

KORI Holdings Limited and its Subsidiaries
Registration Number: 201212407R

Condensed Interim Financial Statements
For the six months ended 30 June 2024

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KORI HOLDINGS LIMITED

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income Period ended 30 June 2024

| | Note | Group | | Increase / (Decrease) % |
|---|------|----------------------------------|----------------------------------|-------------------------------|
| | | HY2024 (Unaudited) S\$'000 | HY2023 (Unaudited) S\$'000 | |
| Revenue | E4 | 8,742 | 11,343 | (23) |
| Cost of works | | (5,414) | (6,820) | (21) |
| Gross profit | | 3,328 | 4,523 | (26) |
| Other income | E5 | 40 | 101 | (60) |
| Expenses: | | | | |
| Administrative expenses | | (1,288) | (1,028) | 25 |
| Other expenses | | (20) | (7) | 186 |
| Loss allowance on contract assets | | (41) | (29) | 41 |
| Loss allowance on trade and retention receivables | | (83) | (704) | (88) |
| Finance expenses | | (122) | (143) | (15) |
| Profit before taxation | E5 | 1,814 | 2,713 | (33) |
| Income tax expense | E6 | (367) | (488) | (25) |
| Profit for the financial period, net of tax | | 1,447 | 2,225 | (35) |
| Other comprehensive income: | | | | |
| Items that may be reclassified to profit or loss subsequently | | | | |
| Currency translation differences on consolidation of foreign entity (net) | | 7 | 6 | 17 |
| Total comprehensive income for the period | | 1,454 | 2,231 | (35) |
| Earnings per share | | | | |
| Basic (Cents) | E15 | 1.46 | 2.24 | (35) |
| Diluted (Cents) | E15 | 1.30 | 1.96 | (34) |
| Based on weighted average number of shares | | | | |

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B. Condensed Interim Statements of Financial Position

| | Note | Group | |
|--------------------------------------|------|---------------------------------------|-------------------------------------|
| | | 30 Jun 2024 (Unaudited) S\$'000 | 31 Dec 2023 (Audited) S\$'000 |
| ASSETS | | | |
| Current assets | | | |
| Cash and bank balances | E10 | 223 | 427 |
| Fixed deposits | E10 | 1,029 | 1,015 |
| Trade and other receivables | E7 | 37,513 | 35,799 |
| Contract assets | E8 | 4,912 | 4,348 |
| Capitalised contract costs | E8 | 229 | 184 |
| Prepayments | | 66 | 160 |
| Income tax recoverable | | 643 | 643 |
| Total current assets | | 44,615 | 42,576 |
| Non-current assets | | | |
| Property, plant and equipment | E9 | 32,253 | 32,270 |
| Total non-current assets | | 32,253 | 32,270 |
| Total assets | | 76,868 | 74,846 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | E11 | 8,547 | 7,670 |
| Contract liabilities | E8 | 6,748 | 6,961 |
| Lease liabilities | E12 | 172 | 189 |
| Bank borrowings | E12 | 773 | 765 |
| Total current liabilities | | 16,240 | 15,585 |
| Non-current liabilities | | | |
| Lease liabilities | E12 | 30 | 114 |
| Bank borrowings | E12 | - | 388 |
| Deferred tax liabilities | | 1,514 | 1,147 |
| Provision for reinstatement cost | | 50 | 50 |
| Convertible bond | E12 | 2,865 | 2,847 |
| Total non-current liabilities | | 4,459 | 4,546 |
| Total liabilities | | 20,699 | 20,131 |
| NET ASSETS | | 56,169 | 54,715 |
| EQUITY | | | |
| Share capital | E13 | 32,291 | 32,291 |
| Retained earnings | | 49,465 | 48,018 |
| Merger reserve | | (25,628) | (25,628) |
| Capital reserve | | 39 | 39 |
| Foreign currency translation reserve | | 2 | (5) |
| Total equity | | 56,169 | 54,715 |

