



HOR KEW CORPORATION LIMITED
(Company Registration No. 199903415K)

Unaudited financial statements

For the six months and full year ended 31 December 2022

Contents

A.	Condensed interim consolidated statement of profit or loss and other comprehensive income	2
B.	Condensed interim statements of financial position	3
C.	Condensed interim statements of changes in equity	4
D.	Condensed interim consolidated statement of cash flows	5
E.	Notes to the condensed interim consolidated financial statements	6

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	Change %	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000	Change %
Revenue	4	44,943	27,597	63	76,187	56,813	34
Cost of sales	6	(39,884)	(20,233)	97	(61,181)	(43,534)	41
Gross profit		5,059	7,364	(31)	15,006	13,279	13
Interest income from fixed deposits		194	78	NM	253	147	72
Other income	6	2,697	2,410	12	4,297	3,988	8
Expenses							
General and administrative expenses	6	(6,521)	(5,879)	11	(11,741)	(9,584)	23
Finance costs		(1,180)	(309)	NM	(1,721)	(1,007)	71
Net impairment losses on financial and contract assets	6	(997)	(2,302)	(57)	(3,277)	(2,862)	15
(Loss)/profit before taxation		(748)	1,362	(45)	2,817	3,961	(29)
Tax (expense)/credit	7	(120)	57	NM	(804)	61	NM
(Loss)/profit for the financial period		(868)	1,419	(39)	2,013	4,022	(50)
Other comprehensive income/(loss):							
<u>Items that may be reclassified subsequently to profit or loss:</u>							
Currency translation differences arising from consolidation		(468)	3	NM	(808)	(192)	NM
<u>Items that will not be reclassified subsequently to profit or loss:</u>							
Fair value loss on financial assets at fair value through other comprehensive		-	(7)	NM	(1)	(7)	NM
Other comprehensive loss for the financial period, net of tax		(468)	(4)	NM	(809)	(199)	NM
Total comprehensive (loss)/income for the financial period		(1,336)	1,415	(6)	1,204	3,823	(69)
(Loss)/earnings per share							
Basic (SGD in cents)		(1.67)	2.72	NM	3.87	7.72	(50)
Diluted (SGD in cents)		(1.67)	2.72	NM	3.87	7.72	(50)

NM: Not meaningful

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Non-current assets					
Property, plant and equipment	11	37,155	39,123	4	10
Investment properties	12	40,905	40,681	-	-
Investment in subsidiary companies		-	-	58,736	59,185
Trade receivables		3,127	7,213	-	-
Insurance asset		560	564	-	-
Other receivables		426	426	-	-
Total non-current assets		82,173	88,013	58,740	59,195
Current assets					
Development properties		17,576	18,652	-	-
Inventories		10,691	9,231	-	-
Trade receivables		32,240	13,232	-	-
Other receivables		1,681	1,008	15,921	21,196
Contract assets	5	3,822	986	1,712	1,597
Financial assets at fair value through other comprehensive income	10	10	11	10	10
Cash and cash equivalents		22,363	25,808	21	134
Total current assets		88,383	68,928	17,664	22,937
Total assets		170,556	156,941	76,404	82,132
Non-current liabilities					
Borrowings	13	6,014	33,727	-	-
Deferred tax liabilities		1,990	2,003	-	-
Total non-current liabilities		8,004	35,730	-	-
Current liabilities					
Trade payables		26,831	20,246	-	-
Other payables		5,381	4,226	32,266	38,145
Contract liabilities	5	8,367	406	-	-
Borrowings	13	54,979	31,197	-	6
Provisions		-	132	-	-
Tax payables		1,516	730	68	68
Total current liabilities		97,074	56,937	32,334	38,219
Total liabilities		105,078	92,667	32,334	38,219
Net assets		65,478	64,274	44,070	43,913
Equity					
Share capital		68,323	68,323	68,323	68,323
Other reserves		(7,345)	(6,539)	(3)	(3)
Accumulated profits/(losses)		4,500	2,490	(24,250)	(24,407)
Total equity		65,478	64,274	44,070	43,913

