Group				
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>
Company				
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 2023 and 31 December 2022.

There were no changes to the Company's share capital since 30 June 2023. The Company has no subsidiary holdings and convertible securities as at 31 December 2023 and 31 December 2022.

14. Financial assets at fair value through profit or loss

	<u>Group and Company</u>	
	<u>31-Dec-23</u>	<u>31-Dec-22</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>S\$ '000</u>	<u>S\$ '000</u>
Financial assets – quoted (Level 1)	<u>665</u>	<u>584</u>

The investment securities represent the fair value as at 31 December 2023. 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 the financial position of Koyo International Limited and its subsidiaries as at 31 December 2023 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 2023 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

	GROUP					
	Twelve Months Ended 31 December					
	2023 (Unaudited)		2022 (Audited)		Increase/(Decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Mechanical Engineering	50,055	85.5	25,604	62.3	24,451	95.5
Electrical Engineering	1,821	3.1	9,288	22.6	(7,467)	(80.4)
Facilities Management	6,590	11.2	6,322	15.4	268	4.2
Investment Holding	100	0.2	(124)	(0.3)	224	(180.6)
Total	58,566	100.0	41,090	100.0	17,476	42.5

ii) Gross Profit/(Loss)

	GROUP					
	Twelve Months Ended 31 December					
	2023 (Unaudited)		2022 (Audited)		Increase/ (Decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Mechanical Engineering	9,622	76.7	7,411	109.0	2,211	29.8
Electrical Engineering	(642)	(5.1)	(3,631)	(53.4)	2,989	(82.3)
Facilities Management	3,465	27.6	3,141	46.2	325	10.3
Investment Holding	100	0.8	(124)	(1.8)	224	(180.6)
Total	12,545	100.0	6,797	100.0	5,749	84.6

iii) Gross Profit/(Loss) Margin	2023	2022	Increase/
	(Unaudited)	(Audited)	(Decrease)
	%	%	% points
Mechanical Engineering	19.2	28.9	(9.7)
Electrical Engineering	(35.3)	(39.1)	3.8
Facilities Management	52.6	49.7	2.9
Investment Holding	n.m.	n.m.	n.m.
Total	21.4	16.5	4.9

n.m.: not meaningful

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

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

The increase in total revenue for FY2023 is mainly attributable to the increase in revenue from the mechanical engineering segment, offset by the decrease in electrical engineering segment. Revenue from the mechanical engineering segment increased mainly due to progression of ongoing projects. Revenue from the electrical engineering segment decreased due to slow progress claim certification as the main contractor went into liquidation during the financial year. More details can be found in the Company's announcement dated 19 July 2023. Revenue from the facilities management segment increased slightly.

Gross profit increased mainly due to an increase in gross profit contributed by the mechanical engineering and the facilities management segments, offset by a gross loss from the electrical engineering segment. There was a gain on the fair value of investment securities of \$100,000 as compared to a loss on the fair value of investment securities of 124,000 in FY2022.

Gross profit margin increased from 16.5% in FY2022 to 21.4% in FY2023 despite the gross loss margin for electrical engineering segment of 35.3%. The gross loss margin from the electrical engineering segment was mainly due to the loss of revenue as a result of the main contractor undergoing liquidation while the Group had to complete construction with locked in cost of construction. The gross profit margin for mechanical engineering is lower as a result of market inflation, including increase in foreign worker levy, causing an increase in cost of sales.

The gross profit margin for facilities management segment increased slightly mainly due to more 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 foreign worker levy rebates.

v) Selling and distribution expenses

Selling and distribution expenses increased mainly due to increase in freight handling charges.

vi) Administrative Expenses

Administrative expenses increased mainly due to an increase in rental of workers' quarters as well as increase in rental pricing. In addition, there was an increase in professional fee and insurance.

vii) Allowance for expected credit losses

The allowance for expected credit losses was mainly to provide for trade receivables, contract assets and retention sums owing by the main contractor who went into liquidation. All amounts owing by the main contractor has been fully provided for in FY2023.

viii) Other operating expenses

The decrease in other operating expenses for FY2022 was mainly due to absence of provision of additional cost for completing the onerous contracts and provision for other liabilities for contingent cost on completed projects.

ix) Finance expenses

Finance expenses increased mainly due to an incurred interest from loan borrowings and trade finance interest.