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B. Condensed Interim Statements of Financial Position (continued)

| | Company | |
|--------------------------------------|---------------------------------------|-------------------------------------|
| | 30 Jun 2024 (Unaudited) S\$'000 | 31 Dec 2023 (Audited) S\$'000 |
| ASSETS | | |
| Current assets | | |
| Cash and bank balances | 3 | 14 |
| Trade and other receivables | 4,441 | 4,315 |
| Prepayment | -* | -* |
| Total current assets | 4,444 | 4,329 |
| Non-current assets | | |
| Investment in subsidiaries | 25,825 | 25,825 |
| Total non-current assets | 25,825 | 25,825 |
| Total assets | 30,269 | 30,154 |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables | 700 | 529 |
| Total current liabilities | 700 | 529 |
| Non-Current liabilities | | |
| Deferred tax liabilities | 14 | 7 |
| Convertible bond | 2,865 | 2,847 |
| Total non-current liabilities | 2,879 | 2,854 |
| Total liabilities | 3,579 | 3,383 |
| NET ASSETS | 26,690 | 26,771 |
| EQUITY | | |
| Share capital | 32,291 | 32,291 |
| Accumulated losses | (5,640) | (5,559) |
| Capital reserve | 39 | 39 |
| Total equity | 26,690 | 26,771 |

*Amount less than S\$1,000

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C. Condensed Interim Consolidated Statement of Cash Flows

| | HY2024 (Unaudited) S\$'000 | HY2023 (Unaudited) S\$'000 |
|--|----------------------------------|----------------------------------|
| Cash flows from operating activities | | |
| Profit before income tax | 1,814 | 2,713 |
| Adjustments for: | | |
| Loss on disposal property, plant and equipment | 20 | 7 |
| Depreciation of property, plant and equipment | 731 | 713 |
| Amortisation of right of use assets | 107 | 125 |
| Amortisation of capitalised contract costs | 52 | 57 |
| Interest income from bank deposits | (14) | (9) |
| Interest expenses | 122 | 143 |
| Loss allowance on contract assets | 41 | 29 |
| Loss allowance on trade and retention receivables | 83 | 704 |
| Reversal of unutilised annual leave | (61) | (80) |
| Unrealised exchange difference | 6 | 8 |
| Operating cash flows before changes in working capital | 2,901 | 4,410 |
| Changes in working capital | | |
| Trade and other receivables | (1,797) | (3,044) |
| Contract assets | (604) | (539) |
| Capitalised contract costs | (97) | - |
| Trade and other payables | (268) | (1,408) |
| Contract liabilities | (213) | 544 |
| Prepayments | 94 | 113 |
| Cash used in operations | 16 | 76 |
| Income tax paid | - | (6) |
| Net cash from operating activities | 16 | 70 |
| Cash flows from investing activities | | |
| Interest income | 14 | 9 |
| Purchases of property, plant and equipment | (1) | (206) |
| Proceeds from disposals of property, plant and equipment | 212 | 69 |
| Net cash from/(used in) investing activities | 225 | (128) |
| Cash flows from financing activities | | |
| Repayment of principal portion of lease liabilities | (100) | (119) |
| Repayment of interest portion of lease liabilities | (4) | (4) |
| Repayment of bank borrowings | (380) | (373) |
| Proceeds from loan from director | 104 | - |
| Repayment loan to director | (40) | - |
| Interest paid | (11) | (38) |
| Net cash used in financing activities | (431) | (534) |
| Net decrease in cash and cash equivalents | (190) | (592) |
| Cash and cash equivalents at the beginning of the financial year | 430 | 1,197 |
| Cash and cash equivalents at end of the financial period | 240 | 605 |

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D. Condensed Interim Statement of Changes in Equity

| Group (Unaudited) | Share capital | Retained earnings | Currency translation reserve | Merger reserve | Capital reserve | Total |
|---|---------------|-------------------|------------------------------|----------------|-----------------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance as at 1 January 2024 | 32,291 | 48,018 | (5) | (25,628) | 39 | 54,715 |
| Total comprehensive income for the financial period | - | 1,447 | 7 | - | - | 1,454 |
| Balance as at 30 June 2024 | 32,291 | 49,465 | 2 | (25,628) | 39 | 56,169 |
| (Audited) | | | | | | |
| Balance as at 1 January 2023 | 32,291 | 47,495 | (13) | (25,628) | 39 | 54,184 |
| Total comprehensive income for the financial period | - | 523 | 8 | - | - | 531 |
| Balance as at 31 December 2023 | 32,291 | 48,018 | (5) | (25,628) | 39 | 54,715 |

| Company (Unaudited) | Share capital | Accumulated losses | Capital reserve | Total |
|---|---------------|--------------------|-----------------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance as at 1 January 2024 | 32,291 | (5,559) | 39 | 26,771 |
| Total comprehensive income for the financial period | - | (81) | - | (81) |
| Balance as at 30 June 2024 | 32,291 | (5,640) | 39 | 26,690 |
| (Audited) | | | | |
| Balance as at 1 January 2023 | 32,291 | (5,434) | 39 | 26,896 |
| Total comprehensive income for the financial period | - | (125) | - | (125) |
| Balance as at 31 December 2023 | 32,291 | (5,559) | 39 | 26,771 |

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

The Company (Registration Number: 201212407R) is incorporated in Singapore with its principal place of business and registered office at 11 Sims Drive #06-01 SCN Centre Singapore 387385. The Company is listed on Catalist of the Singapore Exchange Securities Trading Limited. The condensed interim consolidated financial statements comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are those of investment holding and the provision of management and administrative support to its subsidiaries.

