

KORI HOLDINGS LIMITED

Unaudited Full Year Financial Statement and Dividend Announcement For the Financial Year Ended 31 DECEMBER 2013

*KORI HOLDINGS LIMITED (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 11 December 2012. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the 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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Background

The Company was incorporated in the Republic of Singapore on 18 May 2012 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the "**Group**"), were formed pursuant to a Restructuring Exercise prior to the IPO and listing on Catalist of the SGX-ST ("**Catalist**"). Please refer to the Company's offer document dated 4 December 2012 for further details on the Restructuring Exercise.

The Company was admitted to the Catalist on 11 December 2012. For the purpose of this announcement, the results of the Group for the financial year ended 31 December 2013 ("**FY2013**"), and the comparative results of the Group for the financial year ended 31 December 2012 ("**FY2012**"), have been prepared on the assumption that the Group structure following the completion of the Restructuring Exercise has been in place since 1 January 2012.

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

	Group		Increase/ (Decrease) %
	FY2013 (Unaudited) S\$'000	FY2012 (Audited) S\$'000	
Revenue	67,757	52,929	28.0
Cost of works	(56,163)	(42,139)	33.3
Gross profit	11,594	10,790	7.5
Other income	54	1,307	(95.9)
Expenses:			
- Administrative	(2,694)	(2,319)	16.2
- Finance	(6)	(6)	-
Profit before income tax	8,948	9,772	(8.4)
Income tax expense	(1,187)	(1,895)	(37.4)
Net Profit for the year	7,761	7,877	(1.5)
Other comprehensive income:			
Items that may be reclassified to profit or loss subsequently			
- Currency translation differences arising from consolidation	(4)	(7)	(42.9)
Total comprehensive income for the year	7,757	7,870	(1.4)
Earnings per share attributable to equity holders of the Company			
Basic	0.08	0.08	-
Diluted	0.07	0.08	-

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

	Group		Increase/ (Decrease) %
	FY2013 (Unaudited) S\$'000	FY2012 (Audited) S\$'000	
(Loss)/Gain on foreign currency	(305)	103	N.M
Gains on disposal of property, plant and equipment	-	1	N.M
Government grant – special employment credit, cash grant and PIC bonus	68	13	423.1
Interest income – bank deposits	16	9	77.8
Interest expense	(6)	(6)	-
Depreciation	(120)	(109)	10.1

N.M-Not meaningful

	Group		Increase/ (Decrease) %
	FY2013 (Unaudited) S\$'000	FY2012 (Audited) S\$'000	
Income Tax Expenses			
Tax expense attributable to profit is made up of			
-Current income tax			
Singapore	1,522	1,759	(13.5)
Foreign	-	3	N.M
-Deferred income tax	(1)	23	N.M.
	1,521	1,785	(14.8)
(Over)/Under provision in prior financial years	(334)	110	N.M.
	1,187	1,895	(37.4)

N.M-Not meaningful

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 13 Unaudited S\$'000	31 Dec 12 Audited S\$'000	31 Dec 13 Unaudited S\$'000	31 Dec 12 Audited S\$'000
ASSETS				
Current assets				
Cash & bank balances	9,216	14,273	5,724	6,089
Trade and other receivables	52,882	38,630	5,916	1,465
Inventories	1,446	987	-	-
Total current assets	63,544	53,890	11,640	7,554
Non-current assets				
Property, plant and equipment	1,478	249	-	-
Investment in subsidiaries	-	-	26,070	26,070
Total non-current assets	1,478	249	26,070	26,070
Total assets	65,022	54,139	37,710	33,624
LIABILITIES				
Current liabilities				
Trade and other payables	16,277	15,127	1,553	1,815
Current portion of finance leases	27	47	-	-
Income tax payable	934	3,910	-	-
Total current liabilities	17,238	19,084	1,553	1,815
Non-current liabilities				
Non-current portion of finance leases	-	27	-	-
Convertible loan	5,000	-	5,000	-
Deferred tax liabilities	27	28	-	-
Total non-current liabilities	5,027	55	5,000	-
Total liabilities	22,265	19,139	6,553	1,815
NET ASSETS	42,757	35,000	31,157	31,809

