



KORI HOLDINGS LIMITED

**INNOVATIVE
AND EFFECTIVE
SOLUTIONS**

ANNUAL REPORT 2023



TABLE OF CONTENTS

01	CORPORATE PROFILE
02	CHAIRMAN'S STATEMENT
04	FINANCIAL AND OPERATIONS REVIEW
06	BOARD OF DIRECTORS
10	EXECUTIVE OFFICERS
12	FINANCIAL HIGHLIGHTS
13	GROUP STRUCTURE
14	GROUP INFORMATION
15	FINANCIAL CONTENTS

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



CORPORATE PROFILE

Kori Holdings Limited, through its wholly-owned subsidiaries, Kori Construction (S) Pte. Ltd., Ming Shin Construction (S) Pte. Ltd. and Kori Construction (M) Sdn. Bhd., (collectively, the “Group”) is principally engaged in providing civil/structural engineering and infrastructural construction services as a sub-contractor for commercial, industrial and public infrastructural construction projects. Its customers include local and overseas developers in the engineering construction industry. Its portfolio includes supplying and installing strutting and decking for large-scale MRT and expressway construction projects. The Group’s businesses can be categorised into two main segments, namely, structural steelworks services and tunnelling services.



CHAIRMAN'S STATEMENT



MR. HOOI YU KOH
EXECUTIVE CHAIRMAN AND CEO

DEAR SHAREHOLDERS

The government has announced a further delay to the North-South Corridor (NSC) development with the tunnel portion expected to be completed in 2029¹. The prolonged NSC development timeline has consequential impact on the timing of Kori Holdings' revenue recognition and also its profit from the NSC-related projects. In spite of this, I am pleased to report that the Group is still profitable.

Revenue derived from structural steel works segment comprises income from the provision of structural steel construction services ("Construction Services Income") and income from leasing of steel beams ("Lease Income"). For FY2023, revenue totalled S\$16.8 million as compared to S\$17.9 million for FY2022 with Lease Income of S\$10.2 million (FY2022: S\$13.1 million) and Construction Services Income of S\$6.6 million (FY2022: S\$4.8 million). The reduction of S\$1.1 million in revenue from this segment was due to a two-year delay to the North-South Corridor projects. The delay resulted in a decrease in recognised lease revenue of S\$2.9 million as compared to FY2022. However, this decrease was mitigated by an increase in service revenue of S\$1.8 million due to the positive progress of ongoing projects.

The decline in revenue from Tunnelling Works in FY2023 as compared to FY2022 was largely attributed to a S\$2.3 million reduction in contract sum during the final reassessment of the contract sum in 2023. As a result, it has the effect of lowering revenue to be recognised for FY2023 by applying the "input method". The progress of work on tunnelling project decreased in FY2023 as compared to FY2022.

The overall gross profit decreased by 24% from S\$6.8 million in FY2022 to S\$5.2 million in FY2023. Overall gross profit margin decreased from 35% in FY2022 to 29% in FY2023.

WORK IN PROGRESS

There was a total value of eight contracts amounted to S\$133.5 million which were awarded between September 2020 and June 2021. The works are still in progress and none were completed in FY2023.

OUR EXPERTISE

Our expertise lies in structural steelworks, piling, ground support and stabilisation. The continual expansion of transport infrastructure and network in land-constrained Singapore requires an increased focus on underground development to minimise disruptions to traffic flow. In view of this, prospective construction projects will demand expertise in Earth Retaining or Stabilising Structures, Tunnels (using Tunnel Boring Machines) and Steel Decking Systems. We are, thus, well-equipped with our expertise and experience to address these challenges successfully through our established multi-technology solutions.

ENVIRONMENT

Countries are pledging to achieve net zero carbon emissions to weather climate change. Companies are also urged to play their part. For Kori Holdings, our business management and operations revolve around a core commitment to sustainability so as to create value for people and the planet. As a construction company, we maintain our commitment to steel reuse and recycling to optimise our carbon footprint. We also ensure strict environmental standards across our supply chain.

¹ Land Transport Authority (last accessed 15 January 2024)
https://www.lta.gov.sg/content/ltagov/en/upcoming_projects/road_commuter_facilities/north_south_corridor.html

CHAIRMAN'S STATEMENT

Our steelworks fabrication occurs offsite in controlled and secure factory settings, leveraging design and fabrication systems to produce precision-engineered components while minimising waste. These steel struts, varying in size and length, adhere to diverse project requirements and specifications. The Group prioritises resource conservation and environmental stewardship by implementing practices that facilitate steel material reuse in subsequent projects post-dismantling. This strategic reuse approach has significantly bolstered our competitive edge within the industry, particularly amid recent global supply chain disruptions and fluctuating steel prices. Despite the higher cost associated with “green” steel procurement from Europe, the Group has initiated purchases to integrate environmentally sustainable materials into our inventory.

In FY2023, our steel fabrication processes consumed approximately 38,000 tonnes of steel. We achieved an impressive 98.9% reuse rate of our steel inventory across all projects, resulting in substantial cost and resource savings. This reuse rate surpasses the steel industrial material efficiency rate, currently at 97.65%².

SUSTAINABILITY AND INNOVATION

With a firm commitment to sustainability, the Group has strategically invested in various initiatives to promote environmental stewardship and responsible conduct. A primary focus area for Kori Holdings lies in environmental protection, where substantial resources have been allocated to mitigate its ecological footprint and advocate for sustainable practices. This encompasses adopting energy-efficient technologies, optimising waste management protocols, and integrating solar energy solutions. Through these concerted efforts, Kori Holdings endeavours to minimise its environmental impact and play an active role in combating the challenges posed by climate change on a broader scale.

SOCIAL AND GOVERNANCE

We uphold the importance of governance within the Environmental, Social, and Governance (ESG) framework to cultivate robust environments and social structures. Our organisation places governance at the forefront across all levels – from the Board of Directors to operational procedures. Led by independent non-executive directors, our Board and its committees, including audit, nomination, and remuneration committees, ensure unbiased oversight, promoting balanced decision-making and accountability.

LOOKING AHEAD

The outlook for the Singapore construction industry for 2024 is expected to remain stable. The Building and Construction Authority (“BCA”) projected total construction demand to range between S\$32 billion and S\$38 billion in 2024, with the public sector expected to drive demand reaching S\$18 billion to S\$21 billion. Some of the major upcoming public sector projects slated for award in 2024 include the additional contracts for the Cross Island MRT Line (Phases 2) and infrastructure works for the future Changi Airport Terminal 5. The construction output is anticipated to increase in 2024, driven by consistent demand levels in recent years and the expected increase in 2024 demand³.

Given our established track record and strong technical expertise in past and ongoing similar infrastructure projects, we are confident of benefiting from the upcoming public sector projects. The prolonged North-South Corridor timeline has given us the flexibility to enter into new projects.