The principal activities of the subsidiaries are building construction, civil engineering work and contractors for construction works for all kind.

2. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The 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 audited financial statements for the financial year ended 31 December 2023.

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

The condensed interim consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore Dollars ("S") which is the functional currency of the Company and the presentation currency for the condensed interim consolidated financial statements and all values presented are rounded to the nearest thousand ("S'000") as indicated.

2.1 New and Amended Standards adopted by the Group

There are no new or amended Standards (effective from annual period beginning on or after 1 January 2024) which will result in any significant impact on the condensed interim financial statements.

2.2 Uses of judgement and estimates

In preparing the 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 applied to the last audited financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for the six months ended 30 June 2024.

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

2.2 Uses of judgement and estimates (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Loss allowance and impairment for trade receivables, unbilled receivables and contract assets due from third parties – Estimation of expected credit risk
- Amounts due from subsidiaries – Estimations of any significant increase in credit risk
- Revenue from contracts with customers – Estimation of total contract costs
- Depreciation of steel beams – Estimation of useful lives and residual value of steel beams

There were no significant changes to the major assumptions used in assessing the accounting estimates above and the carrying amounts of the relevant assets and liabilities. Details of such assumptions and estimations are disclosed in the last audited financial statements for the financial year ended 31 December 2023, except as disclosed below.

Income tax recoverable

During the financial year, a subsidiary of the Company received a favourable response from the tax authority acknowledging the subsidiary's entitlement to claim capital allowances on the cost of steel beams recognised as fixed assets. The situation arose from the change in the accounting treatment of steel beams (and consequently, the restatement of financial statements) as a result of the adoption of SFRS(I) 15 a few years ago. In May 2024, the subsidiary has been scheduled a meeting to present its case to the tax authority and in July 2024, the tax authority requested for additional supporting documents to reconciliation the fixed asset figure. Based on the advice from our independent tax advisor, management has determined that the amount of \$643,094 recorded as income tax recoverable as at 30 June 2024 remains appropriate under the relevant income tax law.

3. Seasonal operations

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

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E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Structural steel works; and
- Segment 2: Tunnelling works

These operating segments are reported in a manner consistent with internal reporting provided to Mr. Hooi Yu Koh who is responsible for allocating resources and assessing performance of the operating segments.

| 1 January 2024 to 30 June 2024 | Structural steel works | Tunnelling works | Unallocated expenses | Total |
|---|------------------------|------------------|----------------------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Total segment revenue | 8,742 | - | - | 8,742 |
| Project costs | (4,731) | - | - | (4,731) |
| Depreciation | (683) | - | - | (683) |
| Total cost of works | (5,414) | - | - | (5,414) |
| Segment profit | 3,328 | - | - | 3,328 |
| Other income | - | - | 40 | 40 |
| Administrative expenses | - | - | (1,240) | (1,240) |
| Depreciation | - | - | (48) | (48) |
| Loss allowance on trade and other receivables and contract assets | (124) | - | - | (124) |
| Loss on disposal of property, plant and equipment | - | - | (20) | (20) |
| Finance expense | - | - | (122) | (122) |
| Profit before taxation | 3,204 | - | (1,390) | 1,814 |
| Taxation | - | - | (367) | (367) |
| Profit for the financial year | 3,204 | - | (1,757) | 1,447 |
| Segment assets | 74,431 | - | - | 74,431 |
| Other assets | - | - | 2,437 | 2,437 |
| Total assets per statement of financial position | 74,431 | - | 2,437 | 76,868 |
| Expenditure for segment non-current assets | 1,051 | - | - | 1,051 |
| Segment liabilities | 10,812 | - | - | 10,812 |
| Deferred tax liabilities | - | - | 1,514 | 1,514 |
| Other liabilities | - | - | 8,373 | 8,373 |
| Total liabilities per statement of financial position | 10,812 | - | 9,887 | 20,699 |

