

KORI HOLDINGS LIMITED

Unaudited Half-Year Financial Statement and Dividend Announcement For the Financial Period Ended 30 June 2020

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

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

Financial period ended 30 June 2020 (“HY2020”) vs. financial period ended 30 June 2019 (“HY2019”)

	Group		Increase / (Decrease) %
	HY2020 (Unaudited) S\$'000	HY2019 (Unaudited) S\$'000	
Revenue	6,082	8,627	(30)
Cost of works	(4,842)	(6,893)	(30)
Gross profit	1,240	1,734	(28)
Other income	799	121	560
Interest income	12	7	71
Expenses:			
Administrative expenses	(1,489)	(1,631)	(9)
Other expenses	(8)	(8)	-
Loss allowance on trade and retention receivables	(381)	-	N.M.
Finance costs	(60)	(142)	(58)
Profit before income tax	113	81	39
Income tax expense	(30)	26	N.M.
Net profit for the year	83	107	(22)
Other comprehensive income:			
Items that may be reclassified to profit or loss subsequently			
Currency translation differences arising from foreign operations	(18)	80	N.M.
Total comprehensive income for the year	65	187	(65)
Earnings per share attributable to equity holders of the Company			
Basic & Diluted (Cents)	0.08	0.11	(27)

N.M. - Not meaningful

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

	Group		Increase / (Decrease) %
	HY2020 (Unaudited) S\$'000	HY2019 (Unaudited) S\$'000	
Loss on foreign exchange	(32)	(12)	(167)
Loss on disposal and write-off of property, plant and equipment	(8)	(8)	-
Government grants income	769	20	3,745
Interest income from bank deposits	12	7	71
Loss allowance on trade and retention receivables	(381)	-	N.M.
Reversal of allowance for impairment loss on trade receivables	-	37	N.M.
Interest expense	(61)	(142)	(57)
Amortisation of capitalised preliminary costs	(189)	(436)	(57)
Depreciation of property, plant and equipment	(809)	(809)	-
Amortisation of right-of-use assets	(143)	(159)	(10)
Professional fees	(155)	(372)	(58)

N.M. – Not meaningful

	Group		Increase / (Decrease) %
	HY2020 (Unaudited) S\$'000	HY2019 (Unaudited) S\$'000	
Income Tax Expense			
Tax expense attributable to profit is made up of			
- Current income tax	-	-	-
- Deferred income tax	(30)	-	N.M.
	(30)	-	-
Over provision in prior financial years			
- Current income tax	-	26	N.M.
Income tax expense	(30)	26	N.M.

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	
	30 Jun 2020 (Unaudited) S\$'000	31 Dec 2019 (Audited) S\$'000
ASSETS		
Current assets		
Cash and bank balances	419	1,249
Fixed deposits pledged	2,058	2,046
Trade and other receivables (Note 1)	11,646	8,993
Contract assets (Note 3)	15,302	17,195
Prepayments	16	35
Income tax recoverable	643	643
Total current assets	30,084	30,161
Non-current assets		
Property, plant and equipment	32,234	33,136
Total non-current assets	32,234	33,136
Total assets	62,318	63,297
LIABILITIES		
Current liabilities		
Trade and other payables (Note 2)	3,565	3,991
Contract liabilities (Note 3)	3,266	3,240
Lease liabilities	393	398
Bank borrowings	1,415	3,820
Current income tax payable	2	2
Total current liabilities	8,641	11,451
Non-current liabilities		
Lease liabilities	6	205
Bank borrowings	1,937	-
Deferred tax liabilities	426	398
Total non-current liabilities	2,369	603
Total liabilities	11,010	12,054
NET ASSETS	51,308	51,243
EQUITY		
Share capital	32,291	32,291
Retained earnings	44,656	44,573
Merger reserve	(25,627)	(25,627)
Currency translation reserve	(12)	6
Total equity	51,308	51,243