It is to be noted that escalating labour costs and related expenses such as accommodation for foreign workers pose challenges. We remain vigilant in monitoring operational constraints and are committed to implementing the necessary measures to mitigate their impact. It is important that the Group maintains close collaboration with its stakeholders, including customers, suppliers, financiers and others, to manage operational costs effectively. This is to ensure sufficient cash flows to sustain the operations as a going concern while executing the Business Continuity Plan.

We are proud that the successful adoption of our precast traffic diversion decking system in all of our existing projects involving traffic diversions reinforces its reliability and positive impact on productivity. The system is now poised for adoption in upcoming projects requiring traffic diversions.

DIVIDEND

No dividend has been recommended for FY2023 after taking into consideration the Group’s cash flow requirements in the foreseeable future.

APPRECIATION

On behalf of the Board, I would like to extend my appreciation and gratitude to our customers, suppliers, business associates and bankers for their unwavering support. To the management and staff, thank you for your loyalty, dedication and commitment that have propelled the Group to where it is today. My appreciation also goes to my fellow directors on the board for their invaluable counsel and guidance during the past year.

Last but not least, I would like to thank our shareholders and investors for their continued support and confidence in the Group. As we are a construction company, we are doing our part in “Striving Towards A Sustainable Environment”.

HOOI YU KOH

Executive Chairman and CEO

² Based on 2023 material efficiency performance data from Worldsteel Association.

³ Building and Construction Authority (last accessed 15 January 2024) <https://www1.bca.gov.sg/about-us/news-and-publications/mediareleases/2024/01/15/steady-demand-for-the-construction-sectorprojected-for-2024>

FINANCIAL AND OPERATIONS REVIEW

The Group's financial statements for the year ended 31 December 2023 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"). There are no new or amended Standards (effective from annual period beginning or on after 1 January 2023) which will result in any significant impact on the condensed interim financial statements.

The Group's revenue is organised into two main business segments:-

Segment 1 – Structural steel works; and
Segment 2 – Tunnelling works

STRUCTURAL STEEL WORKS

Revenue from this segment comprises income from the provision of structural steel construction services ("Construction Services Income") and income from leasing of steel beams ("Lease Income"). Construction Services Income is recognised over the period of the contracts by reference to the stage (or percentage) of completion as estimated by applying the "input method". Lease income is recognised on a time-proportion basis.

Revenue for FY2023 amounting to S\$16.8 million (FY2022: S\$17.9 million) comprises (i) Lease income of S\$10.2 million (FY2022: S\$13.1 million), and (ii) Construction Services Income of S\$6.6 million (FY2022: S\$4.8 million). The decrease of S\$1.1 million in revenue from this segment was attributed to a two-year delay to the North-South Corridor projects. The delay resulted in a reduction in recognised lease revenue of S\$2.9 million as compared to FY2022. This decrease was, however, mitigated by an increase in service revenue of S\$1.8 million due to the positive progress of ongoing projects.

TUNNELLING WORKS

The reduction in Tunnelling Works Income compared with FY2022 was largely due to S\$2.3 million reduction in contract sum during the final reassessment of the contract sum in 2023. As a result, this has the effect of lowering the percentage of revenue to be recognised for FY2023 in accordance with the "input method". The progress of work on tunnelling projects in FY2023 also decreased as compared to FY2022.

COST OF SALES

The main portion of cost of sales is the provision of structural steel construction service which consists of labour and installation costs. The rise in costs within the Structural Steel Works segment is in line with the increased revenue from the provision of structural steel construction services. However, the cost of sales for the Tunnelling Works segment has decreased which is also in proportion to the decline in revenue for FY2023.



GROSS PROFIT MARGIN

The overall gross profit margin declined from 35% in FY2022 to 29% in FY2023 largely owing to the extension and delay of North-South Corridor projects which resulted in a reduction in lease revenue recognition.

OTHER INCOME

The 87% decline in other income compared to FY2022 was attributed to lower income from government grants, insurance claims and income from secondment of workers in FY2023.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by 16% in FY2023 compared to FY2022. This was largely due to an increase in fixed assets being disposal and written off.

LOSS ALLOWANCE ON TRADE AND RETENTION RECEIVABLES, UNBILLED RECEIVABLES AND CONTRACT ASSETS

A total loss allowance of S\$827,000 was recognised in FY2023 comprising a S\$784,000 non-credit impaired allowance (FY2022: S\$1.5 million) against trade receivables and contract assets arising from ongoing projects for FY2023, as well as a credit-impaired allowance of S\$43,000 (FY2022: S\$790,000) relating to retention sums and contract assets. The loss allowance was higher in FY2022 as the Group took inflation into consideration for the first time in FY2022 when determining the general provision rate.

OTHER EXPENSES

The increase in other expenses was largely attributable to an increase in steel beams being written off during FY2023.

FINANCIAL AND OPERATIONS REVIEW



INCOME TAX EXPENSE

Income tax expense amounting to S\$146,000 relates mainly to the estimated deferred tax arising from the temporary differences between the tax bases and the carrying amounts of the relevant assets and liabilities of the Group.

REVIEW OF THE FINANCIAL POSITION OF THE GROUP

ASSETS

Trade and other receivables increased by S\$2.4 million in FY2023. This was mainly attributed to an increase in retention sums and unbilled receivables stemming from ongoing projects.

Contract assets decreased by S\$198,000 as a result of the transfer of contract assets to trade receivables account, following an increase in progress bills certified during FY2023.

Capitalised contract costs reduced by S\$82,000 due to continuous amortisation for ongoing projects.

PROPERTY, PLANT AND EQUIPMENT

The decrease of S\$435,000 in property, plant and equipment was largely attributable to the depreciation of S\$1.7 million as well as the disposal and writing off of steel beams, furniture and fittings, office equipment and right of use assets with an aggregated net book value of S\$1.3 million in FY2023. This was offset by additional purchases of steel beams and an increase in right-of-use assets costing S\$2.5 million in anticipation of ongoing project requirements for FY2023.

LIABILITIES

Trade and other payables decreased by S\$813,000 due mainly to the Group repaying amounts owing to trade suppliers which were slightly offset by an increase in advance billings made to customers as a result of excess in progress billings over revenue recognised in respect of Lease Income during FY2023.

Contract liabilities increased by S\$1.7 million due to the excess of progress billings over the revenue in respect of Construction Services Income during FY2023.

Bank borrowings decreased by S\$1.7 million compared with FY2022. This was largely due to the repayment of Fixed Advance Facility and bridging loan in FY2023.

REVIEW OF THE CASH FLOW STATEMENT OF THE GROUP

Net cash generated from operating activities amounting to S\$60,000 includes operating cash flows before working capital changes of S\$4.6 million which was, among others, augmented by the changes in contract liabilities and contract assets but substantially reduced by the changes in trade and other receivables and payables.