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E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4. Segment and revenue information (continued)

| 1 January 2023 to 30 June 2023 | Structural steel works | Tunnelling works | Unallocated expenses | Total |
|---|------------------------|------------------|----------------------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Total segment revenue | 9,992 | 1,351 | - | 11,343 |
| Project costs | (5,071) | (1,081) | - | (6,152) |
| Depreciation | (668) | - | - | (668) |
| Total cost of works | (5,739) | (1,081) | - | (6,820) |
| Segment profit | 4,253 | 270 | - | 4,523 |
| Other income | - | - | 101 | 101 |
| Administrative expenses | - | - | (983) | (983) |
| Depreciation | - | - | (45) | (45) |
| Loss allowance on trade and other receivables and contract assets | (731) | (2) | - | (733) |
| Gain on disposal of property, plant and equipment | - | - | (7) | (7) |
| Finance expense | - | - | (143) | (143) |
| Profit before taxation | 3,522 | 268 | (1,077) | 2,713 |
| Taxation | - | - | (488) | (488) |
| Profit for the financial year | 3,522 | 268 | (1,565) | 2,225 |
| Segment assets | 71,355 | 653 | - | 72,008 |
| Other assets | - | - | 2,838 | 2,838 |
| Total assets per statement of financial position | 71,355 | 653 | 2,838 | 74,846 |
| Expenditure for segment non-current assets | 2,324 | - | 176 | 2,500 |
| Segment liabilities | 10,820 | - | - | 10,820 |
| Deferred tax liabilities | - | - | 1,147 | 1,147 |
| Other liabilities | - | - | 8,165 | 8,165 |
| Total liabilities per statement of financial position | 10,820 | - | 9,312 | 20,132 |

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E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

5. Profit Before Taxation

The following items have been included in arriving at profit before tax:

| | Group | |
|---|----------------------------------|----------------------------------|
| | HY2024 (Unaudited) S\$'000 | HY2023 (Unaudited) S\$'000 |
| Other Income | | |
| Government grants | 14 | 8 |
| Miscellaneous income | 12 | 84 |
| Interest income from bank deposits | 14 | 9 |
| | 40 | 101 |
| Expense | | |
| Gain on foreign exchange | 1 | 11 |
| Loss on disposal of property, plant and equipment | (20) | (7) |
| Loss allowance on trade and retention receivables | (83) | (704) |
| Loss allowance on contract assets | (41) | (29) |
| Interest expenses | (122) | (143) |
| Amortisation of capitalised contract costs | (52) | (57) |
| Depreciation of property, plant and equipment | (731) | (713) |
| Amortisation of right-of-use assets | (107) | (125) |
| Professional fees | (101) | (110) |
| Key management personnel compensation | (399) | (394) |

Other than the key management personnel compensation as disclosed above, the Group had no other significant related party transactions during the reporting period.

6. Taxation

| | Group | | Increase / (Decrease) % |
|----------------------------|----------------------------------|----------------------------------|-------------------------------|
| | HY2024 (Unaudited) S\$'000 | HY2023 (Unaudited) S\$'000 | |
| Deferred tax | | | |
| - current financial period | (367) | (488) | (25) |

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

7. Trade and Other Receivables

| | 30 Jun 2024 (Unaudited) S\$'000 | 31 Dec 2023 (Audited) S\$'000 |
|---|---------------------------------------|-------------------------------------|
| Trade receivables – third parties | 1,503 | 772 |
| Less: Allowance for impairment of trade receivables | (103) | (53) |
| | 1,400 | 719 |
| Unbilled receivables – third parties | 35,252 | 34,357 |
| Less: Allowance for impairment of unbilled receivables | (2,397) | (2,336) |
| | 32,855 | 32,021 |
| Retention receivables | 3,647 | 3,471 |
| Less: Allowance for impairment of retention receivables | (603) | (631) |
| | 3,044 | 2,840 |
| Other receivables | - | 2 |
| Less: Allowance for impairment of other receivables | - | - |
| | - | 2 |
| Deposits | 214 | 217 |
| Total trade and other receivables | 37,513 | 35,799 |

Trade receivables are unsecured, non-interest bearing and generally on 30 to 60 days credit terms.

Unbilled receivables, which comprise 88% of total trade and other receivables, relates to income recognised for the rental of steel beams (“**Lease Income**”) to customers that have yet to be billed as at the end of the reporting period. The Group has determined that its supply of steel beams embedded in the revenue from contract with customers constitute a leasing arrangement. Therefore, the revenue from leasing of steel beams is recognised on a time-proportion basis (i.e. over the contractual period) which are independent from the recognition of revenue from structural steel works as those revenue are recognised based on the stage (percentage) of completion method (see Section F2 below). The unbilled receivables are expected to be progressively billed to customers alongside with payment certification by customers for the structural steel works carried out.