	Group		Company	
	31 Dec 13 Unaudited S\$'000	31 Dec 12 Audited S\$'000	31 Dec 13 Unaudited S\$'000	31 Dec 12 Audited S\$'000
EQUITY				
Share capital	32,291	32,291	32,291	32,291
Retained earnings / (accumulated losses)	36,099	28,338	(1,134)	(482)
Merger reserve	(25,628)	(25,628)	-	-
Currency translation reserve	(5)	(1)	-	-
Total equity	42,757	35,000	31,157	31,809

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

Amount repayable in one year or less

	As at 31 Dec 2013 (Unaudited)		As at 31 Dec 2012 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance Lease Liabilities	27	-	47	-

Amount repayable after one year

	As at 31 Dec 2013 (Unaudited)		As at 31 Dec 2012 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance Lease Liabilities	-	-	27	-

Details of any collateral

Finance leases are secured by the leased assets - motor vehicles.

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

	FY2013 (Unaudited) S\$'000	FY2012 (Audited) S\$'000
Operating activities		
Net profit for the year	7,761	7,877
Adjustments for:		
Income tax expense	1,187	1,895
Depreciation	120	109
Gain on disposal of property, plant and equipment	-	(1)
Interest income	(16)	(9)
Interest expense	6	6
Unrealised currency translation gains	(3)	(5)
Operating cash flows before changes in working capital	9,055	9,872
Changes in working capital		
Trade and other receivables	(14,252)	(11,228)
Trade and other payables	1,150	4,719
Inventories	(459)	(227)
Cash (used in)/generated from operations	(4,506)	3,134
Income tax paid	(4,165)	(601)
Net cash (used in)/generated from operating activities	(8,671)	2,535
Cash flows from investing activities		
Additions of property, plant and equipment	(1,349)	(37)
Proceeds on disposal of property, plant and equipment	-	5
Net cash used in investing activities	(1,349)	(32)
Cash flows from financing activities		
Interest received	16	9
Interest paid	(6)	(6)
Release/(pledge) of bank deposits	754	(2)
Issuance of ordinary shares	-	6,221
Proceeds from issuance of convertible bond	5,000	-
Repayments of finance leases	(47)	(47)
Net cash generated from financing activities	5,717	6,175
Net (decrease)/increase in cash and cash equivalents	(4,303)	8,678
Cash and cash equivalents at the beginning of the financial year	13,519	4,841
Cash and cash equivalents at end of the financial year	9,216	13,519

Note:

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

	FY2013	FY2012
	S\$'000	S\$'000
Cash at bank and on hand	3,457	12,833
Short-term bank deposits	5,759	1,440
	9,216	14,273
Cash and bank balances(as above)	9,216	14,273
Less: short-term bank deposit pledged	-	(754)
	9,216	13,519

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 (Unaudited)	Share capital S\$'000	Retained earnings S\$'000	Merger Reserve S\$'000	Currency translation reserve S\$'000	Total S\$'000
Balance as at 1 January 2013	32,291	28,338	(25,628)	(1)	35,000
Total comprehensive income for the financial year	-	7,761	-	(4)	7,757
Balance as at 31 December 2013	32,291	36,099	(25,628)	(5)	42,757
Balance as at 1 January 2012	442	20,461	-	6	20,909
Issue of new shares	31,849	-	(25,628)	-	6,221
Total comprehensive income for the financial year	-	7,877	-	(7)	7,870
Balance as at 31 December 2012	32,291	28,338	(25,628)	(1)	35,000

Company (Unaudited)	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2013	32,291	(482)	31,809
Total comprehensive income for the financial year	-	(652)	(652)
Balance as at 31 December 2013	32,291	(1,134)	31,157
Balance as at 18 May 2012 (date of incorporation)	-*	-	-*
Issue of new shares	32,291	-	32,291
Total comprehensive income for the financial year	-	(482)	(482)
Balance as at 31 December 2013	32,291	(482)	31,809

*Share capital as at date of incorporation is S\$10.

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 31 December 2013	99,200,000	32,269,650
As at 30 June 2013	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 2013 till 18 August 2016, at a conversion price of S\$0.42. As the Convertible Bond has yet to be converted during FY2013, 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 as at 31 December 2013.