Net cash generated in investing activities amounted to S\$112,000 largely due to proceeds from disposal of steel beams and other fixed assets amounted to S\$217,000 and partially offset by payment for additions of steel beams and other fixed assets in FY2023.

Net cash used in financing activities amounted to S\$938,000 was largely attributed to repayment of bank borrowings of S\$1.7 million which was partially offset by the release of pledged fixed deposit of S\$1.1 million in FY2023.

In view of the above, there was a cash outflow of S\$767,000 for FY2023.

BOARD OF DIRECTORS



MR. HOOI YU KOH
EXECUTIVE CHAIRMAN
AND CEO

MR. HOOI YU KOH is our Executive Chairman and CEO since May 2018. He was appointed as a Director of our Company on 18 May 2012 and was last re-elected on 28 April 2023. Mr. Hooi first joined our Group in 1996 and has served as our CEO and Managing Director from October 2005 till May 2018. He is also the Executive Director of all the Group's subsidiaries. Mr. Hooi is responsible for evaluating new business opportunities, overseeing the business management and day-to-day operations of the Group.

Mr. Hooi has more than 20 years of experience in the civil/engineering construction industry. He was first employed with Mudajaya Construction Sdn. Bhd. as a design and planning engineer and a section head in 1995 and was responsible for the construction of Kapar Power Station Phase II in Malaysia till May 1996. Since June 1996, Mr. Hooi has been instrumental in the development and growth of our Group's business. In June 1996, he joined Kori Malaysia as a project manager and was in charge of managing all our projects in Malaysia till November 1999. From November 1999 to October 2005, he was in charge of managing all our projects in Singapore as a project manager of Kori Construction (S) Pte. Ltd. ("**Kori Singapore**"). He was subsequently promoted to Executive Director and CEO of Kori Singapore in 2005 and 2012 respectively.

Mr. Hooi has been a certified welding inspector certified by the American Welding Society since January 2005. Mr. Hooi graduated from University of Malaya with a Bachelor Degree in Engineering (Civil) (First Class Honours) in 1995 and was awarded the Mudajaya Scholarship Award and the Chan Sai Soo Award in September 1994 and August 1995 respectively. He is currently the Vice President of Singapore Welding Society.



MR. NG WAI KIT
EXECUTIVE
DIRECTOR

MR. NG WAI KIT was appointed as our Company's Executive Director on 2 March 2018 and was last re-elected on 28 April 2022. Mr. Ng joined our Group in November 2005 as an engineering manager and was in charge of construction, design and technical matters of all projects in Singapore till May 2009 when he was promoted to Technical Controller of our Group. He is responsible for assisting in the business operations of the Group.

Mr. Ng has more than 20 years of experience in the civil/engineering construction industry. He was first employed with a Malaysia company, Arup Jururunding Sdn. Bhd. as a design engineer and was responsible for designing and supervising various civil engineering/construction projects in Malaysia and Hong Kong from August 1995 to September 1998. In September 1998, he joined SKM (Singapore) Pte. Ltd. as a civil engineer and was responsible for designing and supervising various civil engineering projects in Singapore and Malaysia till June 2000 when he was re-designated as a senior civil/geotechnical engineer of the same company in charge of designing, coordinating and supervising of both temporary and permanent works till December 2002. In December 2002, he was promoted to project manager and was responsible for the management of full structural construction works of the same company till November 2005.

Mr. Ng graduated from University of Malaya with a Bachelor degree in Engineering (Civil) (First Class Honours) in 1995 and National University of Singapore with a Master degree in Science (Civil Engineering).

BOARD OF DIRECTORS



MR. XU QUANQIANG

NON-EXECUTIVE
NON-INDEPENDENT DIRECTOR

MR. XU QUANQIANG was appointed as our Company's Non-Executive Non-Independent Director on 30 December 2022 and was last re-elected on 28 April 2023.

Mr. Xu is a director of LJHB Capital (S) Pte. Ltd., ("**LJHB Capital**"), who is the controlling shareholder of Keong Hong Holdings Limited ("**KHHL**"), and KHHL is a controlling shareholder of the Company. He is the Executive Director of KHHL. He also holds directorships in Forevertrust International (S) Pte. Ltd., Innotrust Pte. Ltd., PT Forevertrust International Indonesia and Wisestone Pte. Ltd. Apart from his directorship, he is the Chief Executive Officer of LJHB Holdings (S) Pte Ltd ("**LJHB Holdings**"), Continental Hope Singapore Industrial Development Pte. Ltd., Forevertrust International (S) Pte. Ltd. and Aitec International Pte. Ltd. Previously, he served as a director of BSI Group Singapore Pte Ltd ("**BSI**").

Prior to joining LJHB Holdings, Mr. Xu held senior leadership positions including Chief Executive Officer of Ronghua Group Pte Ltd, Regional General Manager of GIC Group Pte Ltd, Country General Manager of BSI, and Assistant Vice President (Sales) of TUV SUD PSB Pte Ltd.

Mr. Xu holds a Master of Business Administration degree from the University of South Australia. He is a Certified Property Manager awarded by the Institute of Real Estate Management (REM) USA and a Certified Commercial Investment Member of the CCIM Institute USA.



MR. KUAN CHENG TUCK

LEAD INDEPENDENT
DIRECTOR

MR. KUAN CHENG TUCK is our Lead Independent Director and was appointed as a Director on 16 November 2012 and was last re-elected on 28 April 2023. He has also served as independent director of various companies listed on the SGX-ST.

Mr. Kuan has more than 20 years of experience in the fields of accounting, auditing as well as business and financial advisory. Mr. Kuan had worked with various international accounting firms in Singapore and Malaysia for some ten years prior to managing his own business consulting firm.

Mr. Kuan holds a Bachelor of Accountancy degree from the Nanyang Technological University of Singapore, a Bachelor of Laws (Honours) degree from the University of London and a Master of Laws (Corporate and Financial Services Law) degree from the National University of Singapore. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Institute of Singapore Chartered Accountants. He was also admitted to the Singapore Bar.

BOARD OF DIRECTORS



MR. NICHOLAS PHILIP LAZARUS
INDEPENDENT DIRECTOR

MR. NICHOLAS PHILIP LAZARUS is our Independent Director and was appointed on 16 November 2012 and was last re-elected on 27 April 2021. He has more than 20 years of experience in the legal industry and specialises in civil litigation, corporate finance and construction adjudication. He first started his legal career as a legal assistant at W.T. Woon & Company in July 1998. In November 1999, he joined Chan Tan & Partners as a senior legal associate till August 2001. In September 2001, he returned to W.T. Woon & Company as a partner till September 2002. Thereafter, he joined Justicius Law Corporation as a director.

