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# Condensed Interim Financial Statements

## For the Six Months and Full Year Ended 31 December 2021

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**Koyo International Limited**  
**and its Subsidiaries**  
(Incorporated in Singapore)  
(Company Registration No: 200100075E)

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## (A) Condensed interim consolidated statement of profit or loss and other comprehensive income

The Group	Note	<u>Six Months Ended</u>			<u>Twelve Months Ended</u>		
		31-Dec-21	31-Dec-20	%	31-Dec-21	31-Dec-20	%
		(Unaudited)	(Restated)		(Unaudited)	(Restated)	
		S\$ '000	S\$ '000		S\$'000	S\$'000	
Revenue	4.2	14,507	12,504	16.0	28,043	17,709	58.3
Cost of sales		(12,139)	(8,715)	39.3	(22,253)	(12,057)	84.6
<b>Gross profit</b>	4.1	2,368	3,789	-37.5	5,790	5,652	2.4
Other income		1,245	1,226	1.5	1,980	2,173	-8.9
Selling and distribution expenses		(106)	(42)	152.4	(127)	(71)	78.9
Administrative expenses		(3,702)	(3,478)	6.4	(7,488)	(6,314)	18.6
Other operating expenses		(1,013)	(83)	1120	(1,116)	(117)	853.8
Finance Expenses		(17)	(15)	13.3	(37)	(17)	117.6
<b>Profit/(Loss) before income tax</b>		(1,225)	1,397	-187.7	(998)	1,306	-176.4
Income tax benefit / (expense)		111	(37)	-400.0	95	(37)	-356.8
<b>Net profit/(loss)</b>		(1,114)	1,360	-181.9	(903)	1,269	-171.2
<b>Other comprehensive income:</b>							
Items that will not be reclassified to profit or loss:							
Net fair value gains on leasehold property	11.1	1,909	-	n.m	1,909	-	n.m
Net fair value gains/(losses) on equity instruments at fair value through other comprehensive income		(2)	-	n.m	2	(4)	-150.0
<b>Other comprehensive income, net of tax</b>		1,907	-	n.m	1,911	(4)	-4785
<b>Total comprehensive income</b>		793	1,360	41.7	1,008	1,265	-20.3
<b>Income/(Loss) attributable to:</b>							
Equity holders of the Company		(1,114)	1,360	-181.9	(903)	1,269	-171.2
<b>Total comprehensive income attributable to:</b>							
Equity holders of the Company		793	1,360	-41.7	1,008	1,265	-20.3
<b>Earnings/(Losses) per share (Singapore cents)</b>							
Basic		(0.59)	0.72		(0.48)	0.67	
Diluted		(0.59)	0.72		(0.48)	0.67	
Earnings/(Losses) per share was calculated based on weighted average number of ordinary shares in issue ('000):							
(a) Basic		189,824	189,824		189,824	189,824	
(b) Diluted		189,824	189,824		189,824	189,824	

Basic and diluted earnings per share of the Group were the same as there were no potential dilutive securities in issue as at 31 December 2021 and 31 December 2020.

## (B) Condensed interim statements of financial position

	Note	<u>Group</u>			<u>Company</u>	
		31-Dec-21 (Unaudited)	31-Dec-20 (Restated) [Note 2.2]	31-Dec-19* (Audited)	31-Dec-21 (Unaudited)	31-Dec-20 (Audited)
		S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b><u>ASSETS</u></b>						
<b><u>Non-current Assets</u></b>						
Property, plant and equipment	11	7,514	3,940	881	81	162
Investments in subsidiaries		-	-	-	28,450	28,450
Investment securities - OCI	10	20	18	22	-	-
Investment securities at fair value through profit or loss	14	658	-	-	658	-
		<u>8,192</u>	<u>3,958</u>	<u>903</u>	<u>29,189</u>	<u>28,612</u>
<b><u>Current Assets</u></b>						
Inventories		36	-	13	-	-
Deferred tax asset		30	-	-	-	-
Trade and other receivables		5,607	4,805	1,874	7	72
Contract assets		4,524	2,759	1,365	-	-
Cash and bank balances		13,323	17,763	23,505	425	1,486
		<u>23,520</u>	<u>25,327</u>	<u>26,757</u>	<u>432</u>	<u>1,558</u>
<b>Total Assets</b>		<u>31,712</u>	<u>29,285</u>	<u>27,660</u>	<u>29,621</u>	<u>30,170</u>
<b><u>LIABILITIES</u></b>						
<b><u>Non-current Liabilities</u></b>						
Lease liabilities	12	1,815	535	39	-	-
<b><u>Current Liabilities</u></b>						
Trade and other payables		7,047	5,858	5,022	935	1,102
Provision for onerous contract		828	-	-	-	-
Contract liabilities		-	1,702	2,577	-	-
Lease liabilities	12	266	277	170	-	22
Current income tax liabilities		-	70	84	-	-
		<u>8,141</u>	<u>7,907</u>	<u>7,853</u>	<u>935</u>	<u>1,124</u>
<b>Total Liabilities</b>		<u>9,956</u>	<u>8,442</u>	<u>7,892</u>	<u>935</u>	<u>1,124</u>
<b>Net Assets</b>		<u>21,756</u>	<u>20,843</u>	<u>19,768</u>	<u>28,686</u>	<u>29,046</u>
<b><u>EQUITY</u></b>						
Share capital	13	4,477	4,477	4,477	40,072	40,072
Treasury shares	13	(630)	(630)	(630)	(630)	(630)
Other reserves		1,646	(265)	(261)	-	-
Retained profits / (accumulated losses)		16,263	17,261	16,182	(10,756)	(10,396)
<b>Total Equity</b>		<u>21,756</u>	<u>20,843</u>	<u>19,768</u>	<u>28,686</u>	<u>29,046</u>