There were no outstanding options, convertibles or treasury shares as at 31 December 2012.

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 2013	Company As at 31 December 2012
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 2013 and 31 December 2012.

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 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 as 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 2012.

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 period, the Group adopted the following relevant new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for the financial periods beginning on or after 1 January 2013.

- Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income (effective for financial periods beginning on or after 1 July 2012)
- FRS 19 (Revised) – Employee Benefits (effective for financial periods beginning on or after 1 January 2013)

- FRS 113 (New) – Fair Value Measurements (effective for financial periods beginning on or after 1 January 2013)
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards – Government Loans (effective for financial periods beginning on or after 1 January 2013)
- Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities (effective for financial periods beginning on or after 1 January 2013)

The adoption of the above FRSs and INT FRS did not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements of the Group for the current financial period reported on.

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	
	FY2013 (Unaudited)	FY2012 (Audited)
Net profit attributable to owners of the Company (S\$'000)	7,761	7,877
Basic earnings per share (EPS) in Singapore dollar ⁽¹⁾	0.08	0.08
Diluted EPS in Singapore dollar ⁽²⁾	0.07	0.08

Notes:

(1) The basic EPS for FY2013 was calculated based on the weighted average number of ordinary shares in issue during FY2013 of 99,200,000 shares. For comparative purpose, the basic EPS for FY2012 was calculated based on the Company's share capital of 99,200,000 shares as at 31 December 2012.

(2) The diluted EPS for FY2013 was calculated based on 111,104,000 shares assuming full conversion of the Convertible Bond.

The basic and diluted EPS for FY2012 were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2012.

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 2013 Unaudited	31 Dec 2012 Audited	31 Dec 2013 Unaudited	31 Dec 2012 Audited
Net asset value (S\$'000)	42,757	35,000	31,157	31,809
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\$)	0.43	0.35	0.31	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

Financial year ended 31 December 2013 ("FY2013") vs. 31 December 2012 ("FY2012")

Revenue

Our total revenue increased by approximately S\$14.9 million or 28.0% from S\$52.9 million in FY2012 to S\$67.8 million in FY2013. Revenue derived from the structural steelworks services segment accounted for approximately 90.8% of our Group's total revenue.

The increase in revenue from our structural steelworks services segment by approximately 25.5% from S\$49.0 million in FY2012 to S\$61.6 million in FY2013 was mainly attributable to the increase in work completed for certain projects which included Tampines West Station Project, Bedok Reservoir Station Project and Bedok Town Park Station Project as they progressed to a more active phase in FY2013, partially offset by the decrease in work completed for Botanic Garden & Stevens Station Project and Newton Station Project.

Revenue from the tunneling services segment increased from S\$3.9 million in FY2012 to S\$6.2 million in FY2013 mainly due to the increase in work completed for Bedok Town Park Station Project, NEWater Infrastructure Plan Extension Project, and newly commenced Rochor Station & Little India Station Project. The

increase in revenue was partially offset by a decrease in revenue contributed from Little India to Newton Station Project which was close to its completion stage.

Cost of works

Our cost of works increased by approximately S\$14.1 million or 33.3% from S\$42.1 million in FY2012 to S\$56.2 million in FY2013. This comprised the increase in cost of works for both the structural steelworks services segment and tunneling services segment of approximately S\$11.9 million and S\$2.2 million respectively.

Our cost of works for the structural steelworks services segment increased by 30.2% from approximately S\$39.2 million in FY2012 to S\$51.1 million in FY2013 mainly due to an increase in material cost of S\$2.9 million, subcontractors charges of S\$5.8 million, worksite expenses of S\$1.1 million and rental expenses of S\$1.6 million. More materials and a larger portion of subcontracting works were required due to the increase in business activities in FY2013 as compared to FY2012. In addition, our Group also incurred more worksite expenses and rental expenses for the rental of machineries and equipment.

Our cost of works for tunneling services segment increased from S\$2.9 million in FY2012 to S\$5.0 million in FY2013 mainly due to an increase in employee compensation of S\$1.9 million and rental expenses of S\$0.2 million. This increase was in line with the increase in the level of construction activities for projects under this segment and commencement of several new projects.

