

KORI HOLDINGS LIMITED
(Company Registration No. 201212407R)
(Incorporated in Singapore)
(the "**Company**")

DISPOSAL OF SHARES IN AN ASSOCIATED COMPANY

The Board of Directors of the Company (the "**Board**") wishes to announce that the Company has on 12 August 2016 entered into a sale and purchase agreement ("**SPA**") to dispose of its entire shareholding interest in its 51% associated company, Fuchiang Construction Pte. Ltd. ("**Fuchiang**") comprising 1,020,000 ordinary shares to Hsu Pai-Ling and Chen Sheng-Tien (collectively, the "**Purchasers**" and each, a "**Purchaser**") for a consideration of S\$51,000 (the "**Fuchiang Disposal**").

Pursuant to the SPA, each Purchaser will acquire 510,000 ordinary shares in Fuchiang from the Company.

The consideration was agreed between the parties on a willing buyer, willing seller basis taking into consideration the following:

- (i) The Company had in July 2014 completed the acquisition of 51% of the equity interest in Fuchiang with the intention of, *inter alia*, accelerating the expansion plans of the Group and increasing the Group's revenue base with a fuller range of construction services, given that Fuchiang is in the business of piling works and steelworks construction which is complementary to the Group. Subsequent to the acquisition, the Company is of the view that the intended synergies and economies of scale from the acquisition did not materialise as envisaged;
- (ii) The Group had recognised an impairment loss on Fuchiang of S\$1.9 million in the financial year ended 31 December 2015 ("**FY2015**") and the carrying value of the investment in Fuchiang in the books of the Group was S\$0.40 million as at 31 December 2015;
- (iii) The unaudited loss before tax of approximately S\$0.11 million of Fuchiang for FY2015; and
- (iv) The unaudited net tangible asset and net asset value of Fuchiang of approximately S\$1.0 million as at 31 December 2015.

Pursuant to the SPA, the consideration is to be satisfied on the date of completion of the Fuchiang Disposal by way of the execution of a deed of acknowledgement by each of the Purchasers acknowledging, *inter alia*, that he owes the Company the amount of S\$25,500 which will be repaid and settled in full upon demand by the Company, which may be made at any time at the Company's sole and absolute discretion.

Hsu Pai-Ling and Chen Sheng-Tien are existing shareholders of Fuchiang, each holding 24.5% equity interest in Fuchiang prior to the Fuchiang Disposal. Upon completion of the Fuchiang Disposal, the Company will no longer have any equity interest in Fuchiang and Fuchiang will cease to be an associated company of the Company.

The Fuchiang Disposal is not expected to have any material effect on the consolidated earnings per share or net tangible assets per share of the Group for the financial year ending 31 December 2016.

None of the Directors or substantial and controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, other than through their respective shareholdings in the Company (if any).

By Order of the Board
Kori Holdings Limited

Hooi Yu Koh
CEO and Managing Director
12 August 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.*

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

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.