\*As at 31 December 2019 and 1 January 2020

## (C) Condensed interim statements of changes in equity

### Attributable to equity holders of the Company

<u>The Group</u>	Note	Share Capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Retained Profits S\$'000	Total Equity S\$'000
<b>2021 (Unaudited)</b>						
<b>At 1 January 2021 (restated<sup>1</sup>)</b>	2.2	4,477	(630)	(265)	17,261	20,843
(Loss) for the period		-	-	-	(903)	(903)
<u>Other comprehensive income</u>						
Net fair value gains on leasehold property				1,909		1,909
Net fair value gains on equity securities at fair value through OCI		-	-	2	-	2
<b>Total comprehensive profit for the period</b>		-	-	1,911	(903)	1,008
<u>Contribution by and distributions to owners</u>						
Dividends	8	-	-	-	(95)	(95)
<b>Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners</b>		-	-	-	(95)	(95)
<b>At 31 December 2021</b>		4,477	(630)	1,646	16,263	21,756
<b>2020 (Restated)</b>						
<b>At 1 January 2020</b>		4,477	(630)	(261)	16,182	19,768
Profit for the period	2.2	-	-	-	1,269	1,269
<u>Other comprehensive income</u>						
Net fair value losses on equity securities at fair value through OCI		-	-	(4)	-	(4)
<b>Total comprehensive income for the period</b>		-	-	(4)	1,269	1,265
<u>Contribution by and distributions to owners</u>						
Dividends	8	-	-	-	(190)	(190)
<b>Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners</b>		-	-	-	(190)	(190)
<b>At 31 December 2020</b>		4,477	(630)	(265)	17,261	20,843

<sup>1</sup> This is due to a change in accounting policy for contract revenue recognition from the output method to the input method.

### (C) Condensed interim statements of changes in equity (cont'd)

<u>The Company</u>	Note	Attributable to equity holders of the Company				Total Equity S\$'000
		Share Capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	(Accumulated Losses) S\$'000	
<b>2021 (Unaudited)</b>						
<b>At 1 January 2021</b>		40,072	(630)	-	(10,396)	29,046
Total comprehensive loss for the period		-	-	-	(265)	(265)
Dividends	8	-	-	-	(95)	(95)
<b>At 31 December 2021</b>		<b>40,072</b>	<b>(630)</b>	<b>-</b>	<b>(10,756)</b>	<b>28,686</b>
<b>2020 (Audited)</b>						
<b>At 1 January 2020</b>		40,072	(630)	-	(10,348)	29,094
Total comprehensive income for the period		-	-	-	142	142
Dividends	8	-	-	-	(190)	(190)
<b>At 31 December 2020</b>		<b>40,072</b>	<b>(630)</b>	<b>-</b>	<b>(10,396)</b>	<b>29,046</b>

## (D) Condensed interim consolidated statement of cash flows

<u>The Group</u>	Note	Twelve Months Period Ended	
		31-Dec-21 (Unaudited)	31-Dec-20 (Restated) [Note 2.2]
		S\$'000	S\$'000
<b>Cash flows from operating activities</b>			
Net profit /(Loss)		(903)	1,269
Adjustments for:			
Income tax benefit/(expense)		(95)	37
Depreciation of property, plant and equipment	6	1,173	630
Provision for onerous contract		828	-
Allowance for impairment of trade receivables		23	6
Interest expenses		36	17
Interest income		(53)	(186)
Dividend income		(5)	-
Profit /(Loss) on disposal of property, plant and equipment		9	(41)
Fair value gain on investment securities		(19)	-
Exchange gain on investment securities		(2)	-
<b>Operating profit before working capital changes</b>		992	1,732
<b>Change in working capital:</b>			
Inventories		(36)	13
Trade and other receivables, contract assets		(2,607)	(4,401)
Trade and other payables, contract liabilities		(513)	(39)
<b>Cash used in operations</b>		(2,164)	(2,695)
Income tax paid		(5)	(51)
<b>Net cash used in operating activities</b>		(2,169)	(2,746)
<b>Cash flows from investing activities</b>			
Additions to property, plant & equipment		(1,292)	(2,902)
Investment securities measured at fair value through profit or loss		(632)	-
Proceed on disposal of property, plant & equipment		14	46
Interest received		70	256
<b>Net cash used in investing activities</b>		(1,840)	(2,600)
<b>Cash flows from financing activities</b>			
Secured bank deposits pledged to banks		(3)	(5)
Repayment of lease liabilities		(300)	(189)
Interest paid		(36)	(17)
Dividends paid to equity holders of the Company	8	(95)	(190)
<b>Net cash used in financing activities</b>		(434)	(401)
<b>Net decrease in cash and cash equivalents</b>		(4,443)	(5,747)
Cash and cash equivalents at beginning of the period		16,643	22,390
<b>Cash and cash equivalents at end of the period</b>		12,200	16,643