Mr. Lazarus graduated from the National University of Singapore with a Bachelor Degree in Law (LLB) in 1997. He also obtained the Association of Chartered Certified Accountants qualification from the Association of Chartered Certified Accountants in 1998.

At present, Mr. Lazarus is also, among others, a Commissioner of Oaths and Notary Public recognised by the Singapore Academy of Law, a Construction Adjudicator in Singapore and Malaysia, an Arbitrator under the Singapore Institute of Arbitrators and Law Society of Singapore, an Associate Mediator recognised by the Singapore Mediation Centre and an Accredited Tax Advisor recognised by the Singapore Chartered Tax Professionals.



MR. LIM YEOK HUA
INDEPENDENT DIRECTOR

MR. LIM YEOK HUA is our Independent Director and was appointed on 16 November 2012. He was last re-elected on 28 April 2022. Previously, Mr. Lim served as an independent director of JLogo Holdings Limited, Trittech Group Limited and Alpha DX Group Limited (formerly known as Alpha Energy Holdings Limited).

Mr. Lim has been a fellow member of the Association of the Chartered Certified Accountants since 1985. He has more than 30 years of experience in the fields of accounting, auditing, as well as business and financial advisory. Mr. Lim presently runs his own management consultancy firm, namely Radians Consulting Pte Ltd. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, a member of the Singapore Institute of Directors and the Institute of Singapore Chartered Accountants.

BOARD OF DIRECTORS



**MS. ELIZABETH TOH
GUEK LI**

INDEPENDENT DIRECTOR

MS. ELIZABETH TOH GUEK LI is our Independent Director and was appointed to the Board on 1 April 2024. She has a number of years of experience in the legal industry, specialising in the area of building, construction and engineering disputes, commercial disputes and family disputes. She first started her legal career as a trainee at Justicius Law Corporation in 2015. In 2017, she joined thyssenkrupp, Asia Pacific Regional Headquarters (RHQ) as a Legal Counsel till 2019. She returned to Justicius Law Corporation as a senior associate in 2019 and she is currently a director of Justicius Law Corporation.

Ms. Toh was admitted to the Supreme Court of Singapore as an advocate and solicitor in 2015. She obtained a Bachelor of Law from the University of Leicester in 2013 and Master of Laws (International Corporate & Commercial Law) from the King's College London in 2019. She is a member of the Law Society of Singapore and the Singapore Academy of Law.

EXECUTIVE OFFICERS

MR. WONG CHI KONG

HEAD OF THE STEEL DIVISION

MR. WONG CHI KONG was appointed as the Head of the Steel Division on 15 March 2023 and is responsible for the management of all our Group's steel strutting, piling and decking projects. Mr. Wong first joined our Group as a Site Coordinator in 1998. In January 2014, he was promoted to the Site Manager. He is also the Director of our Group's wholly-owned subsidiaries, Kori Construction (S) Pte Ltd and Ming Shin Construction (S) Pte Ltd since May 2018.

Mr. Wong graduated with a Bachelor of Construction Management (Buildings) (Honours) from the University of Newcastle.

Mr. Wong also holds a Diploma in Construction Engineering from BCA Academy in 2013. He has been a Certified Welding Inspector certified by the American Welding Society since 2013. He has also successfully completed the required course of study and has obtained the Certification of Structural Steel Supervisor issued by the Singapore Structural Steel Society in 2014.

MR. CHOOKUL CHARUN

HEAD OF THE TUNNEL DIVISION

MR. CHOOKUL CHARUN is the Head of the Tunnel Division of our Group and has been responsible for the management of all our Group's tunnelling projects since January 2012.

Mr. Chookul was first employed with Nishimatsu Construction Co., Ltd. as a tunnel engineer and was responsible for the control, coordination and operation of tunnelling projects in Thailand from May 2001 to October 2003. In October 2003, he joined Boygues Thai Ltd. as a civil engineer and was responsible for coordinating and supervising infrastructure works in Thailand till December 2004. In August 2005, he joined Kori Singapore as a tunnel engineer and was responsible for the tunnelling operations of the Singapore MRT Circle Line project till December 2007 when he was promoted to a senior tunnel engineer in charge of the tunnelling operations of the Singapore MRT Downtown Line project and the Dubai Metro Red Line projects till late 2010. In December 2010, he was promoted to tunnel manager and was responsible for the Singapore MRT Downtown Line project till January 2012 when he was once again promoted to the Head of Tunnel Division in charge of all tunnelling projects of our Group.

Mr. Chookul graduated from King Mongkut's University of Technology Thonburi in Thailand in 2001 with a Bachelor degree in Engineering (Civil).

MS. JIA HONGYAN

FINANCIAL CONTROLLER

MS. JIA HONGYAN is our Financial Controller and was appointed on 22 October 2021. She is responsible for overseeing the accounting, treasury, budgeting and payroll matters of the Group. She has a number of years of working experience in real estate industry as well as audit firm.

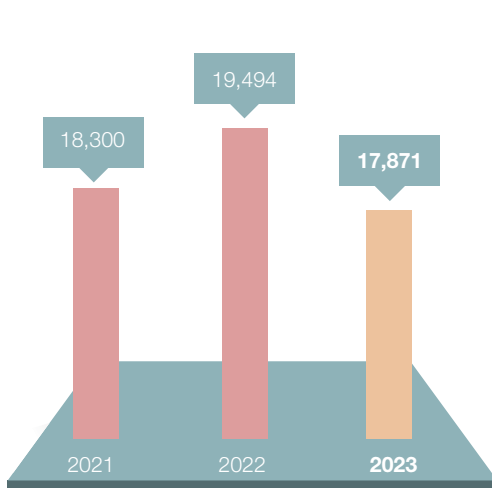
Ms. Jia graduated from HeNan University with a Bachelor degree of Accounting. She holds a Hons degree of applied accounting from Oxford Brooks University and Master Degree of Professional Accounting (Distinction) from University of London. She is a member of the Association of Chartered Certified Accountants, United Kingdom since 2017 and also a member of the Institute of Singapore Chartered Accountants since 2018.