*Amount less than S\$1,000

	Company	
	30 Jun 2020 (Unaudited) S\$'000	31 Dec 2019 (Audited) S\$'000
ASSETS		
Current assets		
Cash and bank balances	2	74
Trade and other receivables	1,164	995
Total current assets	1,166	1,069
Non-current assets		
Investment in subsidiaries	27,070	27,070
Total non-current assets	27,070	27,070
Total assets	28,236	28,139
LIABILITIES		
Current liabilities		
Trade and other payables	143	58
Income tax payable	2	2
Total liabilities	145	60
NET ASSETS	28,091	28,079
EQUITY		
Share capital	32,291	32,291
Accumulated losses	(4,200)	(4,212)
Total equity	28,091	28,079

Notes:

- (1) The Group's trade and other receivables as at the end of respective financial periods comprised the following:

	30 Jun 2020 (Unaudited) S\$'000	31 Dec 2019 (Audited) S\$'000
Trade receivables – third parties	1,412	1,893
Less: Allowance for impairment of trade receivables	(772)	(866)
	640	1,027
Unbilled receivables – third parties	9,285	5,161
Less: Allowance for impairment of unbilled receivables	(12)	-
	9,273	5,161
Retention receivables	2,163	3,163
Less: Allowance for impairment of retention receivables	(685)	(627)
	1,478	2,536
Other receivables	185	178
Less: Allowance for impairment of other receivables	(170)	(170)
	15	8
Deposits	240	261
Total trade and other receivables	11,646	8,993

- (2) The Group's trade and other payables as at the end of respective financial periods comprised the following:

	30 Jun 2020 (Unaudited) S\$'000	31 Dec 2019 (Audited) S\$'000
Trade payables	2,282	2,593
Other payables	423	628
Accrued operating expenses	860	770
	3,565	3,991

- (3) The Group's contract assets and contract liabilities as follows:

	30 Jun 2020 (Unaudited) S\$'000	31 Dec 2019 (Audited) S\$'000
<u>Contract assets</u>		
Structural steel works	13,583	15,629
Tunnelling works	1,418	847
	15,001	16,476
Less: Allowance for impairment of contract assets	(237)	-
Preliminary costs capitalised	538	719
	15,302	17,195
<u>Contract liabilities</u>		
Structural steel works	3,266	3,240
Tunnelling works	-	-
	3,266	3,240

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

Amount repayable in one year or less

	As at 30 Jun 2020 (Unaudited)		As at 31 Dec 2019 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	393	-	398	-
Bank borrowings	1,274	141	2,108	1,712

Amount repayable after one year

	As at 30 Jun 2020 (Unaudited)		As at 31 Dec 2019 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	6	-	205	-
Bank borrowings	-	1,937	-	-

Details of any collateral:

Bank loans of S\$1.274 million as at 30 June 2020 and S\$2.108 million as at 31 December 2019 are secured by fixed deposits of S\$2.0 million pledged with the lending banks.

In June 2020, the Group (via one of its subsidiaries) obtained a temporary bridging loan of S\$3 million under the Enterprise Financing Scheme. The loan is repayable over 5 years. The said bridging loan is secured by a corporate guarantee executed by the Company. As at 30 June 2020, the Group had drawn down S\$2 million (of which S\$1.94 million was classified as non-current liability).