## (D) Condensed interim consolidated statement of cash flows (cont'd)

### Non-cash transaction:

During the financial year ended 31 December 2021 (“FY2021”), the Group acquired property, plant and equipment with an aggregate cost of S\$2,861,000 (31 December 2020: S\$3,694,000), of which S\$1,569,000 (31 December 2020: S\$792,000) was acquired under leases and the remaining S\$1,292,000 (31 December 2020: S\$2,902,000) via cash payment.

### Reconciliation of liabilities arising from financing activities

	<b>1-Jan-21</b>	<b>Principal &amp; Interest</b>	<b>Acquisition</b>	<b>Interest Expense</b>	<b>31-Dec-21</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Lease liabilities	812	(336)	1,569	36	2,081

	<b>1-Jan-20</b>	<b>Principal &amp; Interest</b>	<b>Acquisition</b>	<b>Interest Expense</b>	<b>31-Dec-20</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Lease liabilities	209	(206)	792	17	812

For the purpose of the condensed interim consolidated statement of cash flows, cash and cash equivalents comprise the following:

<b>The Group</b>	<b>Twelve Months Ended</b>	
	<b>31-Dec-21 (Unaudited)</b>	<b>31-Dec-20 (Audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Short-term bank deposits	6,243	7,261
Cash and bank balances	7,080	10,502
	<u>13,323</u>	<u>17,763</u>
Less: Fixed deposits pledged to banks	(1,123)	(1,120)
	<u>12,200</u>	<u>16,643</u>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. General information**

Koyo International Limited (“Company”) is listed on the Catalist Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore. These condensed interim consolidated financial statements as at and for the twelve months ended 31 December 2021 comprise the financial statements of the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are those of investment holding and business of providing integrated mechanical and electrical engineering (“M&E”) services.

The principal activities of its subsidiaries are:

- (a) Providing integrated mechanical and electrical engineering services and facilities management services;
- (b) Engineering contract works;
- (c) Supply of essential construction materials, including but not limited to reclamation sand, construction sand, armour rock, granite and other aggregates;
- (d) Supply and installation of audio, video and security and communication systems;
- (e) Environmental engineering work;
- (f) General trading of products; and
- (g) Interior design services and renovation work.

### **2. Basis of preparation**

The condensed interim financial statements for the twelve months ended 31 December 2021 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 interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 and prior year adjustment in Note 2.2.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

During the current financial period, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2021:

##### *SFRS(I) 1-34 Preparation of Interim Financial Statements*

The adoption of these amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial year ended 31 December 2021 and for future financial periods. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.



## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 2.2 Prior year adjustment

During FY2021, prior year adjustments were put through as the Group changed its accounting policy for contract revenue recognition from output method to input method for certain contracts to better reflect the measure of progress in satisfying the performance obligation for certain contracts. As a result, a net amount of \$848,000 was recognised as revenue in prior year and also classified to contract assets.

The prior year adjustments have resulted in an increase in revenue and contract assets for the financial year ended 31 December 2020. No tax adjustments for the related prior year adjustments were put through as management has effected these tax adjustments under under-provision for tax expense in FY2021.

### Effects of prior year adjustments

The effects of the prior year adjustment on the condensed interim statements of financial position of the Group and the Company as at 31 December 2020 and 31 December 2019, and the condensed interim consolidated statement of profit or loss and other comprehensive income and the condensed interim consolidated statement of cash flows of the Group for the financial year ended 31 December 2020 are summarised below.