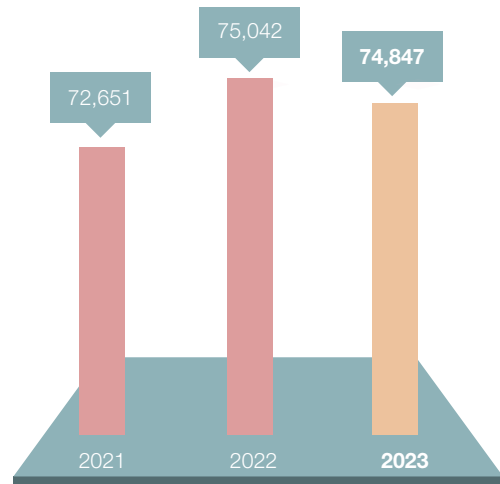
2023

FINANCIAL HIGHLIGHTS

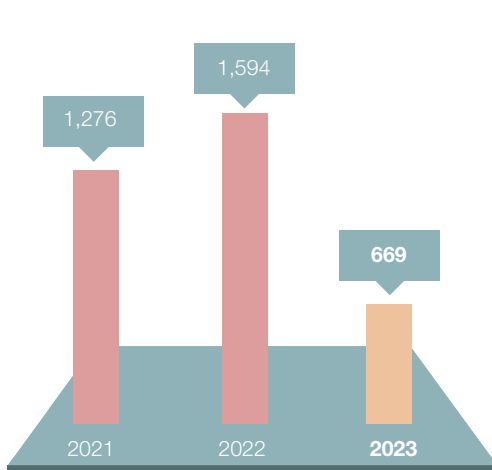
Revenue S\$'000



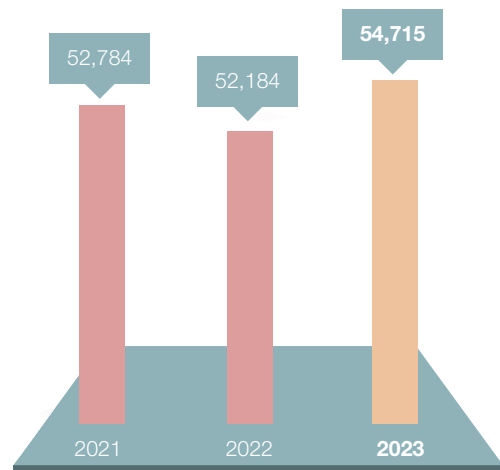
Total Assets S\$'000



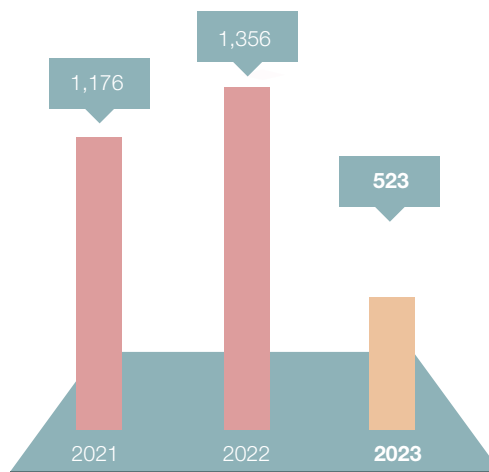
Profit Before Tax S\$'000



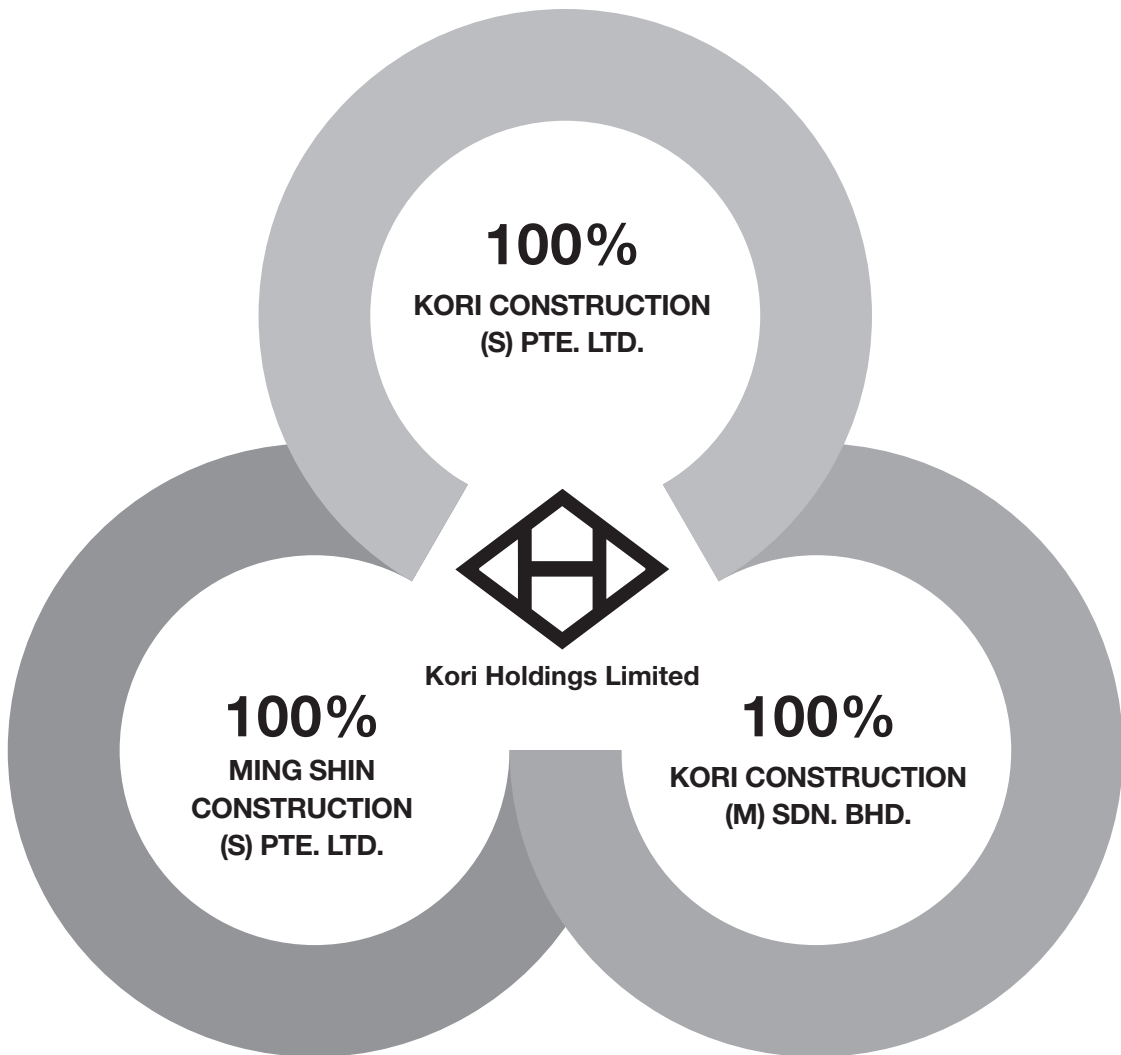
Shareholder Equity S\$'000



Profit After Tax S\$'000



GROUP STRUCTURE



GROUP INFORMATION

BOARD OF DIRECTORS

MR. HOOI YU KOH (Executive Chairman and CEO)
MR. NG WAI KIT (Executive Director)
MR. XU QUANQIANG (Non-Executive Non-Independent Director)
MR. KUAN CHENG TUCK (Lead Independent Director)
MR. NICHOLAS PHILIP LAZARUS (Independent Director)
MR. LIM YEOK HUA (Independent Director)
MS. ELIZABETH TOH GUEK LI (Independent Director)

