

KORI HOLDINGS LIMITED
(Company Registration No. 201212407R)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

PROPOSED SALE OF MALAYSIA PROPERTY

1. INTRODUCTION

The board of directors (“**Board**”) of Kori Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Kori Construction (M) Bhd. (the “**Vendor**”), had on 25 May 2022, entered into a sale and purchase agreement (the “**SPA**”) with Seng Hiap Glass Sdn. Bhd. (the “**Purchaser**”) for the sale of its property situated at PLO 799, Jalan Nikel 2, Zone 12C, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor, Malaysia (the “**Property**”) (the “**Proposed Sale**”).

Unless otherwise stated, all currency translations of Singapore dollar (“**S\$**”) and Ringgit Malaysia (“**RM**”) used are based on an exchange rate of RM1.00 : S\$0.3130 as at 24 May 2022, the date immediately preceding the date of this announcement.

2. THE PROPOSED SALE

2.1 Information on the Property

The Property comprises a piece of leasehold land with a unit of open shed single storey with two-storey office being erected thereon (including two (2) units of Single Girder Overhead Travelling Crane (the “**Overhead Cranes**”), being affixed thereto). The Property bears the postal address of PLO 799, Jalan Nikel 2, Zone 12C, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor situated on a leasehold land measuring approximately 1.214 hectares, held under H.S.(D) 545923 PTD 221492 in Mukim Plentong District of Johor Bahru, State of Johor, Malaysia, and has a leasehold period until 12 October 2074. The Property will be sold on an ‘as-is-where-is’ basis.

The net book value of the Property as at 31 December 2021 was RM5,709,470 (or approximately S\$1,848,155).

2.2 Information on the Purchaser

The information presented herein relating to information on the Purchaser is based on information provided by the Purchaser. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

The Purchaser is a private company incorporated in Malaysia, having its registered office and principal place of business at No. 3, Jalan Petaling, Larkin Industrial Area 80350 Johor Bahru, Johor, Malaysia. The Purchaser and its director(s) and shareholder(s) and their respective associates are not related to the Company, its directors and substantial shareholders, or their respective associates.

The Purchaser may be financing the purchase of the Property through a loan from a bank or other financial institution.

3. RATIONALE FOR THE PROPOSED SALE

The Company is of the view that the Proposed Sale will be in the best interests of the Company. The Property has never been substantively utilized before and is no longer required by the Group. The Proposed Sale will see an optimal release of value of the asset and result in a positive cash inflow to the Group. It will also enable the Company to focus on its core business.

4. PRINCIPAL TERMS OF THE PROPOSED SALE

4.1 Sale Price

Based on the SPA, the sale price for the Property is RM5,800,000 (approximately S\$1,815,400 (the "**Sale Price**"), to be satisfied fully in cash. The proposed sale was conducted by inviting bids from public through the assistance of property agents appointed by the Company. The Company believes that the offers received are indicative of market value of the Property and reflect current market conditions. As such, no valuation has been commissioned by the Company. The Sale Price is the highest offer amongst all offers received by the Vendor. Considering the current economic climate, the Board is of the view that accepting this offer is in the best interest of the Group and the Shareholders.

4.2 Manner of Payment

Prior to the execution of the SPA, the Purchaser has paid to the Vendor's solicitors, Kee Norainn & Partners, (the "**Vendor's Solicitors**"), a sum of Ringgit Malaysia One Hundred and Sixteen Thousand (RM116,000.00) (equivalent to approximately S\$36,308) only (the "**Earnest Deposit**"), representing 2% of the Sale Price.

Upon the execution of the SPA, the Purchaser shall pay to the Vendor's Solicitors, a further sum of Ringgit Malaysia Four Hundred and Sixty Four Thousand (RM464,000.00) (equivalent to approximately S\$145,232) only (the "**Balance Deposit**"), representing 8% of the Sale Price.

The Earnest Deposit and the Balance Deposit shall collectively be referred to as "**Deposit**", being ten per centum (10%) of the Sale Price. The Deposit shall in the event of the completion of the sale and purchase herein forms part payment towards the Sale Price.