	Group			2020 Balance as reinstated \$'000
	2020 Balance as previously reported \$'000	Prior year adjustment Debit \$'000	Credit \$'000	
<b>Condensed interim statement of financial position as at 31 Dec 2020 (Extracted)</b>				
<b><u>Current assets</u></b>				
Contract assets	1,911	848	-	2,759
<b><u>Equity</u></b>				
Retained profits	16,413	-	848	17,261
<b>Condensed interim consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020 (Extracted)</b>				
Revenue	16,861	-	848	17,709
Gross profit	4,804	-	848	5,652
Net profit	421	-	848	1,269
Total comprehensive income	417	-	848	1,265
Earnings per share for profit attributable to equity holders of the Company (Singapore cents per share)				
- Basic and diluted	0.22	-	0.45	0.67

**Condensed interim consolidated  
statement of cash flows for the year  
ended 31 December 2020 (Extracted)**

Net profit	421	-	848	1,269
Operating profit before working capital changes	884	-	848	1,732
Change in working capital:				
Trade and other receivables, contract assets	(3,553)	-	(848)	(4,401)

### **2.3 Use of judgements 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 were applied to the consolidated financial statements as at and for the year ended 31 December 2020 except for the Note 2.2.

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

Management is of the opinion that there are no critical judgements made in applying the Group's accounting policies that have the most significant effect on the amounts recognized in the financial statements and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

### **3. Seasonal operations**

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

### **4. Segment and revenue information**

The Group is organised into the following main business segments:

- Mechanical Engineering
- Electrical Engineering
- Facilities Management; and
- Investment Holding

These operating segments are reported in a manner consistent with internal reporting provided to the Executive Directors who are responsible for allocating resources and assessing performance of the operating segments. The Group's operations are mainly located in Singapore. All customers are located in Singapore.

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4.1 Reportable segments

<b>Group</b> <b>1 January 2021 to 31</b> <b>December 2021</b> <b>(Unaudited)</b>	<b>Mechanical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Electrical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Facilities</b> <b>Management</b> <b>S\$'000</b>	<b>Investment</b> <b>Holding</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
Revenue from external parties	12,451	7,765	7,808	19	28,043
Gross profit/(loss)	5,406	(2,820)	3,185	19	5,790
Segment assets	5,878	3,037	1,902	658	11,475
Segment liabilities	3,643	3,551	828	-	8,022
<b>Group</b> <b>1 January 2020 to 31</b> <b>December 2020</b> <b>(Restated)</b>	<b>Mechanical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Electrical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Facilities</b> <b>Management</b> <b>S\$'000</b>	<b>Investment</b> <b>Holding</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
Revenue from external parties	7,182	2,026	8,501	-	17,709
Gross profit	2,724	257	2,671	-	5,652
Segment assets	2,700	751	3,047	-	6,498
Segment liabilities	4,549	486	1,078	-	6,113
<b>Group</b> <b>1 July 2021 to 31 December</b> <b>2021</b> <b>(Unaudited)</b>	<b>Mechanical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Electrical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Facilities</b> <b>Management</b> <b>S\$'000</b>	<b>Investment</b> <b>Holding</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
Revenue from external parties	6,430	3,666	4,396	15	14,507
Gross profit/(loss)	3,068	(2,937)	2,222	15	2,368
<b>Group</b> <b>1 July 2020 to 31 December</b> <b>2020</b> <b>(Restated)</b>	<b>Mechanical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Electrical</b> <b>Engineering</b> <b>S\$'000</b>	<b>Facilities</b> <b>Management</b> <b>S\$'000</b>	<b>Investment</b> <b>Holding</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
Revenue from external parties	6,307	1,663	4,534	-	12,504
Gross profit	2,171	175	1,443	-	3,789

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4.2 Disaggregation of revenue

The Group	Six Months Ended		Twelve Months Ended	
	31-Dec-21 (Unaudited) S\$ '000	31-Dec-20 (Restated) S\$ '000	31-Dec-21 (Unaudited) S\$ '000	31-Dec-20 (Restated) S\$ '000
<b>Construction contracts</b>				
Mechanical (Singapore)				
- At a point in time	5	2	5	2
- Over time	6,425	6,305	12,446	7,180
Electrical (Singapore)				
- At a point in time	-	-	-	-
- Over time	3,666	1,663	7,765	2,026
	10,096	7,970	20,216	9,208
<b>Facilities management (Singapore)</b>				
- At a point in time	67	8	67	8
- Over time	4,329	4,526	7,741	8,493
<b>Investment holding</b>	15	-	19	-
	<u>14,507</u>	<u>12,504</u>	<u>28,043</u>	<u>17,709</u>

### 5. Financial assets and financial liabilities

	<u>Group</u>		<u>Company</u>	
	31-Dec-21 (Unaudited) S\$ '000	31-Dec-20 (Restated) S\$ '000	31-Dec-21 (Unaudited) S\$ '000	31-Dec-20 (Audited) S\$ '000
<b>Financial Assets</b>				
Financial assets at amortised cost	18,201	21,240	1,086	1,554
<b>Financial Liabilities</b>				
Financial liabilities at amortised cost	9,120	6,195	937	1,124
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 6. Profit / (Loss) before taxation

#### 6.1. Significant items

The Group	Six Months Ended		Twelve Months Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Interest income	22	58	53	186
Net foreign exchange gain/(loss)	(1)	-	2	-
Depreciation of property, plant and equipment ("PPE")	(671)	(444)	(1,173)	(630)
Provision for onerous contracts	(828)	-	(828)	-
Fair value gain on investment securities	19	-	19	-
Gain/(Loss) on disposal of PPE	(9)	41	(9)	41
Allowance for impairment of trade receivables	(23)	(6)	(23)	(6)
Income tax benefit (expense)	111	(37)	95	(37)
Dividend income	5	-	5	-

#### 6.2. Related party transactions

Save as disclosed below, no related party transactions took place between the Group and related parties during FY2021.