AUDIT COMMITTEE

MR. KUAN CHENG TUCK (Chairman)
MR. NICHOLAS PHILIP LAZARUS
MR. LIM YEOK HUA
MS. ELIZABETH TOH GUEK LI

REMUNERATION COMMITTEE

MR. NICHOLAS PHILIP LAZARUS (Chairman)
MR. KUAN CHENG TUCK
MR. LIM YEOK HUA
MS. ELIZABETH TOH GUEK LI

NOMINATING COMMITTEE

MR. LIM YEOK HUA (Chairman)
MR. KUAN CHENG TUCK
MR. NICHOLAS PHILIP LAZARUS
MS. ELIZABETH TOH GUEK LI

COMPANY SECRETARY

MS. YANG LIN

REGISTERED OFFICE

11 Sims Drive | #06-01 SCN Centre | Singapore 387385
Tel: 68443445 | Fax: 67499150

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay | #10-00 Collyer Quay Centre
Singapore 049318

INDEPENDENT AUDITOR

BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road | #23-01 Parkview Square |
Singapore 188778

Partner-in-charge:

MR. LEE KUANG HON

(Appointed since the financial year ended 31 December 2021)

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A Division of Tricor Singapore Pte. Ltd.)
9 Raffles Place | #26-01 Republic Plaza 1 |
Singapore 048619

PRINCIPAL BANKERS

SINGAPORE

THE HONGKONG AND SHANGHAI BANKING
CORPORATION LIMITED
21 Collyer Quay #08-01
HSBC Building
Singapore 049320

DBS BANK LTD.

12 Marina Boulevard | Marina Bay Financial Centre |
Tower 3 | Singapore 018982



FINANCIAL CONTENTS

16	CORPORATE GOVERNANCE REPORT
69	DIRECTORS' STATEMENT
72	INDEPENDENT AUDITORS' REPORT
78	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
79	STATEMENTS OF FINANCIAL POSITION
80	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
83	CONSOLIDATED STATEMENT OF CASH FLOWS
86	NOTES TO THE FINANCIAL STATEMENTS
131	STATISTICS OF SHAREHOLDINGS
133	NOTICE OF ANNUAL GENERAL MEETING
	PROXY FORM

CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE AND CATALIST RULES

The Board of Directors (“**Board**”) of Kori Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining high standards of corporate governance and place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company’s corporate governance practices in place during the financial year ended 31 December 2023 (“**FY2023**”), with specific reference made to the provisions of the Code of Corporate Governance 2018 (Last Amended 11 January 2023) (the “**Code**”), its related practice guidance (“**PG**”), the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), as well as the disclosure guide developed by the SGX-ST in January 2015 (the “**Guide**”), where appropriate.

TABLE I – COMPLIANCE WITH THE CODE		
Principle/ Provisions of the Code	Code and/or Guide Description	Company’s Compliance or Explanation
General	(a) Has the Company complied with all the principles and provisions of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles, provisions as set out in the Code, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2023.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation																																													
BOARD MATTERS																																															
THE BOARD'S CONDUCT OF AFFAIRS																																															
1.1 4.2 6.2 10.2	<u>Board composition</u>	<p>As at date of this report, the Board has seven (7) members and comprises the following:</p> <table border="1" data-bbox="799 752 1430 1565"> <thead> <tr> <th colspan="2" data-bbox="799 752 1131 831"><i>Composition of the Board</i></th> <th colspan="3" data-bbox="1131 752 1430 831"><i>Composition of the Board Committees</i></th> </tr> <tr> <th data-bbox="799 831 959 909">Name of Director</th> <th data-bbox="959 831 1131 909">Designation</th> <th data-bbox="1131 831 1230 909">AC⁽¹⁾</th> <th data-bbox="1230 831 1329 909">NC⁽²⁾</th> <th data-bbox="1329 831 1430 909">RC⁽³⁾</th> </tr> </thead> <tbody> <tr> <td data-bbox="799 909 959 1021">Mr. Hooi Yu Koh</td> <td data-bbox="959 909 1131 1021">Executive Chairman and CEO</td> <td data-bbox="1131 909 1230 1021">–</td> <td data-bbox="1230 909 1329 1021">–</td> <td data-bbox="1329 909 1430 1021">–</td> </tr> <tr> <td data-bbox="799 1021 959 1099">Mr. Ng Wai Kit</td> <td data-bbox="959 1021 1131 1099">Executive Director</td> <td data-bbox="1131 1021 1230 1099">–</td> <td data-bbox="1230 1021 1329 1099">–</td> <td data-bbox="1329 1021 1430 1099">–</td> </tr> <tr> <td data-bbox="799 1099 959 1211">Mr. Kuan Cheng Tuck⁽⁴⁾</td> <td data-bbox="959 1099 1131 1211">Lead Independent Director</td> <td data-bbox="1131 1099 1230 1211">Chairman</td> <td data-bbox="1230 1099 1329 1211">Member</td> <td data-bbox="1329 1099 1430 1211">Member</td> </tr> <tr> <td data-bbox="799 1211 959 1290">Mr. Nicholas Philip Lazarus⁽⁴⁾</td> <td data-bbox="959 1211 1131 1290">Independent Director</td> <td data-bbox="1131 1211 1230 1290">Member</td> <td data-bbox="1230 1211 1329 1290">Member</td> <td data-bbox="1329 1211 1430 1290">Chairman</td> </tr> <tr> <td data-bbox="799 1290 959 1368">Mr. Lim Yeok Hua⁽⁴⁾</td> <td data-bbox="959 1290 1131 1368">Independent Director</td> <td data-bbox="1131 1290 1230 1368">Member</td> <td data-bbox="1230 1290 1329 1368">Chairman</td> <td data-bbox="1329 1290 1430 1368">Member</td> </tr> <tr> <td data-bbox="799 1368 959 1480">Mr. Xu Quanqiang</td> <td data-bbox="959 1368 1131 1480">Non-Executive Non-Independent Director</td> <td data-bbox="1131 1368 1230 1480">–</td> <td data-bbox="1230 1368 1329 1480">–</td> <td data-bbox="1329 1368 1430 1480">–</td> </tr> <tr> <td data-bbox="799 1480 959 1565">Ms. Elizabeth Toh Guek Li⁽⁵⁾</td> <td data-bbox="959 1480 1131 1565">Independent Director</td> <td data-bbox="1131 1480 1230 1565">Member</td> <td data-bbox="1230 1480 1329 1565">Member</td> <td data-bbox="1329 1480 1430 1565">Member</td> </tr> </tbody> </table> <p data-bbox="799 1610 855 1632">Notes:</p> <ol data-bbox="799 1637 1430 1955" style="list-style-type: none"> <li data-bbox="799 1637 1430 1686">1. The AC comprises 4 non-executive directors, all of whom including the Chairman, are independent. <li data-bbox="799 1691 1430 1765">2. The NC comprises 4 non-executive directors, all of whom including the Chairman, are independent. The Lead Independent Director is also member of the NC. <li data-bbox="799 1769 1430 1818">3. The RC comprises 4 non-executive directors, all of whom including the Chairman, are independent. <li data-bbox="799 1823 1430 1897">4. Mr. Kuan Cheng Tuck, Mr. Nicholas Philip Lazarus and Mr. Lim Yeok Hua will cease as Directors of the Company upon the conclusion of the forthcoming Annual General Meeting ("AGM"). <li data-bbox="799 1901 1430 1951">5. Ms. Elizabeth Toh Guek Li was appointed as a Director of the Company on 1 April 2024. 	<i>Composition of the Board</i>		<i>Composition of the Board Committees</i>			Name of Director	Designation	AC⁽¹⁾	NC⁽²⁾	RC⁽³⁾	Mr. Hooi Yu Koh	Executive Chairman and CEO	–	–	–	Mr. Ng Wai Kit	Executive Director	–	–	–	Mr. Kuan Cheng Tuck ⁽⁴⁾	Lead Independent Director	Chairman	Member	Member	Mr. Nicholas Philip Lazarus ⁽⁴⁾	Independent Director	Member	Member	Chairman	Mr. Lim Yeok Hua ⁽⁴⁾	Independent Director	Member	Chairman	Member	Mr. Xu Quanqiang	Non-Executive Non-Independent Director	–	–	–	Ms. Elizabeth Toh Guek Li ⁽⁵⁾	Independent Director	Member	Member	Member
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CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