Retention receivables are due for settlement beyond 12 months from the end of the reporting period. Nevertheless, they have been classified as current assets because they are expected to be realised in the normal operating cycle of the Group.

Other receivables are unsecured and non-interest bearing and repayable on demand.

Movements in loss allowances on trade receivables, unbilled receivables and retention receivables were as follows

| | 30 Jun 2024 S\$'000 | 31 Dec 2023 S\$'000 |
|--|------------------------|------------------------|
| Balance at beginning of financial year | 3,020 | 2,254 |
| Additional loss allowance made during the financial year | 83 | 766 |
| Balance at end of financial year | 3,103 | 3,020 |

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

8. Contract Assets, Capitalised Contract Costs and Contract Liabilities

| | 30 Jun 2024 (Unaudited) S\$'000 | 31 Dec 2023 (Audited) S\$'000 |
|-------------------------------------|---------------------------------------|-------------------------------------|
| <u>Contract assets</u> | | |
| Structural steel works | 6,776 | 6,155 |
| Tunnelling works | - | 16 |
| | 6,776 | 6,171 |
| Less: Allowance for contract assets | (1,864) | (1,823) |
| Carrying amount | 4,912 | 4,348 |
| <u>Capitalised contract costs</u> | | |
| Balance brought forward | 184 | 266 |
| Additions | 97 | - |
| Amortised during the financial year | (52) | (82) |
| Balance carried forward | 229 | 184 |
| <u>Contract liabilities</u> | | |
| Structural steel works | 6,748 | 6,961 |

Contract assets arise from structural steel works and tunnelling works mainly due to the Group's rights to consideration for work completed and transferred to customers are conditioned upon future performance. These contract assets arise as the customer is invoiced based on payment certification. Contract assets are transferred to receivables when the rights become unconditional.

Movements in loss allowances on contract assets were as follows:

| | 30 Jun 2024 S\$'000 | 31 Dec 2023 S\$'000 |
|--|------------------------|------------------------|
| Balance at beginning of financial year | 1,823 | 1,763 |
| Additional loss allowance made during the financial year | 41 | 60 |
| Balance at end of financial year | 1,864 | 1,823 |

9. Property, Plant and Equipment

During 1H2024, the Group acquired fixed assets amounting to S\$1.1 million (31 Dec 2023: S\$2.5 million), with depreciation of S\$0.8 million (31 Dec 2023: S\$1.7 million) and disposed of (including write-offs) fixed assets with carrying amount of S\$0.2 million (31 Dec 2023: S\$1.3 million), the net book value of fixed assets were S\$32.3 million as at 30 June 2024. The new assets were purchased through the following means: (i) S\$1.0 million on credit; (ii) S\$0.1 million by cash payment.

10. Cash and bank balances and fixed deposits

| | 30 Jun 2024 S\$'000 | 31 Dec 2023 S\$'000 |
|--|------------------------|------------------------|
| Cash and bank balances | 223 | 427 |
| Total fixed deposits | 1,029 | 1,015 |
| Less: Fixed deposits pledged | (1,012) | (1,012) |
| Cash and cash equivalents per consolidated cash flow statement | 240 | 430 |

As at 30 June 2024, the fixed deposits of the Company amounting to \$1,012,000 (2023: \$1,012,000) were pledged to banks as security for banking facilities, of which S\$1 million is for performance and advance payment bonds.

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

11. Trade and Other Payables

| | 30 Jun 2024 (Unaudited) S\$'000 | 31 Dec 2023 (Audited) S\$'000 |
|----------------------------------|---------------------------------------|-------------------------------------|
| Trade payables | 1,811 | 1,572 |
| Other payables | 915 | 781 |
| Amount due to director | 700 | 621 |
| Goods & service tax payable, net | 182 | 212 |
| Advance billings to customers | 4,064 | 3,723 |
| Accrued operating expenses | 875 | 761 |
| Trade and other payables | 8,547 | 7,670 |

Trade payables are unsecured, non-interest bearing and are generally on 30 to 90 days credit terms.

The amount owing to director comprises the outstanding principal amount of an unsecured loan extended by a director of the Company, and the interest accrued on the loan at 5% per annum. The amount is repayable on demand.

Advance billings to customers relate to billings for rental of steel beams to customers in respect of financial periods beyond the end of the respective reporting periods.