- (a) Outstanding balances as at 31 December 2021, arising from sales/purchases of goods and services, are unsecured and receivables/payable within 12 months (31 December 2020: 12 months) from the end of reporting period are disclosed as follows:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Trade receivables				
- Subsidiary	-	-	4	21
Other payables				
- Subsidiary	-	-	(880)	(880)

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### (b) Key management remuneration

The key management remuneration representing directors' and other key management personnel's are as follows:

The Group	Six Months Ended		Twelve Months Ended	
	31-Dec-21 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-21 (Unaudited)	31-Dec-20 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Directors' fees	60	60	120	120
Salaries and short-term employee benefits	1,153	1,624	2,677	3,113
Employer's contribution to Central Provident Fund	79	104	187	233
	<u>1,292</u>	<u>1,788</u>	<u>2,984</u>	<u>3,466</u>

The above includes total remuneration to directors of the Company and its subsidiaries amounting to \$1,572,000(31 December 2020: \$1,622,000).

## 7. Taxation

The Group calculates the current financial period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

The Group	Six Months Ended		Twelve Months Ended	
	31-Dec-21 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-21 (Unaudited)	31-Dec-20 (Audited)
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Current income tax benefit (expense)	111	(37)	95	(37)

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 8. Dividends

	<b>The Group</b>	
	<b>31-Dec-21 (Unaudited) S\$ '000</b>	<b>31-Dec-20 (Audited) S\$ '000</b>
Ordinary dividends paid:		
Final tax-exempt dividend paid	95	190
Dividend per ordinary share (Singapore cents)	0.05	0.10

### 9. Net asset value

	<b>The Group</b>		<b>The Company</b>	
	<b>31-Dec-21 (Unaudited)</b>	<b>31-Dec-20 (Restated)</b>	<b>31-Dec-21 (Unaudited)</b>	<b>31-Dec-20 (Audited)</b>
Net asset value per ordinary share (Singapore cents/share)	11.46	10.98	15.11	15.30
Number of Shares (excluding treasury shares) as at end of year (‘000)	189,824	189,824	189,824	189,824

### 10. Financial assets at fair value through other comprehensive income (OCI)

	<b>The Group</b>	
	<b>31-Dec-21 (Unaudited) S\$ '000</b>	<b>31-Dec-20 (Audited) S\$ '000</b>
Investment securities – OCI	20	18

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 10.1. Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measure hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	<b>Group Level 1 S\$'000</b>
<b>31 December 2021</b>	
<u>Fair value through OCI</u>	
Investment Securities	<u>20</u>
<b>31 December 2020</b>	
<u>Fair value through OCI</u>	
Investment Securities	<u>18</u>

The fair value of investment securities traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in Level 1.

The Company has elected to measure these quoted investment securities at fair value through other comprehensive income due to the Group's intention to hold these investment securities for long-term appreciation.

### 11. Property, plant and equipment

During the year ended 31 December 2021, the Group acquired assets amounting to \$2,861,000 (31 December 2020: \$3,694,000) and there was \$23,000 disposal of assets (31 December 2020: \$5,000).



## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 11.1 Leasehold property under Property, plant and equipment at revaluation model

	<b>The Group</b>	
	<b>31-Dec-21</b>	<b>31-Dec-20</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>S\$ '000</b>	<b>S\$ '000</b>
At 1 January	2,998	-
- Addition of Right of use assets	1,263	-
- Depreciation for FY2021	(520)	-
- Revaluation increase	1,909	-
At 31 December	<u>5,650</u>	<u>-</u>

#### Valuation of leasehold property

Leasehold property is stated at fair value, which has been determined based on valuation performed as at 31 December 2021. The valuation was performed by independent valuation specialist with recognized and relevant professional qualifications.

#### Detail of the Group's leasehold property is as follows:

<u>Description and location</u>	<u>Tenure</u>	<u>Existing use</u>	<u>Gross Floor Area</u> (sm)	<u>Effective interest</u>
4 Kwong Min Road Singapore	Leasehold	Industrial	3,744	100%

### 12. Lease liabilities

	<u>31-Dec-21 (Unaudited)</u>		<u>31-Dec-20 (Audited)</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Amount repayable in one year or less</b>				
Lease liabilities	33	233	22	255
<b>Amount repayable after one year</b>				
Lease liabilities	37	1,778	-	535
	<u>70</u>	<u>2,011</u>	<u>22</u>	<u>790</u>

#### Details of collateral:

The Group's secured borrowings relates to lease, secured against the respective motor vehicles with carrying amount of approximately S\$273,000 (31 Dec 2020: S\$162,000).

## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 13. Share Capital

	<u>31-Dec-21 (Unaudited)</u>		<u>31-Dec-20 (Audited)</u>	
	<u>No. of shares</u>		<u>No. of shares</u>	
	<u>'000</u>	<u>S\$'000</u>	<u>'000</u>	<u>S\$'000</u>
<b>Group</b>				
Issued and fully paid ordinary shares	196,124	4,477	196,124	4,477
Less: Treasury shares	(6,300)	(630)	(6,300)	(630)
	<u>189,824</u>	<u>3,847</u>	<u>189,824</u>	<u>3,847</u>
<b>Company</b>				
Issued and fully paid ordinary shares	196,124	40,072	196,124	40,072
Less: Treasury shares	(6,300)	(630)	(6,300)	(630)
	<u>189,824</u>	<u>39,442</u>	<u>189,824</u>	<u>39,442</u>

The Company holds 6,300,000 treasury shares as at 31 December 2021 and 31 December 2020.

There were no subsidiary holdings as at 31 December 2021 and 31 December 2020.

### 14. Financial assets at fair value through profit or loss

	<u>Group and Company</u>	
	<u>31-Dec-21</u>	<u>31-Dec-20</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>S\$ '000</u>	<u>S\$ '000</u>
Investment securities – quoted (Level 1)	<u>658</u>	<u>-</u>

The investment securities represent the fair value as at 31 December 2021. The Company has elected to measure these quoted investment securities at fair value through profit or loss as it is classified under the investment holding business segment.

### 15. Subsequent events

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

## F. Other Information Required by Appendix 7C of the Catalist Rules

### Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements

#### 1. Review

The condensed interim consolidated statements of financial position of Koyo International Limited and its subsidiaries as at 31 December 2021 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month and full year ended 31 December 2021 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

### 2. Review of the performance of the Group

#### i) Revenue

	<b>GROUP</b>					
	<b>Twelve Months Ended 31 December</b>					
	<b>2021 (Unaudited)</b>		<b>2020 (Restated)</b>		<b>Increase/(Decrease)</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
Mechanical Engineering	12,451	45.4	7,182	40.6	5,269	73.4
Electrical Engineering	7,765	28.8	2,026	11.4	5,739	283.3
Facilities Management	7,808	25.8	8,501	48.0	(693)	(8.2)
Investment Holding	19	0.1	-	-	19	n.m
<b>Total</b>	<b>28,043</b>	<b>100.0</b>	<b>17,709</b>	<b>100.0</b>	<b>10,334</b>	<b>58.3</b>

#### ii) Gross Profit/(Loss)

	<b>GROUP</b>					
	<b>Twelve Months Ended 31 December</b>					
	<b>2021 (Unaudited)</b>		<b>2020 (Restated)</b>		<b>Increase/ (Decrease)</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
Mechanical Engineering	5,406	93.4	2,724	48.2	2,682	98.5
Electrical Engineering	(2,820)	(48.7)	257	4.5	(3,077)	(1,197.3)
Facilities Management	3,185	55.0	2,671	47.3	514	19.2
Investment Holding	19	0.3	-	-	19	n.m
<b>Total</b>	<b>5,790</b>	<b>100.0</b>	<b>5,652</b>	<b>100.0</b>	<b>138</b>	<b>2.4</b>

<b>iii) Gross Profit/(Loss) Margin</b>	<b>2021</b>	<b>2020</b>	<b>Increase/</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>	<b>(Decrease)</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Mechanical Engineering	43.4	37.9	5.5
Electrical Engineering	(36.3)	12.7	(49.0)
Facilities Management	40.8	31.4	9.4
Investment Holding	n.m.	n.m.	n.m.
<b>Total</b>	<b>20.6</b>	<b>31.9</b>	<b>(11.3)</b>

n.m.: not meaningful

## **F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)**

### **2. Review of the performance of the Group (cont'd)**

The increase in total revenue in FY2021 is mainly attributable to the increase in revenue from the mechanical engineering and electrical engineering segments. Revenue from the mechanical engineering segment increased mainly due to revenue generated from one of the Group's ongoing projects. Revenue from the electrical engineering segment increased mainly due to revenue generated from three on-going projects.

Revenue contribution from the facilities management segment decreased as a result of less variation works requested by customers for carrying out as a result of Covid-19 pandemic.

Gross profit increased mainly due to an increase in gross profit contributed by the mechanical engineering segment offset by a decrease in gross profit in the electrical engineering segment. The gross loss occurred for the electrical engineering segment in FY2021 as a result of the cost of projects that increased significantly due to the shortage of manpower. This increase in cost of sales was also due to higher cost for subcontractors' services and higher cost of employing foreign workers due to the Covid-19 pandemic where the government has implemented measures to restrict the inflow of foreign workers from overseas. In addition, the implementation of safe management measures on sites also increased the worksite operating costs.