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**

	HY2020 (Unaudited) S\$'000	HY2019 (Unaudited) S\$'000
Cash flows from operating activities		
Profit before income tax	113	81
Adjustments for:		
Loss on disposal and write-off of property, plant and equipment	8	8
Depreciation of property, plant and equipment and right-of-use assets	809	809
Amortisation of right-of-use assets	143	159
Interest income from bank deposits	(12)	(7)
Interest expense	61	142
Loss allowance on trade and retention receivables	381	-
Reversal of unutilised annual leave	(37)	-
Reversal of allowance for impairment loss on trade receivables	-	(37)
Loss/(gain) on unrealised currency translation	32	(92)
Operating cash flows before changes in working capital	<u>1,498</u>	<u>1,063</u>
Changes in working capital		
Trade and other receivables	(2,852)	4,639
Contract assets	1,655	(1,706)
Trade and other payables	(345)	(4,161)
Contract liabilities	27	-
Cash used in operations	<u>(17)</u>	<u>(165)</u>
Income tax paid	-	10
Net cash used in operating activities	<u>(17)</u>	<u>(155)</u>
Cash flows from investing activities		
Interest income	12	-
Purchases of property, plant and equipment	(128)	(789)
Proceeds from disposals of property, plant and equipment	48	513
Net cash used in investing activities	<u>(68)</u>	<u>(276)</u>
Cash flows from financing activities		
Change in fixed deposits pledged with banks	(12)	-
Repayment of lease liabilities	(205)	(226)
Proceeds from bank borrowings	2,530	2,256
Repayment of bank borrowings	(2,997)	(1,907)
Interest paid	(61)	(132)
Net cash used in financing activities	<u>(745)</u>	<u>(9)</u>
Net decrease in cash and cash equivalents	(830)	(440)
Cash and cash equivalents at the beginning of the financial year	<u>1,249</u>	<u>1,365</u>
Cash and cash equivalents at end of the financial period	<u><u>419</u></u>	<u><u>925</u></u>

* Amount less than S\$1,000

Note:

Cash and cash equivalents at the end of the respective financial years comprise cash and bank balances.

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	Currency translation reserve S\$'000	Merger reserve S\$'000	Total S\$'000
Balance as at 1 January 2020	32,291	44,573	6	(25,627)	51,243
Total comprehensive income for the financial period	-	83	(18)	-	65
Balance as at 30 June 2020	32,291	44,656	(12)	(25,627)	51,308
(Unaudited)					
Balance as at 1 January 2019	32,291	44,463	-	(25,627)	51,127
Total comprehensive income for the financial period	-	107	80	-	187
Balance as at 30 June 2019	32,291	44,570	80	(25,627)	51,314

Company (Unaudited)	Share capital S\$'000	(Accumulated losses) / Retained earnings S\$'000	Total S\$'000
Balance as at 1 January 2020	32,291	(4,212)	28,079
Total comprehensive income for the financial period	-	12	12
Balance as at 30 June 2020	32,291	(4,200)	28,091
(Unaudited)			
Balance as at 1 January 2019	32,291	(4,283)	28,008
Total comprehensive income for the financial period	-	(5)	(5)
Balance as at 30 June 2019	32,291	(4,288)	28,003

1(d) (ii) 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 2020 and 31 December 2019	<u>99,200,000</u>	<u>32,290,650</u>

The Company did not have any outstanding convertibles, subsidiary holdings or treasury shares as at 30 June 2020 and 30 June 2019.

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 30 June 2020	Company As at 30 June 2019
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 2020 and 30 June 2019.

1(d) (iv) 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 year reported on.

1(d) (v) 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 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 modifications or emphasis of a matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's financial statements for the financial year ended 31 December 2019 were not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

The Group's financial statements for the current reporting period have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") including related Interpretations of SFRS(I).

Other than the adoption of new SFRS(I) as mentioned in Note 5 below, there was no change in accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2019.

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 and the Company adopted the new SFRS(I) and Amendments to SFRS(I) that are effective for annual period beginning on or after 1 January 2020.

During the current financial year, the Group has adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2020:-

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 1-1 SFRS(I) 1-8 Definition of Material
- Amendments to SFRS(I) 3 Definition of a Business
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform.

The adoption of the above amendments to SFRS(I)s is assessed to have no significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	HY2020 (Unaudited)	HY2019 (Unaudited)
Net profit attributable to equity holders of the Company (S\$'000)	83	107
Basic & diluted earnings per share (EPS) in Singapore cents	0.08	0.11

The basic and diluted EPS were the same for HY2020 and HY2019 as there were no potentially dilutive ordinary securities existing during the respective financial periods.