12. Borrowings and Lease Liabilities

(i) Amount repayable < 1 year

| | As at 30 Jun 2024 (Unaudited) | | As at 31 Dec 2023 (Audited) | |
|-------------------|----------------------------------|----------------------|--------------------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Lease liabilities | - | 172 | - | 189 |
| Bank borrowings | - | 773 | - | 765 |

(ii) Amount repayable > 1 year

| | As at 30 Jun 2024 (Unaudited) | | As at 31 Dec 2023 (Audited) | |
|-------------------|----------------------------------|----------------------|--------------------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Lease liabilities | - | 30 | - | 114 |
| Bank borrowings | - | - | - | 388 |
| Convertible Bond | - | 2,865 | - | 2,847 |

Details of any collateral:

The outstanding loan balance of S\$0.7 million as at 30 June 2024 is repayable over 5 years from July 2021 and is secured by a corporate guarantee provided and executed by the Company.

In September 2022, the Company issued a convertible bond with 5% coupon and a maturity period of 5 years. As the convertible bond is a compound financial instrument, it was bifurcated into a debt (liability) component and an equity component at inception. The equity component is presented as a capital reserve.

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

13. Share Capital

- (i) Details of any changes in the company's share capital arising from right 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.

| | Number of Shares | Share capital (S\$) |
|--|---------------------|------------------------|
| As at 30 June 2024 and 31 December 2023 | <u>99,200,000</u> | <u>32,290,650</u> |

As at 30 June 2024, up to 18,750,000 (31 Dec 2023: 18,750,000) new shares of the Company may be issued upon conversion of the Convertible bonds that were issued by the Company in September 2022.

There were no changes in the issued and paid-up capital of the Company from 31 December 2023 to 30 June 2024.

- (ii) 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 30 June 2024 | Company As at 31 December 2023 |
|---|----------------------------------|--------------------------------------|
| Total number of issued shares excluding treasury shares | <u>99,200,000</u> | <u>99,200,000</u> |

The Company did not have any treasury shares as at 30 June 2024 and 31 December 2023.

- (iii) 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. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- (iv) 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. The Company did not have any subsidiary holdings during, and at the end of the current financial period reported on.

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E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

14. Net Asset Value

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 | |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| | 30 Jun 2024 (Unaudited) | 31 Dec 2023 (Audited) | 30 Jun 2024 (Unaudited) | 31 Dec 2023 (Audited) |
| Net asset value (S\$'000) | 56,169 | 54,715 | 26,690 | 26,771 |
| 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\$) | 0.57 | 0.55 | 0.27 | 0.27 |

15. Earnings per ordinary share

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

(a) Basic earnings per share

| | Group | |
|--|-----------------------|-----------------------|
| | HY2024 (Unaudited) | HY2023 (Unaudited) |
| Net profit attributable to equity holders of the Company (S\$'000) | 1,447 | 2,225 |
| Weighted average number of ordinary shares ('000) | 99,200 | 99,200 |
| Basic EPS (cents) | 1.46 | 2.24 |

(b) Diluted earnings per share

To calculate diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company's convertible bond is the only potential dilutive ordinary shares issued during the year. Convertible bonds are assumed to have been converted into ordinary shares at issuance and the net profit is adjusted to eliminate the interest expense less the tax effect.

| | Group | |
|---|---------|---------|
| | HY2024 | HY2023 |
| Net profit attributable to equity holders of the Company (S\$'000) | 1,447 | 2,225 |
| Interest expense on convertible bonds (S\$'000) | 93 | 89 |
| Tax effect relating to interest expense on convertible bond (S\$'000) | (3) | (3) |
| Net profit used to determine diluted earnings per share (S\$'000) | 1,537 | 2,311 |
| Weighted average number of ordinary shares for basic EPS ('000) | 99,200 | 99,200 |
| Adjustment for convertible bond ('000) | 18,750 | 18,750 |
| | 117,950 | 117,950 |
| Diluted earnings per share (cents) | 1.30 | 1.96 |

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

16. Subsequent Events

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

F. Other Information required under Appendix 7C of Catalyst Rules

1. Review

The condensed consolidated statement of financial position of Kori Holdings Limited and its subsidiaries as 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the six-month period ended and certain explanatory notes have not been audited and reviewed by the Company's auditors.