Gross profit margin decreased from 31.9% in FY2020 to 20.6% in FY2021 mainly due to increase in gross profit margin from the mechanical engineering and facilities management segments offset by gross loss margin derived from the electrical engineering segment. The decrease in gross profit margin for electrical engineering segment is attributable to the manpower shortage as majority of these projects had started amidst the Covid-19 outbreak in comparison to the projects in the mechanical engineering and facilities management segments which were not as heavily impacted by the manpower shortage as most of these projects had commenced prior to the Covid-19 outbreak and hence there had been existing manpower.

#### **iv) Other Income**

Other income decreased mainly due to a decrease in the provision of government support grants such as job support scheme and levy rebates, as well as low interest income due to low bank interest rates.

#### **v) Selling and distribution expenses**

Selling and distribution expenses increased mainly due to increase in entertainment expense.

#### **vi) Administrative Expenses**

Administrative expenses increased mainly due to the following:

- (i) an increase in depreciation expenses of property, plant and equipment; and
- (ii) an increase in staff cost, pertaining to overtime costs and an increased hiring of personnel during FY2021 for a project that commenced in the second half of FY2020.

#### **v) Other operating expenses**

The increase in other operating expenses is due to provision of additional cost for completing the onerous contracts.

#### **vi) Net fair value gains on leasehold property**

Net fair value gains on leasehold property increased due to valuation of the leasehold property.

## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

### 3. Review of condensed interim statements of financial position

Total assets as at 31 December 2021 have increased as compared to 31 December 2020, and are mainly attributable to the following :-

- a. **Property, plant and equipment (“PPE”)** increased by 90.7%, mainly due to the revaluation of leasehold property at fair value, and an increase in purchase of machineries, purchase of a new vehicle to replace an existing vehicle with an expired Certificate of Entitlement and an increase in Right-of-use assets for lease renewal of the Group’s head office, and offset by an increase in depreciation expenses on PPE.
- b. **Investment securities at fair value through profit or loss** increased due to purchase of share investment upon receipt of approval of shareholders in April 2021.
- c. **Trade and other receivables** increased by 16.7% due to increase in advanced payment for subcontractors/suppliers. The trade receivables turnover days increased slightly from 42 days to 46 days as at end of FY2021.
- d. **Contract assets** increased by 64.0% due to work completed but not yet billed as at 31 December 2021.
- e. **Cash and bank balances** decreased due to reasons as described in the cash flows analysis below.

Total liabilities as at 31 December 2021 have increased as compared to 31 December 2020, and are mainly attributable to the following :-

- a) **Trade and other payables** increased due to accrual of purchases and subcontractors’ cost not yet billed as at 31 December 2021.
- b) **Provision for onerous contract** increased due to additional cost for completing the onerous contract.
- c) **Contract liabilities** decreased due to the contract liabilities having been reclassified to revenue at the point at which said contract liabilities were recognised for value of work done.
- d) **Lease liabilities (for current and non-current)** increased due to lease renewal of the Group’s head office and the addition of Right-of-use assets on leasehold property, offset by the repayment of leases.

### 4. Review of condensed interim consolidated statement of cash flows

The Group had a positive operating cash flow before changes in working capital of S\$1.0 million. The increase in trade and other receivables and contract assets of S\$2.6 million, as well as an decrease in trade and other payables of S\$0.5 million, resulted in net cash used in operating activities of S\$2.2 million.

The net cash used in investing activities amounting to S\$1.8 million was mainly due to investment securities measured at fair value through profit or loss and additions of property, plant and equipment.

The net cash used in financing activities amounting to S\$0.4 million was mainly due to the repayment of lease liabilities and payment of the FY2020 final dividend to shareholders.

As at 31 December 2021, the Group had cash and cash equivalents of S\$12.2 million after excluding fixed deposits of S\$1.1 million pledged to banks for banking facilities.

## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

**5(a) Details of any changes in the company's share capital arising from rights 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.**

### Ordinary Shares

There was no change in the Company's share capital from 30 June 2021 to 31 December 2021.

	<u>Number of shares</u>	<u>Share capital</u>
Ordinary shares (excluding treasury shares) as at 31 December 2021 and 30 June 2021	189,823,497	S\$ 39,442,252

There were no outstanding convertibles or share options as at 31 December 2021 and 31 December 2020.

### Treasury Shares

The Company has 6,300,000 treasury shares as at 31 December 2021 and 31 December 2020, which represented 3.3% of the Company's ordinary shares (excluding treasury shares) of 189,823,497 as at 31 December 2021 and 31 December 2020 respectively.

### Subsidiary Holdings

There were no subsidiary holdings as at 31 December 2021 and 31 December 2020.