Within three (3) months from the date of the Purchaser's solicitors' receipt of the original copy of the approval for the sale and transfer of the Property by the Vendor in favour of the Purchaser being obtained from the Johor State Authority (the "**Approval**") (the "**Completion Period**"), the Purchaser shall pay, the balance sum of Ringgit Malaysia Five Million Two Hundred and Twenty Thousand (RM5,220,000.00) (approximately S\$ 1,633,860) only (the "**Balance Sale Price**"), being ninety per centum (90%) of the Sale Price to the Vendor's Solicitors as the stakeholder for the Vendor to be dealt with in accordance with the terms and conditions of the SPA.

In the event that the Purchaser is unable to pay the Balance Sale Price within the Completion Period for any reason, the Vendor shall grant to the Purchaser an extension of One (1) month from the date of expiry of the Completion Period to pay the Balance Sale Price (the "**Extended Completion Period**"), PROVIDED ALWAYS THAT the Purchaser shall pay to the Vendor, in addition to the outstanding balance of the Balance Sale Price, interest at the rate of Eight per centum (8%) per annum on daily balance of the outstanding balance of the Balance Sale Price calculated from the day following the expiry of the Completion Period to the date the Sale Price is paid in full by the Purchaser (the "**Completion Date**").

4.3 Salient Terms of the Proposed Sale

The salient terms of the Proposed Sale are, *inter alia*, as follows:

- (a) the Vendor agrees to sell and the Purchaser agrees to purchase the Property on an as-is-where-is basis free and clear of all encumbrances, caveats and squatters and with vacant possession but subject nevertheless to all conditions and restrictions whether express or implied affecting the title;
- (b) the Vendor shall as soon as practicable after the execution of the SPA at its own costs and expenses apply to the Johor State Authority and obtain the Approval within six (6) months from the date of the SPA;
- (c) in the event the Purchaser were to obtain a loan from a bank or other financial institution (the "**Financier**") to finance the purchase of the Property, the Vendor shall allow the Property to be transferred to the Purchaser and a charge to be created by the Purchaser in favour of the Financier;
- (d) in the event that the Purchaser commits a default under the SPA, the Vendor shall be entitled to terminate the SPA and forfeit absolutely a sum of equal to ten per centum (10%) of the Sale Price and such interest due and accrue to the Vendor as at the date of termination as agreed liquidated damages;
- (e) in the event that the Vendor commits a default under the SPA, the Purchaser shall be entitled at its option to enforce specific performance of the SPA or to terminate the SPA and to claim for a sum equal to ten per centum (10%) of the Sale Price and such interest due and accrue to the Vendor as at the date of termination as agreed liquidated damages in addition to the refund of all monies paid; and
- (f) the Vendor shall provide the Purchaser upon the execution of the SPA:-
 - (i) all the approved as-built drawings/building plans and the certificate of completion and compliance in respect of the Property; and
 - (ii) a valid certificate of fitness in respect of the Overhead Cranes.

4.4 COMPLETION

The completion of the Proposed Sale shall take place upon the Completion Date.

5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures in relation to the Proposed Sale are computed on the applicable bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”) based on the latest audited consolidated financial statements for the Group for the financial year ended 31 December 2021 (“**FY2021**”) are set out as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net assets value	3.5% ⁽¹⁾
(b)	Net profit attributable to the assets to be disposed of, compared with the Group’s net profits	Not applicable ⁽²⁾
(c)	Aggregate value of the consideration received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	10.5% ⁽³⁾
(d)	Number of equity securities issued as consideration for an acquisition, compared with the number of securities previously in issue	Not applicable ⁽⁴⁾
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable ⁽⁵⁾

Notes:

- (1) The net asset or book value of the Property and the net asset value of the Group as at 31 December 2021 were approximately RM5,709,470¹ (equivalent to S\$1,848,155) and S\$52,783,935 respectively.
- (2) Rule 1006(b) of the Catalist Rules is not applicable as there are no profits attributable to the Property.
- (3) Based on the Sale Price of RM5,800,000 (approximately S\$1,815,400) and the Company’s market capitalisation of approximately S\$17,360,000. The market capitalisation of the Company was computed based on the issued share capital of the Company of 99,200,000 ordinary shares (“**Shares**”) and the volume weighted average price of S\$ 0.175 per Share on 23 May 2022 (being the last day on which the Shares were traded prior to the date of the SPA).
- (4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

¹ Based on the exchange rate as at 31 December 2021 RM1.00 : S\$0.3237

As the relative figure under Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 50%, the Proposed Sale constitutes a “discloseable transaction” under Rule 1010 of the Catalist Rules. Accordingly, the Company is required to make an immediate announcement of the Proposed Sale, but the Proposed Sale is not subject to the approval of shareholders of the Company in a general meeting.