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

C. Condensed interim statements of changes in equity

The Group

	Share capital \$'000	Other reserves \$'000	Accumulated (losses)/profits \$'000	Total equity \$'000
Balance at 1 January 2022	68,323	(6,539)	2,490	64,274
Profit for the financial year	-	-	2,013	2,013
Other comprehensive loss for the financial year, net of tax:				
- Currency translation differences arising from consolidation	-	(808)	-	(808)
- Fair value loss on financial assets at fair value through other comprehensive income	-	(1)	-	(1)
Total comprehensive (loss)/income for the financial year	-	(809)	-	(809)
Balance at 31 December 2022	68,323	(7,348)	4,503	65,478
Balance at 1 January 2021	68,323	(6,340)	(1,532)	60,451
Profit for the financial year	-	-	4,022	4,022
Other comprehensive loss for the financial year, net of tax:				
- Currency translation differences arising from consolidation	-	(192)	-	(192)
- Fair value loss on financial assets at fair value through other comprehensive income	-	(7)	-	(7)
Total comprehensive (loss)/income for the financial year	-	(199)	4,022	3,823
Balance at 31 December 2021	68,323	(6,539)	2,490	64,274

The Company

	Share capital \$'000	Other reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2022	68,323	(3)	(24,407)	43,913
Profit for the financial year	-	-	157	157
Other comprehensive loss for the financial year, net of tax:				
- Fair value loss on financial assets at fair value through other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the financial year	-	-	-	-
Balance at 31 December 2022	68,323	(3)	(24,250)	44,070
Balance at 1 January 2021	68,323	3	(43,981)	24,345
Profit for the financial year	-	-	19,574	19,574
Other comprehensive loss for the financial year, net of tax:				
- Fair value loss on financial assets at fair value through other comprehensive income	-	(6)	-	(6)
Total comprehensive (loss)/income for the financial year	-	(6)	19,574	19,568
Balance at 31 December 2021	68,323	(3)	(24,407)	43,913

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

D. Condensed interim consolidated statement of cash flows

	The Group	
	12 months ended 31 December 2022	12 months ended 31 December 2021
	\$'000	\$'000
Cash flows from operating activities:		
Profit before tax	2,817	3,961
Adjustments for:		
Depreciation of property, plant and equipment	7,092	6,458
Fair value gain on derivative financial instruments	-	(17)
Fair value gain on investment properties	(224)	(556)
Amortisation of prepaid insurance premiums	-	1
Fair value gain on insurance asset	(19)	(6)
Gain on disposal of property, plant and equipment	(1,016)	(101)
Amortisation expense on insurance asset	2	-
Interest expense	1,721	1,007
Interest income from fixed deposits	(253)	(147)
Unrealised loss on foreign exchange	1,094	556
Operating cash flows before working capital changes	11,214	11,156
Changes in operating assets and liabilities:		
Inventories	(1,220)	277
Receivables	(15,585)	1,466
Contract assets	(2,837)	(723)
Contract liabilities	7,961	(1,536)
Payables	7,668	(1,988)
Currency translation adjustments	335	16
Cash used in operations	7,536	8,668
Income tax paid	(92)	(4)
Net cash generated from operating activities	7,444	8,664
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	1,563	186
Payment for settlement of derivative financial instruments	-	(366)
Purchase of property, plant and equipment	(6,146)	(2,518)
Repayment of loan from a third party	-	931
Net cash used in investing activities	(4,583)	(1,767)
Cash flows from financing activities:		
Drawdown of borrowings	1,694	5,544
Interest paid	(1,632)	(918)
Repayment of lease liabilities	(89)	(89)
Repayment of borrowings	(5,264)	(14,960)
Decrease of fixed deposits pledged	56	6,700
Net cash used in financing activities	(5,235)	(3,723)
Net (decrease)/increase in cash and cash equivalents	(2,374)	3,174
Cash and cash equivalents at beginning of financial period	5,833	2,703
Effect of exchange rate changes on cash and cash equivalents	(177)	(43)
Cash and cash equivalents at end of financial year	3,282	5,834
Cash and cash equivalents are represented by:		
Cash and cash equivalents on the consolidated statement of financial position	22,363	25,808
Fixed deposits pledged	(19,081)	(19,974)
Cash and cash equivalents per consolidated statement of cash flows	3,282	5,834

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Hor Kew Corporation Limited (the "Company") (Co. Reg. No. 199903415K) is domiciled and incorporated in Singapore as a private limited liability company on 18 June 1999. It was converted to a public company on 29 March 2000 and is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 66 Kallang Pudding Road, #07-01 Hor Kew Business Centre, Singapore 349324.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) Design, manufacture and sale of prestressed and precast reinforced concrete building components
- (b) Design, manufacture and sale of prefabricated architectural metal components
- (c) Property investment and development
- (d) Investment holding
- (e) Rental of machinery

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2022 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 2022.

