

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KORI HOLDINGS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Kori Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 9 to 55, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2014, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Company's investment in Fuchiang Construction Pte Ltd ("Fuchiang"), an associated company acquired during the year and accounted for using the equity method, is carried at \$3,194,229 on the balance sheet of the Group as at 31 December 2014, and the Company's share of Fuchiang's net profit of \$712,338 is included in the Group's net profit for the year then ended. Due to absence of audited financial statements of Fuchiang as at and for the year ended 31 December 2014, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Company's investment in Fuchiang as at 31 December 2014 and the Company's share of Fuchiang's net profit for the year. We were also unable to obtain sufficient and appropriate audit evidence by alternative means concerning the same due to incomplete accounting records of Fuchiang. Consequently, we were unable to determine whether any adjustments, if any, to these amounts were necessary.

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(continued)

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

**Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants**

**Director-in-charge: Loh Ji Kin
Appointed since financial year ended 31 December 2012**

Singapore