2. 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:

- (a) 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
- (b) 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

| All figures in S\$'000 | Note | Structural Steel Works | | Tunnelling Works | | Total | |
|----------------------------------|------|------------------------|--------------|------------------|--------------|--------------|---------------|
| | | HY2024 | HY2023 | HY2024 | HY2023 | HY2024 | HY2023 |
| Revenue - Lease income | (a) | 5,395 | 6,371 | - | - | 5,395 | 6,371 |
| Revenue - Structural steel works | (b) | 3,347 | 3,621 | - | - | 3,347 | 3,621 |
| Revenue - Tunnelling works | (b) | - | - | - | 1,351 | - | 1,351 |
| Total revenue | | 8,742 | 9,992 | - | 1,351 | 8,742 | 11,343 |
| Cost of works | | (5,414) | (5,739) | - | (1,081) | (5,414) | (6,820) |
| Gross profit | | 3,328 | 4,253 | - | 270 | 3,328 | 4,523 |

Note:

- (a) Lease Income (from the supply and leasing of steel beams for structural steel work projects) is recognised on a time-proportion basis.
- (b) Structural Steel Works Income and Tunnelling Income are recognised over the period of the contracts by reference to the stage (or percentage) of completion as estimated by the application of the "input method".

For more details, please refer to the summary of accounting policies as set out in the latest audited financial statements for the financial year ended 31 December 2023.

Revenue

Structural Steel Works

Revenue from this segment comprises income from the provision of structural steel construction services ("**Structural Steel Works Income**") and income from leasing of steel beams ("**Lease Income**"). Revenue for HY2024 amounting to S\$8.7 million (HY2023: S\$10.0 million) comprises: (i) Lease Income of S\$5.4 million (HY2023: S\$6.4 million); and (ii) Structural Steel Works Income of S\$3.3 million (HY2023: S\$3.6 million). The decrease of S\$1 million in recognised lease revenue was due to a two-year delay to the north-south corridor projects. The decrease of S\$0.3 million in recognised provision of structural steel service revenue was due to the two projects finalised in March and December 2023 respectively, which resulted lower service revenue recognised in HY2024 of S\$0.5 million and mitigated by the revenue recognised from new project commenced in HY2024 of S\$0.2 million.

Tunneling Works

The Tunneling Works had been finalized in December 2023, therefore, there were no income recognised in HY2024.

F. Other Information Required Under Appendix 7C of Catalist Rules (continued)

Review of the Income Statement of the Group (continued)

Cost of works

Cost of sales for Structural Steel Works decreased by 6% compared with HY2023, while the Structural Steel Works revenue decreased by 13%, the extent of the decrease in cost is lower than decrease in revenue due mainly to the significant increases in workers' costs during HY2024.

Gross profit margin

As a result of the above, overall gross profit margin decreased from 40% in HY2023 to 38% in HY2024.

Other income

The decrease of S\$61,000 in other income compared with HY2023 was due mainly to a reversal of real property gains tax amounting to S\$87,000 recorded as other income in HY2023, and this decrease was mitigated by an increase in higher income from government grants in HY2024 and there was a compensation payment from insurance related to staff medical fee in HY2024.

Administrative expenses

Compared with HY2023, the administrative expenses increased by 25% in HY2024. It was mainly due to higher admin charges related to purchase of steel beams which also resulted in higher depreciation of steel beams in HY2024.

Loss allowances on trade and retention receivables and contract assets

A total loss allowance of S\$124,000 was recognised in HY2024, which comprises an S\$167,000 general allowance made against the trade receivables and contract assets arising from ongoing projects for HY2024, as well as a reversal of specific allowance of \$43,000 in relation to retention sum. The decrease by 83% in loss allowance compare with HY2023 due mainly to there were reversal of specific allowance of S\$43,000 and S\$519,000 in relation to retention sum during HY2024 and second half year of 2023 respectively.

Income tax expense

Income tax expense amounting to S\$367,000 relates to the estimated deferred tax arising from the temporary differences between the tax bases and the carrying amounts of the relevant assets and liabilities of the Group.

Review of the Financial Position of the Group

Assets

Trade and other receivables increased by S\$1.7 million principally due to an increase in trade receivables and unbilled receivables. The increase in both items arose from a couple of ongoing projects. See section E7 for more information.

Contract assets increased by S\$564,000 because of more work done for ongoing projects compared with FY2023.

Capitalised contract costs increased by S\$45,000 due to cost being incurred and capitalized from a new project which commenced in HY2024 which was slightly offset by continuous amortization for ongoing projects.

The decrease of S\$17,000 in property, plant and equipment was mainly due to the S\$838,000 in depreciation and amortization in right of use assets, as well as the disposal of steel beams and motor vehicle with an aggregated net book value of S\$232,000 in HY2024. This was offset by additional purchases of steel beams of S\$1.1 million in contemplation of the requirements of on-going projects for HY2024.