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.

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

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 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 applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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

3. Seasonal operations

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

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

4. Segment information

The Group is organised into the following main business segments:

- (i) The property investment and development segment is involved in the development, sales and leasing of residential, commercial and industrial properties;
- (ii) The construction segment is in the business of constructing residential, institutional, industrial and commercial properties as the main contractor;
- (iii) The prefabrication segment is in the business of design, manufacture and sales of prestressed and reinforced concrete building components as well as prefabricated architectural metal components; and
- (iv) The others segment comprises mainly the Group level corporate services and treasury functions

These operating segments are reported in a manner consistent with internal reporting provided to the management who will then allocate resources and assess performance of the operating segments.

4.1 Reportable segments

1 July 2022 to 31 December 2022

	Property investment and development \$'000	Construction \$'000	Prefabrication \$'000	Others \$'000	Eliminations \$'000	Consolidated \$'000
Segment revenue						
Sales to external customers	-	-	44,943	-	-	44,943
Inter-segment sales	-	-	-	812	(812)	-
Total revenue	-	-	44,943	812	(812)	44,943
Segment profit/(loss)	(629)	(328)	318	(109)	-	(748)
Tax expense						(120)
Profit for the period						(868)

1 July 2021 to 31 December 2021

	Property investment and development \$'000	Construction \$'000	Prefabrication \$'000	Others \$'000	Eliminations \$'000	Consolidated \$'000
Segment revenue						
Sales to external customers	-	-	27,597	-	-	27,597
Inter-segment sales	-	-	-	1,597	(1,597)	-
Total revenue	-	-	27,597	1,597	(1,597)	27,597
Segment profit/(loss)	610	929	(582)	724	(319)	1,362
Tax expense						57
Profit for the period						1,419

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

1 January 2022 to 31 December 2022

	Property investment and development \$'000	Construction \$'000	Prefabrication \$'000	Others \$'000	Eliminations \$'000	Consolidated \$'000
Segment revenue						
Sales to external customers	-	-	76,187	-	-	76,187
Inter-segment sales	-	-	-	1,712	(1,712)	-
Total revenue	-	-	76,187	1,712	(1,712)	76,187
Segment profit	(797)	(521)	3,986	149	-	2,817
Tax expense						(804)
Profit for the financial year						2,013
Segment assets	74,106	5,496	82,096	8,858	-	170,556
Segment liabilities	25,446	16,952	58,232	1,006	-	101,636
Unallocated liabilities						3,442
Total liabilities						105,078

1 January 2021 to 31 December 2021

	Property investment and development \$'000	Construction \$'000	Prefabrication \$'000	Others \$'000	Eliminations \$'000	Consolidated \$'000
Segment revenue						
Sales to external customers	-	-	56,813	-	-	56,813
Inter-segment sales	-	-	-	1,597	(1,597)	-
Total revenue	-	-	56,813	1,597	(1,597)	56,813
Segment profit	665	862	2,347	87	-	3,961
Tax credit						61
Profit for the financial year						4,022
Segment assets	75,622	4,954	67,095	8,804	-	156,515
Unallocated assets						426
Total assets						156,941
Segment liabilities	25,368	17,630	45,863	1,073	-	89,934
Unallocated liabilities						2,733
Total liabilities						92,667

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

4.2 Geographical information (excluding non-current trade receivables)

	Revenues		Non-current assets	
	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2022 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Singapore	44,943	76,187	61,132	48,091
The People's Republic of China	-	-	1,103	1,219
Malaysia	-	-	15,808	30,598
Total	44,943	76,187	78,043	79,908

	6 months ended 31 December 2021 \$'000	12 months ended 31 December 2021 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
	Singapore	27,597	56,813	48,091
The People's Republic of China	-	-	1,219	1,163
Malaysia	-	-	30,598	21,138
Total	27,597	56,813	79,908	83,122

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities held by the Group as at 31 December 2022 and 31 December 2021:

	The Group		The Company	
	31 December 2022 \$	31 December 2021 \$	31 December 2022 \$	31 December 2021 \$
Financial assets				
Contract assets	3,822	986	1,712	1,597
Financial assets at fair value through other comprehensive income	10	11	10	10
Financial liabilities				
Contract liabilities	8,367	406	-	-

The Group receives payments from customers based on a billing schedule, as established in contracts. In this case, the Group's contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date on the Group's prefabrication business. The Group's contract assets also include advance payments made to suppliers. The Company's contract assets relate to management service performed but not billed to subsidiaries at the reporting date.