**5(b). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of immediately preceding year.**

	<u>Company</u>	
	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
Total number of issued shares (excluding treasury shares)	<u>189,823,497</u>	<u>189,823,497</u>

The Company held 6,300,000 treasury shares as at 31 December 2021 and 31 December 2020.

**5(c). 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. There were no sales, transfers, cancellations and/or use of treasury shares during and as at the end of the financial period reported on.

## **F. Other Information Required by Appendix 7C of the Catalyst Rules (cont'd)**

**5(d). 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. There were no subsidiary holdings during and as the end of the current financial period reported on.

**6. 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 auditors.

**7. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**8. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):—**

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

Not applicable.

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

Not applicable.

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

Please refer to Section 2 Basis of preparation.

**10. If there were 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.**

Please refer to Section 2 Basis of preparation.

**11. 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 had been previously disclosed to shareholders for the current reporting period.

## **F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)**

### **12. 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.**

As at the date of this announcement, the Group has approximately S\$138.7 million worth of contracts on hand, with completion dates ranging from financial years 2022 to 2026. The Group expects the construction industry to remain challenging in the next 12 months. The Group will continue to explore revenue/profit accretive acquisitions as part of its growth strategies.

The Covid-19 global pandemic resulted in restrictions measures across the world. The Group has experienced a shortage of manpower supply in the construction sector due to travel restrictions imposed on workers returning to Singapore. However, the Group does not anticipate the manpower shortage to ease up and will take into account these higher costs in securing its projects going forward.

Notwithstanding the above, the Group will continuously monitor and take necessary steps to mitigate the impact of Covid-19 on the Group's operations while complying with all safety measures set by the relevant authorities.

### **13. If a decision regarding dividend has been made:**

#### **(a) Whether an interim/final ordinary dividend has been declared/recommended**

No dividends have been declared or recommended for FY2021.

#### **(b)(i) Amount per share (cents)**

Not applicable.

#### **(b)(ii) Previous corresponding period (cents)**

Yes.

Name of dividend	First & Final
Dividend type	Cash
Dividend amount per share	S\$0.0005 per ordinary share
Tax rate	Tax-exempt (1-tier)

#### **(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate 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) Book closure date**

Not applicable.

## **14. Dividends**

No dividend has been declared or recommended for FY2021 to conserve the Company's cash resources for upcoming projects.



## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

**15. If the Group has obtained a general mandate from shareholders for IPTs, 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.**

There were no Interested Party Transactions of S\$100,000 and above during the current financial period reported on. The Group does not have a general mandate from shareholders for IPT.

**16. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

### **17. Additional Information required per Catalist Rule 706A**

As announced on 13 October 2021, AVSC Technologies Pte. Ltd., a wholly-owned subsidiary of the Group, has incorporated a wholly-owned subsidiary named Tuck Hwa Fabrication (S) Pte Ltd. The issued and paid-up share capital of Tuck Hwa Fabrication (S) Pte. Ltd. is S\$20,000, comprising of 20,000 ordinary shares issued at S\$1.00 per share and has a net asset value of S\$7,771.23 as at 31 December 2021.

## **Part II Additional Information Required for Full Year Announcement**

**18. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to Section 4 Segment and Revenue Information.

**19. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Section 2 Review of the Performance of the Group.

### **20. A breakdown of sales as follows:**

#### **The Group**

	Twelve Months Ended		
	31-Dec-21	31-Dec-20	Increase/
	(Unaudited)	(Restated)	(Decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	13,536	5,205	160.0
Operating profit / (loss) after income tax before deducting non-controlling interests reported for first half year	211	(91)	331.9
Sales reported for second half year	14,507	12,504	16.0
Operating profit / (loss) after income tax before deducting non-controlling interests reported for second half year	(1,114)	1,360	(181.9)

## F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

21. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

Please refer to Note 8 of the condensed interim consolidated financial statements

22. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Dalat Kositanon	70	<p>(1) Mother of Foo Suay Lun, Executive Director of the Company who owns 100% of Salix Capital Pte Ltd, a substantial shareholder of the Company.</p> <p>(2) Mother of Foo Suay Wei, Managing Director and Chief Executive Officer of the Company.</p> <p>Note: Dalat Kositanon is also a shareholder of Koyo International Limited, holding 400,000 shares (representing 0.21% of the Company's 189,823,497 shares (excluding treasury shares))</p>	<p>Group's Corporate Services Director.</p> <p>Oversees the administrative and human resource functions of the Group.</p> <p>Manager/Administration &amp; Human Resources since 1994 for Koyo Engineering S.E. Asia Pte Ltd and since 21 January 2009 for Koyo International Limited.</p>	None

On behalf of the Board

**Foo Suay Wei**  
Managing Director and Chief Executive Officer

**Wong Loke Tan**  
Chairman

**BY ORDER OF THE BOARD**

1 March 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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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