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	<p><u>Role of Board</u></p>	<p>Subject to the approval of shareholders by way of ordinary resolutions at the forthcoming AGM, the compositions of the Board and respective Board Committees will be re-constituted as follows with effect from 29 April 2024, after the conclusion of the AGM:</p> <table border="1" data-bbox="796 748 1430 1480"> <thead> <tr> <th colspan="2" data-bbox="796 748 1131 824">Composition of the Board</th> <th colspan="3" data-bbox="1131 748 1430 824">Composition of the Board Committees</th> </tr> <tr> <th data-bbox="796 824 959 904">Name of Director</th> <th data-bbox="959 824 1131 904">Designation</th> <th data-bbox="1131 824 1230 904">AC</th> <th data-bbox="1230 824 1329 904">NC</th> <th data-bbox="1329 824 1430 904">RC</th> </tr> </thead> <tbody> <tr> <td data-bbox="796 904 959 1016">Mr. Hooi Yu Koh</td> <td data-bbox="959 904 1131 1016">Executive Chairman and CEO</td> <td data-bbox="1131 904 1230 1016">–</td> <td data-bbox="1230 904 1329 1016">–</td> <td data-bbox="1329 904 1430 1016">–</td> </tr> <tr> <td data-bbox="796 1016 959 1097">Mr. Ng Wai Kit</td> <td data-bbox="959 1016 1131 1097">Executive Director</td> <td data-bbox="1131 1016 1230 1097">–</td> <td data-bbox="1230 1016 1329 1097">–</td> <td data-bbox="1329 1016 1430 1097">–</td> </tr> <tr> <td data-bbox="796 1097 959 1209">Mr. Lye Thiam Fatt Joseph Victor</td> <td data-bbox="959 1097 1131 1209">Lead Independent Director</td> <td data-bbox="1131 1097 1230 1209">Chairman</td> <td data-bbox="1230 1097 1329 1209">Member</td> <td data-bbox="1329 1097 1430 1209">Member</td> </tr> <tr> <td data-bbox="796 1209 959 1290">Mr. Chua Ser Miang</td> <td data-bbox="959 1209 1131 1290">Independent Director</td> <td data-bbox="1131 1209 1230 1290">Member</td> <td data-bbox="1230 1209 1329 1290">Chairman</td> <td data-bbox="1329 1209 1430 1290">Member</td> </tr> <tr> <td data-bbox="796 1290 959 1370">Ms. Elizabeth Toh Guek Li</td> <td data-bbox="959 1290 1131 1370">Independent Director</td> <td data-bbox="1131 1290 1230 1370">Member</td> <td data-bbox="1230 1290 1329 1370">Member</td> <td data-bbox="1329 1290 1430 1370">Chairman</td> </tr> <tr> <td data-bbox="796 1370 959 1480">Mr. Xu Quanqiang</td> <td data-bbox="959 1370 1131 1480">Non-Executive Non-Independent Director</td> <td data-bbox="1131 1370 1230 1480">–</td> <td data-bbox="1230 1370 1329 1480">–</td> <td data-bbox="1329 1370 1430 1480">–</td> </tr> </tbody> </table> <p>Entrusted to lead and oversee the Group, the Board acts in the best interests of the Group. In addition to its statutory duties, the Board's principal functions are to:</p> <p>(a) Decide on matters in relation to the Group's activities which are of significant nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments, and ensure that the necessary resources are in place for the Group to meet its objectives;</p> <p>(b) Establish a framework of prudent and effective internal controls and risk management strategies which enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;</p>	Composition of the Board		Composition of the Board Committees			Name of Director	Designation	AC	NC	RC	Mr. Hooi Yu Koh	Executive Chairman and CEO	–	–	–	Mr. Ng Wai Kit	Executive Director	–	–	–	Mr. Lye Thiam Fatt Joseph Victor	Lead Independent Director	Chairman	Member	Member	Mr. Chua Ser Miang	Independent Director	Member	Chairman	Member	Ms. Elizabeth Toh Guek Li	Independent Director	Member	Member	Chairman	Mr. Xu Quanqiang	Non-Executive Non-Independent Director	–	–	–
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CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company’s Compliance or Explanation
	<p><i>Practices relating to conflict of interest</i></p>	<ul style="list-style-type: none"> (c) Review key management personnel’s performance; (d) Ensure good corporate governance practices to protect the interests of shareholders; (e) Oversee, through the NC, the appointments, re-election and resignation of Directors and key management personnel; (f) Oversee, through the RC, the design and operation of an appropriate remuneration framework; (g) Align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders; (h) Oversee, through the AC, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls; and (i) Ensure compliance with all laws and regulations as may be relevant to the business. <p>The Company has in place practices to address potential conflicts of interests. All Directors are required to notify the Company promptly of all conflicts of interest as soon as practicable as well as when required and refresh the required declarations annually. Directors are required to recuse themselves from all deliberations and decisions in relation to the matters in which he or she has a conflict of interest.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
1.2	<p><i>Directors' training and orientation</i></p> <p>(a) Are new Directors given formal training? If not, please explain why.</p> <p>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</p>	<p>There was no new director appointed in FY2023.</p> <p>It is the Company's practice that any newly appointed Director will undergo an orientation programme where the Director would be briefed on the Group's history, strategic direction, governance practices, business and organisation structure as well as the expected duties and obligations of a director of a listed company, details of which are set out in a formal appointment letter provided to such newly appointed Director. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities, principal locations of operations and meet with key management personnel.</p> <p>In addition, as required under the Catalist Rules, a new Director who has no prior experience as a director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training will be completed within one year of the appointment. The Company will also provide training for first-time directors in areas such as accounting, legal and industry-specific knowledge as appropriate.</p> <p>The Board values on-going professional development and recognises that it is important that all Directors receive regular training to serve effectively on and contribute to the Board. The Board has therefore established a policy on continuous professional development for Directors.</p> <p>To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continuous professional development. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, provided by accredited training providers. Directors are encouraged to consult the Chairman and Chief Executive Officer ("CEO") if they consider that they personally, or the Board as a whole, would benefit from specific education or training on matters that fall within the responsibility of the Board or relate to the Company's business. Such training costs are borne by the Company. The Company would also arrange for the senior management to brief the Directors on the Group's business periodically. The Board is also kept informed of any relevant changes to legislation and regulatory requirements.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation												
	<p><u>Training attended in FY2023</u></p>	<p>Courses, conferences and seminars attended by some of the existing Directors include:</p> <table border="1" data-bbox="799 651 1430 1099"> <thead> <tr> <th colspan="3" data-bbox="799 651 1430 696">Table 1.2 – Training attended by Directors in FY2023</th> </tr> <tr> <th data-bbox="799 696 1062 779">Course Name</th> <th data-bbox="1062 696 1254 779">Course Organiser</th> <th data-bbox="1254 696 1430 779">Attendees</th> </tr> </thead> <tbody> <tr> <td data-bbox="799 779 1062 925">Understanding Code of Practice on Chief Executives' and Board of Directors' WSH Duties</td> <td data-bbox="1062 779 1254 925">SCAL Academy</td> <td data-bbox="1254 779 1430 925">Hooi Yu Koh</td> </tr> <tr> <td data-bbox="799 925 1062 1099">Applying the IFRS Sustainability Disclosure Standards</td> <td data-bbox="1062 925 1254 1099">Sustainable Stock Exchanges and International Finance Corporation</td> <td data-bbox="1254 925 1430 1099">Kuan Cheng Tuck</td> </tr> </tbody> </table>	Table 1.2 – Training attended by Directors in FY2023			Course Name	Course Organiser	Attendees	Understanding Code of Practice on Chief Executives' and Board of Directors' WSH Duties	SCAL Academy	Hooi Yu Koh	Applying the IFRS Sustainability Disclosure Standards	Sustainable Stock Exchanges and International Finance Corporation	Kuan Cheng Tuck
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1.3	<p><u>Matters requiring Board's approval</u></p>	<p>The Board continues to approve matters within its statutory responsibilities. Specifically, the Board has direct responsibility for decision-making in, amongst others, the following:</p> <ul style="list-style-type: none"> • corporate strategies and business plans; • material acquisitions and disposals; • investments exceeding S\$2,000,000; • major financing requiring corporate guarantee; • major contracts with third parties exceeding S\$50,000,000; • share issuance, dividend release or changes in capital; • budgets, financial results announcements, annual reports and audited financial statements; and • interested person transactions exceeding S\$100,000. 												