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	
	30 Jun 2020 (Unaudited)	31 Dec 2019 (Audited)	30 Jun 2020 (Unaudited)	31 Dec 2019 (Audited)
Net asset value (S\$'000)	51,308	51,243	28,091	28,079
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\$)	0.52	0.52	0.28	0.28

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:

- (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

HY2020 VS HY2019

	Steelworks Segment S\$'000		Tunneling Segment S\$'000	
	HY2020	HY2019	HY2020	HY2019
Revenue	4,641	8,490	1,441	137
Cost of Works	(3,948)	(6,800)	(894)	(93)
Gross Profit	693	1,690	547	44

Revenue

Steelworks Segment

Revenue from Steelworks Segment comprises income from the provision of construction services (Service) and income from leasing of steel beams (Lease).

In HY2020, the Group's revenue was mainly generated from recognition of revenue from the lease of steel beams. There was minimal revenue being recognized from the provision of construction services due to the suspension of business activities from 7 April 2020 until the end of HY2020 as a result of COVID-19 containment measures. Further, there was a reversal of revenue of approximately S\$3.4 million in HY2020 arising from the over-recognition of service revenue following the completion of a couple of projects undertaken in prior years which were subject to re-measurements.

Tunneling Segment

The increase in revenue from the tunneling segment is attributable to the increase in percentage of completion of the T10 project which only commenced in April 2019.

Cost of works

Cost of works for both the Steelworks Segment and Tunneling Segment decreased, in line with the decrease in revenue.

Gross profit margin

As a result of the above, the gross profit margin for HY2020 remained at relatively the same level as HY2019. It was 20% for both financial periods.

Other income

Other income mainly came from government grants, i.e. Jobs Support Scheme payout and foreign worker levy rebates which is still expected to be received from the Singapore Government in the second half of FY2020.

Administrative expenses

The administrative expenses have decreased mainly due to the decrease in management staff salaries since the outbreak of the COVID-19 pandemic as part of the Group's cost management efforts. The decrease could also be attributed to the decrease in legal fees due to the resolution of legal disputes with main contractors and sub-contractors that were previously outstanding in HY2019.

Loss allowance on trade and retention receivables

A 10% provision for impairment loss for the sum of S\$0.132 million was recorded in HY2020 in respect of sums due from a main contractor which has been under judicial administration in a foreign jurisdiction since FY2018 (“**Additional Provision**”). With the Additional Provision, the amount of impairment loss in respect of receivables from this main contractor has been fully provided for in HY2020. The Additional Provision was made after an assessment on the collectability of the outstanding receivables due from this main contractor, as the main contractor’s judicial administrations has not been completed as at the end of HY2020. Please refer to the Company’s unaudited financial results announcement for FY2019 dated 28 February 2020 for further information in respect of this provision.

In addition to the aforesaid, a 50% provision on contract assets and operating lease receivables for the sum of S\$0.249 million was recorded in respect of one of the private sector projects. The provision was recorded following the Management’s assessment of the nature of the project, the history of dealings with the customer and other relevant factors.

Income tax expense

This relates to the estimated deferred tax arising mainly 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

The current assets as at 30 June 2020 remained at relatively the same level as that as of 31 December 2019 after the increases in some items (such as trade and other receivables) were offset by the decreases in others (such as contract assets and cash and bank balances). Trade and other receivables increased due primarily to the recognition of leasing income, the effect of which was partially offset by the collections and loss allowances made during HY2020. The decrease in contract assets was mainly attributable to the progress billings raised during the period

The non-current assets decreased slightly compared with FY2019, mainly due to depreciation of PPE and amortization of Right-of-Use Assets.

Current liabilities decreased mainly due to repayment of trade payables, lease liabilities and bank borrowings. The decrease in payables decreased was also in line with the suspension of operations for approximately 3 months in HY2020.