Contract liabilities relate to advance consideration received from customers and billings in excess of revenue recognised to-date. Contract liabilities are recognised as revenue as and when the Group satisfies the performance obligations under its contracts.

Fair value measurements for financial assets and financial liabilities are explained in note 10.

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

6. Profit before taxation

6.1. Significant items

	The Group			
	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	12 months Ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
Income				
Fair value gain on investment properties	340	556	340	556
Fair value gain on derivative financial instruments	-	-	-	17
Gain on disposal of property, plant and equipment	725	34	1,016	101
Fair value gain on insurance asset	19	6	19	6
Government grant income	41	528	409	968
Rental income	1,053	400	1,401	1,150
Sales of scrap materials	139	439	498	533
Sundry income	380	447	614	657
Expenses				
Auditors' remuneration	92	84	171	147
Depreciation of property, plant and equipment	4,286	3,606	7,092	6,458
Directors' fees	89	43	173	95
Fair value loss on derivative financial instruments	-	220	-	-
Inventories written down	-	394	-	394
Loss on foreign exchange	2,329	411	2,564	581
Net impairment loss on trade receivables	997	2,302	3,277	2,862
Staff costs	6,339	5,676	10,593	8,884

6.2. Related party transactions

There were no material related party transactions apart from those disclosed elsewhere.

7. Taxation

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

	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2021 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
Income tax				
- current year	50	488	742	501
- under provision in respect of prior years	77	26	76	22
	120	514	818	523
Deferred income tax				
- current year	(7)	(145)	(14)	(158)
- Recognition of deferred taxation in respect of prior years	-	(426)	-	(426)
	(7)	(571)	(14)	(584)
	120	(57)	804	(61)

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

8. Dividend

No dividend has been declared or recommended for the financial year ended 31 December 2022 (31 December 2021: nil).

9. Net Asset Value

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$	\$	\$	\$
Net asset value per ordinary share	1.26	1.23	0.85	0.84

10. Financial assets at fair value through other comprehensive income

This represents quoted equity securities listed in Singapore which are not held for trading. Accordingly, management has elected to designate this investment in equity shares at fair value through other comprehensive income. It is the Group's strategy to hold this investment for long-term purposes.

11. Property, plant and equipment

During the twelve months ended 31 December 2022, the Group acquired assets amounting to \$6.5 million (31 December 2021: \$2.9 million) and disposed of assets amounting to \$5.4 million (31 December 2021: \$1.1 million).

12. Investment properties

The Group's investment properties consist of both industrial, residential and commercial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

The investment properties held by the Group at the end of each reporting period were as follows:

Property type	Tenure	31 December 2022	31 December 2021
		\$'000	\$'000
Commercial	70 years from 1993	1,103	1,219
Industrial	Freehold	34,162	34,162
Residential	Freehold	5,640	5,300
		40,905	40,681

12.1 Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the property's highest and best use. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between the management and the independent valuer annually.

The last valuation of each investment property was conducted as at 31 December 2022.

13. Borrowings

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable within one year, or on demand</u>				
Secured	54,979	31,197	-	6
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Secured	6,014	33,727	-	-
Unsecured	-	-	-	-

Details of collaterals

Secured borrowings are collateralised by:

- (1) Certain subsidiary companies of the Group have pledged their assets for the borrowings;
- (2) First legal mortgages over certain subsidiary companies' investment properties, as well as assignment of all rights, titles and interests on all sale and tenancy agreements, building agreements, construction contracts, guarantees, performance bonds, insurance policies and any other contracts; and
- (3) Corporate guarantees have been given by the Company to secure borrowings of certain subsidiary companies.

14. Share capital

During the financial year under review, there was no change in the Company's share capital. The total number of issued shares as at 31 December 2022 was 52,066,937 shares (31 December 2021: 52,066,937 shares).

The Company did not hold any treasury shares nor share options as at 31 December 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

15. Subsequent events

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

OTHER INFORMATION

16. Review

The condensed consolidated statement of financial position of Hor Kew Corporation Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month and twelve-month periods then ended and certain explanatory notes have not been audited or reviewed.

17. Review of performance of the Group

Statement of comprehensive income

The Group generated revenue of \$44.9 million for the six months ended 31 December 2022 ("2H2022") compared to \$27.6 million for the six months ended 31 December 2021 (2H2021), an increase of \$17.3 million. The increase was mainly due to higher deliveries of prefabricated building components from increased order books. The Group's revenue of \$76.2 million for the financial year ended 31 December 2022 ("FY2022") represented an increase of \$19.4 million over revenue of \$56.8 million for the financial year ended 31 December 2021 ("FY2021"). This increase was due to higher deliveries in FY2022 from stronger order books.