Gross profit

Our Group's gross profit increased by approximately S\$0.8 million or 7.5% from S\$10.8 million in FY2012 to S\$11.6 million in FY2013. Our gross profit margin decreased from 20.4% in FY2012 to 17.1% in FY2013. The lower gross profit margin was attributable to lower gross profit margin for both of the structural steelworks and tunneling services segments as cost incurred were higher than expected for some projects during FY2013.

Other income

Other income decreased by S\$1.2 million from S\$1.3 million in FY2012 to S\$0.1 million in FY2013. This was mainly due to the decrease in income from sales of scrap materials of S\$0.9 million and secondment of project engineers of S\$0.3 million.

Administrative expenses

Administrative expenses increased by approximately of S\$0.4 million or 16.2% from S\$2.3 million in FY2012 to S\$2.7 million in FY2013. This was mainly due to an increase in employee compensation, depreciation, rental expenses and professional fees. The increase in employee compensation was due to additional headcount recruited and salary adjustments to support the increase in operations of the Group in FY2013.

Profit before income tax

The Group recorded a profit before tax of S\$8.9 million in FY2013, a decrease of S\$0.8 million as compared to that in FY2012, mainly due to the above-mentioned factors.

Income tax expense

Income tax expense decreased by approximately S\$0.7 million or 37.4% from S\$1.9 million in FY2012 to S\$1.2 million in FY2013. The decrease was mainly due to lower profit before income tax and over provision in prior years.

Review of the Financial Position of the Group

Current assets

As at 31 December 2013, our current assets of approximately S\$63.5 million accounted for approximately 97.7% of our total assets. Our current assets comprised the following:

- (i) Cash and bank balances of approximately S\$9.2 million which accounted for 14.5% of our total current assets. Cash and bank balances consisted of cash at bank and on hand of S\$3.4 million and short-term bank deposits of S\$5.8 million;
- (ii) Trade and other receivables of approximately S\$52.9 million, which accounted for 83.2% of our total current assets. Trade and other receivables comprised mainly trade receivables of S\$5.4 million, construction contracts due from customers of S\$46.2 million and loan to Fuchiang Construction (S) Pte Ltd of S\$0.5 million. The increase in trade receivables of S\$1.2 million was in line with our increase in turnover and the increase in construction contracts due from customers of S\$12.3 million was due to works done but have not been billed to customers as at 31 December 2013; and
- (iii) Inventories of approximately S\$1.4 million, which accounted for 2.3% of our total current assets. This increase was due to buy back of materials from projects namely, Newton Station Project and Botanic Garden & Stevens Station Project, to stockyard for the use in future projects.

Non-Current assets

Our non-current assets increased by approximately S\$1.2 million from S\$0.3 million as at 31 December 2012 to S\$1.5 million as at 31 December 2013. Our non-current assets accounted for approximately 2.3% of our total assets as at 31 December 2013. The increase was mainly due to the acquisition of land at Iskandar, Johor Bahru for new storage yard usage.

Current liabilities

As at 31 December 2013, our current liabilities of approximately S\$17.2 million accounted for 77.4% of our total liabilities. Our total current liabilities comprised the following:

- (i) Trade and other payables of approximately S\$16.3 million which accounted for 94.4% of our total current liabilities. Trade and other payables comprised of trade payables of S\$14.1 million, construction contracts due to customers of S\$0.6 million, other payables of S\$0.2 million and accrued operating expenses of S\$1.4 million. The increase in trade and other payables of S\$1.2 million was mainly due to higher construction activities during FY2013;
- (ii) Income tax payable of approximately S\$0.9 million which accounted for 5.4% of our total current liabilities; and
- (iii) Finance lease liabilities of approximately S\$0.03 million which accounted for 0.2% of our total current liabilities.

Non-Current liabilities

As at 31 December 2013, our non-current liabilities of approximately S\$5.0 million accounted for 22.6% of our total liabilities. The unsecured 3-year, 5% Convertible Bond issued to Keong Hong Holdings Limited accounted for 99.5% of our total non-current liabilities.