Non-current liabilities increased due primarily to the partial drawdown of a bridging bank loan in June 2020. The loan is repayable over 5 years.

Review of the Cash Flow Statement of the Group

Net cash used in operating activities amounted to S\$17,000, largely due to increase in contract assets and decrease in trade and other receivables.

Net cash used in investing activities amounted to S\$68,000 that it is largely due to purchase of steel materials and offset by proceeds from disposal of steel materials.

Net cash used in financing activities amounted to S\$745,000 in HY2020 that it is largely due to a net-off of bank borrowings and repayment of lease liabilities and interest. The net cash outflow for HY2020 was S\$0.84 mil in terms of cash and cash equivalents. Detail of such cash flow movements are set out in paragraph 1(c) above.

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 financial period reported on.

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 was envisaged to remain positive early this year. In this regard, the Building and Construction Authority (“**BCA**”) projected S\$17.5 billion to S\$20.5 billion and S\$16 billion to S\$20 billion worth of public sector construction demand in 2020 and 2021 respectively⁽¹⁾, which includes the North-South Corridor development and new MRT lines. As such, the Group was cautiously positive that its established track record and strong technical expertise in past similar infrastructure projects had put it in a favourable position to benefit from such developments.

Nevertheless, the global outbreak of the novel coronavirus pandemic (“**COVID-19**”) since early February 2020 has unexpectedly brought about unprecedented health, social, economic and financial disruptions to many individuals and entities across virtually all industries around the world.

The Government of Singapore had on 3 April 2020 announced the implementation of a Circuit Breaker period from 7 April 2020 onwards to curb further spread of COVID-19 (“**Measures**”). The Government of Malaysia had also implemented the Movement Control Order on 18 March 2020 with similar intention.

The adverse impact of the pandemic on the construction sector is expected to persist throughout 2020 and a large extent of 2021. As a result, the completion dates of certain steelworks segment projects are expected to be extended. This might in turn affect the timing of recognition of revenue (and hence profit) as well as of collections from customers.

Although the Group had in early April 2020 obtained approval from the Ministry of Trade & Industry for the exemption from suspension of business activities during the Circuit Breaker period, this approval was subsequently rescinded on 27 April 2020 as the Group’s customers were unable to obtain the requisite approvals on their end from BCA (due to further tightening of the Measures by the government on 21 April 2020) to allow the Group to perform works on-site.

Hence, the Group did not carry out any construction activities from April to June 2020.

By end July 2020 with the easing of the Measures in Phase 1 and 2, the Group has gradually and slowly resumed on-site activities. However, the Group expects that operational productivity will not be able to revert back to pre-Circuit Breaker levels with the Measures still in place. The Measures are expected to further elevate pressure from the already acute constraint of labour supply and increasing manpower costs in Singapore.

Nevertheless, the Group will continuously monitor its operational constraints and implement the necessary measures to minimise the impact of such constraints. In addition, the Group will continue to work closely with its customers, suppliers, financiers and other stakeholders, and manage its operational costs so as to generate sufficient cash flows to preserve and sustain its operation as a going concern while continuously effecting its Business Continuity Plan and safe management measures to counter the impact of COVID-19.

Source:

(1) Building and Construction Authority. (8 January 2020). Singapore's Total Construction Demand to Remain Strong This Year. Available at: <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2020/01/08/singapore's-construction-demand-for-2020-expected-to-remain-strong> (Accessed on 8 January 2020).

11. 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.

- 12. 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 HY2020 after taking into consideration of the Group's cash flow requirements.

- 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.**

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.

- 14. 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).

- 15. 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 HY2019 financial results for the Company and the Group set out above to be false or misleading in any material aspect.

- 16. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A**

Not applicable. There was no incorporation of new entities, acquisition, and realisation of shares in HY2020.

By Order of the Board

HOOI YU KOH
Executive Chairman and CEO
14 August 2020

This announcement has been prepared by Kori Holdings Limited (the "Company") and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)