F. Other Information Required Under Appendix 7C of Catalyst Rules (continued)

Review of the Financial Position of the Group (continued)

Liabilities

Trade and other payables increased by S\$877,000 mainly due to the increase in trade suppliers and advance billings made to customers due to the excess of progress billings rendered over the revenue recognised in respect of Lease Income during HY2024.

Contract liabilities decreased by S\$213,000 because the service revenue recognised in respect of Structural Steel Works catch up the progress billings rendered due to the positive progress of ongoing projects during HY2024.

Bank borrowings and lease liabilities decreased by S\$481,000 as at 30 June 2024 compared with 31 December 2023. It was mainly due to the repayment of the bridging loan and lease liabilities. The remaining bridging loan has been reclassified from current to non-current liabilities as it will be fully repaid in June 2025.

Review of the Cash Flow Statement of the Group

Net cash generated from operating activities amounting to S\$16,000 includes operating cash flows before working capital changes of S\$2.9 million which was reduced by the changes in contract liabilities and contract assets as well as the changes in trade and other receivables and payables.

Net cash generated in investing activities amounted to S\$225,000 largely due to proceeds from disposal of steel beams and other fixed assets amounted to S\$212,000 and interest received from fixed deposit of S\$14,000 which was offset by payment for additions of steel beams of S\$1,000 in HY2024.

Net cash used in financing activities amounting to S\$431,000 was largely due to repayment of bank borrowings of S\$391,000 and lease liabilities of S\$104,000 which was partially offset by net proceeds from director loan amounting to S\$64,000 in HY2024.

In view of the foregoing, the net cash outflows for HY2024 was S\$190,000.

3. 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 financial period reported on.

4. 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 in the next 12 months remains stable. The Building and Construction Authority (“BCA”) expects a steady improvement in construction demand and is projecting the demand to reach between S\$31 billion and S\$38 billion in 2025¹. The public sector will continue to lead the demand and is expected to contribute S\$19 billion to S\$23 billion. Some of the major upcoming public sector projects slated for award in 2025 includes MRT projects such as the Cross Island Line (Phases 3) and Downtown Line Extension to Sungei Kadut.

The Group expects construction activities for the North-South Corridor (NSC) projects to be ramped up and is gearing resources from other near completing projects to meet such demand. With the labour cost and other related expenses such as accommodation stabilising, the Group is cautiously

¹ Building and Construction Authority (last accessed 1 August 2024)

<https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024#:~:text=The%20Building%20and%20Construction%20Authority,in%20nominal%20terms%20in%202024>

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confident of benefitting from the upcoming public sector projects by leveraging on our established track record and robust technical expertise in similar past works.

F. Other Information Required Under Appendix 7C of Catalist Rules (continued)

4. 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 (continued)

Nevertheless, the Group remains vigilant in monitoring operational constraints and is committed to implementing the necessary measures to mitigate their impact. In addition, the Group maintains close collaboration with its stakeholders, including customers, suppliers, financiers and others, to manage operational costs effectively, ensuring sufficient cash flows to sustain its operations as a going concern while executing its Business Continuity Plan.

With the acceptance of our highly productive precast traffic diversion decking system in the new MRT Cross Island Line projects and the successful reutilisation of precast deck panels within our existing projects, the system has now fully integrated into our enhanced productivity and green initiative reusage policy.

5. Dividend

Decision regarding dividend has been made, the required information has been disclosed.

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No, there is no any dividend recommended or declared for the current financial period reported on.

(b)(i) Amount per share:

Not applicable.

(b)(ii) Previous corresponding period

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax 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) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

F. Other Information Required Under Appendix 7C of Catalist Rules (continued)

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for HY2024 to conserve cash after the Board has taken into consideration the Group's cash flow requirements for the foreseeable future.

7. 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.

The Group does not have a general mandate for IPTs and there were no IPTs exceeding S\$100,000 and above entered into during the financial period reported on.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

9. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Not applicable. There was no incorporation of new entities, acquisition, and realization of shares in HY2024.

10. Confirmation by The Board Pursuant To Rule 705(5)

The Board of Directors (the "Board") confirms that, to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited HY2024 financial results for the Company and the Group set out above to be false or misleading in any material aspect.

By Order of the Board

HOOI YU KOH
Executive Chairman and CEO

NG WAI KIT
Director

Singapore
13 August 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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