Equity

As at 31 December 2013, our equity of approximately S\$42.8 million comprised mainly share capital of S\$32.3 million and retained earnings, less merger reserve of S\$10.5 million.

Review of the Cash Flow Statement of the Group

Net cash used in operating activities

In FY2013, we recorded net cash outflow from operating activities of approximately S\$8.7 million, which was a result of operating profit before changes in working capital of approximately S\$9.1 million, adjusted for net working capital outflow of approximately S\$13.6 million as well as income tax paid of approximately S\$4.2 million. Our working capital outflows were mainly due to an increase in trade and other receivables of S\$14.3 million and inventories of approximately S\$0.5 million, partially offset by an increase in trade and other payables of approximately S\$1.2 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$1.3 million, which was attributable to additions of property, plant and equipment.

Net cash from financing activities

Net cash from financing activities amounted to approximately S\$5.7 million, which was mainly due to the proceeds from issuance of the Convertible Bond of S\$5.0 million and release of bank deposits pledged of S\$0.8 million, partially offset by repayments of finance lease liabilities and interest payment of S\$0.1 million.

As at 31 December 2013, our cash and cash equivalents were approximately S\$9.2 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 \$31 billion to \$38 billion of construction demand for year 2014. Major public sector projects likely to be awarded in year 2014 include the Land Transport Authority's Thomson MRT Line.

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. We intend to partially address these by freeing up some manpower from our Singapore yard through the relocation of a portion of the Singapore yard activities to our new storage yard in Malaysia.

11. Dividend

(a) Current Financial Period Reported On

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

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) **Date payable:** Not Applicable

(d) **Books closure date:** Not Applicable

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.

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

	FY2013			FY2012		
	Structural Steel \$'000	Tunnelling \$'000	Total \$'000	Structural Steel \$'000	Tunnelling \$'000	Total \$'000
Sales	61,547	6,210	67,757	49,034	3,895	52,929
Cost of works	(51,134)	(5,029)	(56,163)	(39,276)	(2,863)	(42,139)
Gross profit	10,413	1,181	11,594	9,758	1,032	10,790
Other income			54			1,307
Administrative expenses			(2,694)			(2,319)
Finance expenses			(6)			(6)
Profit before tax			8,948			9,772
Income tax expenses			(1,187)			(1,895)
Net Profit			7,761			7,877

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		
	FY2013 \$'000	FY2012 S\$'000	Increase / (Decrease) %
(a) Sales reported for first half year	35,091	26,653	31.7
(b) Operating profit after tax before deducting minority interests reported for first half year	3,552	5,117	(30.6)
(c) Sales reported for second half year	32,666	26,276	24.6
(d) Operating profit after tax before deducting minority interests reported for second half year	4,209	2,760	51.4

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:

Not applicable. No dividend was declared and paid in FY2013 and FY2012.

18. Use of IPO proceeds

As at the date of this announcement, the status of use of IPO proceeds is as below:-

Use of Proceeds	Amount in aggregate (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Amount unutilised as at the date of this announcement (S\$'000)
Expansion of the Group's structural steelworks and tunnelling services in Singapore	3,000	(1,803)	1,197
Expansion of the Group's tunnelling services in overseas markets through joint ventures or strategic alliances	100	-	100
Acquisition of land for a new storage yard	1,000	(1,000)	-
General working capital purposes	305	(305) ⁽¹⁾	-
Listing expenses borne by our Company	1,995	(1,995) ⁽²⁾	-
Total	6,400	(5,103)	1,297

Note:

- (1) The amount for general working capital purposes has been utilised mainly for the payment of professional fees and directors' fees.
- (2) The Company has reallocated the unutilised amount of approximately S\$22,000 allocated for listing expenses to partially finance the acquisition of land for a new storage yard as announced by the Company on 26 July 2013.

19. Use of Convertible Bond proceeds

As at the date of this announcement, the Company has not utilised the net proceeds (after deducting expenses of approximately S\$0.03 million) of S\$4.97 million from the Convertible Bond issue.

The net proceeds from the Convertible Bond issue is intended to be used to acquire companies in a similar business as part of the Company's expansion plans. The Company will make the necessary announcements as and when there are material developments on such acquisitions.

20. 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	41	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
28 February 2014