6. FINANCIAL INFORMATION

6.1 Book value of the Property and excess of Sale Price over book value

Based on the audited consolidated financial statements of the Group for FY2021, the net asset or book value of the Property amounted to approximately RM5,709,470 (equivalent to approximately S\$1,848,155²) as at 31 December 2021.

The gain on the Proposed Sale will amount to RM90,530 (equivalent to approximately S\$28,336). After deducting estimated expenses in connection with the Proposed Sale of approximately RM161,378 (equivalent to approximately S\$50,511), there will be a net loss on the Proposed Sale of approximately RM70,847 (equivalent to approximately S\$22,175)

6.2 Use of net proceeds from the Proposed Sale

The estimated net proceeds from the Proposed Sale, after deducting estimated expenses to be incurred in connection with the Proposed Sale of is approximately RM 5,638,623 (equivalent S\$1,764,889) ("**Net Proceeds**").

The Company intends to utilise the Net Proceeds for general working capital requirements of the Group.

6.3 Financial effects of the Proposed Sale

The *pro forma* financial effects of the Proposed Sale on the net tangible assets ("**NTA**") per share and the earnings per share ("**EPS**") of the Group set out below are purely for illustrative purposes only and are therefore not indicative of the actual future financial position of the Company and/or the Group after the completion of the Proposed Sale.

The financial effects of the Proposed Sale on the Group as set out below are based on the Group's audited financial statements for FY2021 and the following assumptions:

- (a) the Proposed Sale had been completed on 31 December 2021 for the computation of the effect on the NTA per share of the Group;
- (b) the Proposed Sale had been completed on 1 January 2021 for the computation of the effect on the EPS of the Group;
- (c) no adjustments have been made to align any differences that may result from the adoption of different accounting standards and policies by the Group; and
- (d) the expenses to be incurred in connection with the Proposed Sale are estimated to be RM161,378 (equivalent to approximately S\$50,511).

² Based on the exchange rate as at 31 December 2021 of RM1.00:S\$0.3237

NTA	Before completion of the Proposed Sale	After completion of the Proposed Sale
NTA attributable to equity holders of the Company (S\$'000)	52,784	52,762
Number of ordinary shares in issue ('000) (excluding treasury shares)	99,200	99,200
NTA per share (Singapore cents)	53.21	53.19

EPS	Before completion of the Proposed Sale	After completion of the Proposed Sale
Profit attributable to equity holders of the Company ⁽¹⁾ (S\$'000)	1,176	1,133
Weighted average number of ordinary shares in issue ('000) (excluding treasury shares)	99,200	99,200
EPS per share ⁽²⁾ (Singapore cents)	1.19	1.14

Notes:

⁽¹⁾ In arriving at the profit attributable to shareholders assuming that the Proposed Sale was completed on 1 January 2021, adjustment has been made for depreciation expenses which were incurred for the Property during the financial year.

⁽²⁾ EPS is calculated based on the weighted average number of ordinary shares in issue during FY2021.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholder(s) of the Company and/or their respective associates has any interest, direct or indirect, in the Proposed Sale (other than through their respective shareholdings in the Company, if any).

8. SERVICE CONTRACTS

No person will be appointed to the Board of the Company in connection with the Proposed Sale. Accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes

full and true disclosure of all material facts about the Proposed Sale, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection at the Company's office at 11 Sims Drive #06-01 SCN Centre Singapore 387385 during normal business hours for three (3) months from the date of this announcement.

In light of the prevailing regulations due to the COVID-19 situation, shareholders should provide their names, contact number, proposed date and time of inspection to admin@kori.com.sg at least 3 working days' in advance to make a prior appointment to attend at the Company's office to inspect the documents.

11. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Sale as and when there are material developments.

12. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares in the Company. There is no certainty or assurance as at the date of this announcement that no changes will be made to the terms of the Proposed Sale or that the Proposed Sale will be completed. Shareholders and potential investors of the Company are advised to read this announcement and further announcements made by the Company, if any, carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board Kori Holdings Limited

Hooi Yu Koh
Executive Chairman and Chief Executive Officer
25 May 2022

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.

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.