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 2023 have increased as compared to 31 December 2022, and are mainly attributable to the following :-

- a. **Property, plant and equipment (“PPE”)** decreased by 1.0%, mainly due to the depreciation expenses on PPE, offsetting by the addition of PPE.
- b. **Investment securities at fair value through profit or loss** increased by 13.9% due to gains in fair values of the existing investment securities.
- c. **Trade and other receivables** increased by 87.9% due to a tax invoice with substantial amount of \$4.9 million issued in December 2023 relating to one of the Group’s projects, offset by a decrease in downpayment for subcontractors/suppliers and a decrease in prepaid insurance premium. Likewise, the trade receivables turnover days increased slightly from 26 days to 27 days as at the end of FY2023.
- d. **Contract assets** increased by 27.9% due to work completed but not yet billed as at 31 December 2023.
- e. **Cash and bank balances** increased due to reasons as described in the cash flows analysis below.

Total liabilities as at 31 December 2023 have increased as compared to 31 December 2022, and are mainly attributable to the following :-

- a) **Trade and other payables** increased by 90.0% due to increase in purchases and services from subcontractors, which is in line with the increased revenue and include the unsecured loan from a Director amounting to S\$0.5 million and a loan of \$3 million from KF Capital as per the announcement made on 14 July 2023.
- b) **Provisions** decreased due to the absence of cost incurred and reverse of the provisions during the year.
- c) **Contract liabilities** decreased as a result of reclassification of service performed to revenue.
- d) **Lease liabilities (for current and non-current)** decreased due to the repayment of leases.
- e) **Bank borrowing** arised from the disbursement of revolving term loan. Please refer to Note 12 for more information on the borrowing.

The Group’s total equity stood at S\$17.1 million as at 31 December 2023 as compared to S\$18.0 million as at 31 December 2022

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

4. Review of condensed interim consolidated statement of cash flows

The Group had a positive operating cash flow before changes in working capital of S\$3.2 million. The increase in trade and other receivables and contract assets of S\$110.4 million, as well as an increase in trade and other payables and contract liabilities of S\$1.9 million and income tax paid of \$126,000, resulted in net cash used in operating activities of S\$6.4 million.

The net cash used in investing activities amounting to S\$532,000 was mainly due to additions of property, plant and equipment.

The net cash generated from financing activities amounting to S\$7.5 million was mainly due to bank borrowing and related party loan, further offset by the repayment of lease liabilities, net changes in trust receipts and interest paid.

As at 31 December 2023, the Group had cash and cash equivalents of S\$8.3 million after excluding fixed deposits of S\$1.1 million pledged to banks for banking facilities.

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 2023 to 31 December 2023.

	<u>Number of shares</u>	<u>Share capital</u>
Ordinary shares (excluding treasury shares) as at 31 December 2023 and 30 June 2023	189,823,497	S\$ 39,442,252

There were no outstanding convertibles or share options as at 31 December 2023 and 31 December 2022.

Treasury Shares

The Company has 6,300,000 treasury shares as at 31 December 2023 and 31 December 2022, which represented 3.3% of the Company's ordinary shares (excluding treasury shares) of 189,823,497 as at 31 December 2023 and 31 December 2022 respectively.

Subsidiary Holdings

There were no subsidiary holdings as at 31 December 2023 and 31 December 2022.

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

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 2023</u>	<u>31 Dec 2022</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 2023 and 31 December 2022.

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.

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.

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

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.

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\$199.1 million worth of contracts on hand, with completion dates ranging from financial years 2024 to 2026. The Group expects the construction industry to remain challenging in the next 12 months.

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 FY2023.

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

Not applicable.

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

No dividends had been declared or recommended for FY2022.

(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 FY2023 as the Group wishes to conserve cash for its 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 (“IPTs”) of S\$100,000 and above during the current financial period reported on. The aggregate value of all IPTs is \$86,000 of which \$27,000 being interest on the short-term bridging loan from a director and \$59,000 being interest on the loan from KF Capital Pte. Ltd.. 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-23 (Unaudited) S\$'000	31-Dec-22 (Audited) S\$'000	Increase/ (Decrease) %
Sales reported for first half year	22,531	17,998	25.2
Operating profit / (loss) after income tax before deducting non-controlling interests reported for first half year	(2,802)	(1,065)	163.1
Sales reported for second half year	36,035	23,092	56.0
Operating profit / (loss) after income tax before deducting non-controlling interests reported for second half year	1,924	(2,571)	174.8

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	72	<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 & 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

01 March 2024

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.

The contact person for the Sponsor is Ms Charmian Lim (Tel: (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.