The Group recorded a lower gross profit of \$5.1 million in 2H2022 compared to \$7.4 million in 2H2021, mainly due to lower profit margins for the project sales in 2H2022. However, the Group recorded a higher gross profit of \$15.0 million in FY2022 compared to \$13.2 million in FY2021, mainly due to higher revenue in FY2022. The Group's gross profit margin decreased from 23.4% in FY2021 to 19.7% in FY2022 mainly because deliveries in FY2022 were for less profitable projects.

Interest income from fixed deposits was \$194,000 in 2H2022 compared to \$78,000 in 2H2021 due to higher interest rates. Similarly, the Group earned a higher interest income from fixed deposits of \$253,000 in FY2022 compared to \$147,000 in FY2021 mainly due to higher interest rates.

Other income of the Group increased \$0.3 million from \$2.4 million in 2H2021 to \$2.7 million in 2H2022 mainly due to \$0.7 million increase in rental income partially offset by \$0.3 million decrease in fair value gain on investment properties. The Group's other income increased from \$4.0 million in FY2021 to \$4.3 million in FY2022, mainly due to increase in rental income of \$0.2 million.

General and administrative expenses increased \$0.7 million from \$5.9 million in 2H2021 to \$6.6 million in FY2022, mainly due to increase in loss on foreign exchange of \$2.0 million, partially offset by decreases of \$0.4 million in inventories written down and \$0.2 million in fair value loss on derivative financial instruments. General and administrative expenses increased \$2.1 million from \$9.6 million in FY2021 to \$11.7 million in FY2022, mainly due to increase in loss on foreign exchange of \$2.0 million.

Finance costs increased significantly from \$0.3 million in 2H2021 to \$1.2 million in 2H2022, and from \$1.0 million in FY2021 to \$1.7 million in FY2022, mainly due to significant interest rate hikes.

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

The Group had lower net impairment losses on financial and contract assets of \$1.0 million in 2H2022 compared to \$2.3 million in 2H2021. For FY2022, the net impairment losses on financial and contract assets were \$3.3 million, which was higher than that of \$2.8 million for FY2021, after review of expected credit losses for trade receivables.

The Group recorded a profit before tax of \$2.8 million in FY2022 (FY2021: profit before tax of \$3.9 million).

The Group provided tax expense of \$0.1 million in 2H2022 and \$0.8 million for FY2022 after taking into consideration of available tax allowances and reliefs, and under-provision of income tax in prior years. (2H2021: tax credit of \$57,000 and FY2021: tax expense of \$61,000).

Profit after tax of the Group for FY2022 was \$2.0 million (FY2021: profit after tax of \$4.0 million).

The Group had a comprehensive loss of \$0.8 million from unfavourable currency movements in foreign subsidiaries in FY2022 compared to a comprehensive loss of \$0.2 million in FY2021.

The Group reported total comprehensive income of \$1.2 million in FY2022 (FY2021: total comprehensive income of \$3.8 million).

Statement of financial position

Total non-current assets decreased by \$5.8 million. There was \$4.1 million decrease in non-current trade receivables being retention sums receivable from customers for projects. Property, plant and equipment fell \$1.9 million from 31 December 2021 mainly due to depreciation and disposals. Investment properties increased by \$0.2 million from 31 December 2021 mainly due to fair valuation gains. Other non-current receivables as at 31 December 2022 pertained to long term receivable for an insurance policy.

Current assets of the Group increased by \$19.5 million from 31 December 2021 to 31 December 2022, mainly due to the significant increase of \$19.7 million in current trade receivables and other receivables led by much higher revenue in FY2022 compared to FY2021. Inventories increased \$1.5 million and contract assets increased \$2.8 million due to higher business volume. Cash and cash equivalents fell by \$3.4 million due to net cash outflow.

Total assets of the Group increased \$13.7 million, from \$156.9 million as at 31 December 2021 to \$170.6 million as at 31 December 2022.

Current trade and other payables increased by \$7.8 million mainly due to slower settlement of supplier invoices. Contract liabilities increased by \$8.0 million from 31 December 2021 due to increase in advance collections from customers.

Non-current borrowings reduced by \$27.7 million whilst current borrowing increased by \$23.8 million mainly because a \$25.0 million term loan due for refinancing in the year 2023 that was classified as non-current borrowings in FY2021 was classified under current borrowings in FY2022. Total current and non-current borrowings decreased by \$3.9 million mainly due to repayment of loans.

Total current liabilities of the Group increased \$40.2 million, from \$56.9 million as at 31 December 2021 to \$97.1 million as at 31 December 2022.

Total non-current liabilities of the Group decreased \$27.7 million, from \$35.7 million as at 31 December 2021 to \$8.0 million as at 31 December 2022.

Total liabilities of the Group increased by \$12.4 million from 31 December 2021 and stood at \$105.1 million as at 31 December 2022.

Shareholders' equity of the Group increased by \$1.2 million and recorded at \$65.5 million as at 31 December 2022, due to the comprehensive income of \$1.2 million for the year FY2022.

Statement of cash flows

The Group generated \$7.4 million in its operating activities in FY2022.

It used \$4.6 million in its investing activities and \$5.2 million in its financing activities in FY2022.

Overall, the Group's cash decreased by \$2.5 million in FY2022, and the cash and cash equivalents stood at \$3.3 million as at 31 December 2022.

18. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's actual results are in line with the commentary of the Group's previous results announcement (2021 full year financial statements announcement) released on 1 March 2022.

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

19. 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 operating period and the next 12 months.

The level of activities in the Singapore construction sector has resumed to pre-COVID-19 levels and the Group had benefitted from this. The construction industry is facing the challenge of controlling rising manpower and material costs that erode profit margins. Huge interest rate spikes during the year increased the Group's borrowing costs significantly, and are expected to remain high in the coming financial year. The Group will closely monitor its costs and cash flow, and carry out corrective actions or improvements accordingly.

20. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

There were no interested person transactions for the six-month period and full year ended 31 December 2022.

21. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

22. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, Hor Kew Corporation Limited confirms that these are the following persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Aw Lay Sim	63	<ol style="list-style-type: none"> 1. Sister of Aw Soon Hwee (Substantial Shareholder of the Company/Director of principal subsidiaries) 2. Aunt of Aw Chi-Ken (Executive Chairman and CEO of the Company) 3. Aunt of Aw Ying Ying (Executive Director of the Company) 4. Shareholder of Hor Kew Holdings Pte Ltd, a substantial shareholder of the Company. 	<p>Group Human Resource Director of the Company since December 2001.</p> <p>Also oversees the Information Technology and Administration of the Group as well as facilities management of the investment property in Singapore.</p>	N.A.
Aw Soon Hwee	65	<ol style="list-style-type: none"> 1. Uncle of Aw Chi-Ken (Executive Chairman and CEO of the Company) 2. Uncle of Aw Ying Ying (Executive Director of the Company) 3. Shareholder of Hor Kew Holdings Pte Ltd, a substantial shareholder of the Company. 	Director of various principal subsidiaries in the Group.	N.A.

HOR KEW CORPORATION LIMITED AND ITS SUBSIDIARIES

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Aw Hong Hwee	68	<ol style="list-style-type: none"> 1. Brother of Aw Soon Hwee (Substantial shareholder of the Company/Director of principal subsidiaries) 2. Uncle of Aw Chi-Ken (Executive Chairman and CEO of the Company) 3. Uncle of Aw Ying Ying (Executive Director of the Company) 4. Shareholder of Hor Kew Holdings Pte Ltd, a substantial shareholder of the Company. 	Business Development Director of Hor Kew Pte Ltd since December 2001. Responsible for business development.	N.A.
Aw Yue Ying	30	<ol style="list-style-type: none"> 1. Sister of Aw Chi-Ken (Executive Chairman and CEO of the Company) 2. Sister of Aw Ying Ying (Executive Director of the Company) 3. Niece of Aw Soon Hwee (Substantial Shareholder of the Company/Director of principal subsidiaries) 	Executive Manager since Jan 2022. Responsible for operational checks and cost monitoring for the prefabrication segment.	Promoted from Internal Audit Manager to Executive Manager in January 2022.

BY ORDER OF THE BOARD

MS KOH EE KOON
COMPANY SECRETARY
 1 March 2023

Confirmation by the Board

Pursuant to Rule 705(5) of the Listing Manual, on behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period and full year ended 31 December 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

MR BENJAMIN AW CHI-KEN
EXECUTIVE CHAIRMAN & CEO

MS ELICIA AW YING YING
EXECUTIVE DIRECTOR

Singapore
1 March 2023