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1.4	<u>Delegation to Board Committees</u>	The Board delegated certain responsibilities to the Audit Committee (the “ AC ”), the Remuneration Committee (the “ RC ”) and the Nominating Committee (the “ NC ”) (collectively, the “ Board Committees ”). Each of these Board Committees is formed with clear written defined terms of reference (setting out its composition, authority and duties). The composition of the Board Committees is set out in section 1.1 of Table I.																																													
1.5	<u>Attendance of Board and Board Committees</u>	<p>The Board meets on a half-yearly basis, and as and when circumstances require. In FY2023, the number of Board and Board Committee meetings held, and the attendance of each Board member are shown below.</p> <table border="1"> <thead> <tr> <th></th> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Number of Meetings Held</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Name of Director</td> <td colspan="4">Number of Meetings Attended</td> </tr> <tr> <td>Mr. Hooi Yu Koh</td> <td>2</td> <td>2*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Mr. Ng Wai Kit</td> <td>2</td> <td>2*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Mr. Kuan Cheng Tuck</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr. Nicholas Philip Lazarus</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr. Lim Yeok Hua</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr. Xu Quanqiang</td> <td>2</td> <td>2*</td> <td>1*</td> <td>1*</td> </tr> </tbody> </table> <p>* <i>By invitation.</i></p> <p>The Company's Constitution allows for meetings to be held through telephone and/or video conference.</p>		Board	AC	NC	RC	Number of Meetings Held	2	2	1	1	Name of Director	Number of Meetings Attended				Mr. Hooi Yu Koh	2	2*	1*	1*	Mr. Ng Wai Kit	2	2*	1*	1*	Mr. Kuan Cheng Tuck	2	2	1	1	Mr. Nicholas Philip Lazarus	2	2	1	1	Mr. Lim Yeok Hua	2	2	1	1	Mr. Xu Quanqiang	2	2*	1*	1*
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1.6	<p><u>Access to information</u></p> <p>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</p>	<p>Directors are provided with complete and adequate information related to agenda items in a timely manner for them to make informed decisions and discharge their duties and responsibilities.</p> <p>Management provides the Board with key information that is complete, adequate and timely prior to meetings and whenever required.</p> <p>Management provides the Board with half-yearly management accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary. Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information at least one week prior to the meetings to allow sufficient time for review by the Directors.</p> <p>Management will also provide any additional material information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p>
1.7	<p><u>Change of company secretary</u></p> <p><u>Access to Management and company secretary and access to professional advice</u></p>	<p>The appointment and removal of the company secretary is a matter for the Board as a whole.</p> <p>Directors have separate and independent access to the Management and company secretary at all times.</p> <p>Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice, where required, at the Company's expense.</p>

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TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
BOARD COMPOSITION AND GUIDANCE		
2.1 2.2 2.3 3.3	<p><u>Board composition</u></p> <p>Does the Company comply with the Code on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.</p> <p><u>Lead Independent Director</u></p>	<p>As at the date of this report, the Board comprises seven (7) Directors, four (4) of whom are independent. Given that the Chairman is not independent, the Independent Directors make up the majority of the Board of the Company pursuant to Provision 2.2.</p> <p>The Company has complied with Rule 406(3)(c) of the Catalist Rules which requires the number of independent directors to comprise at least one-third of the Company's board at any time.</p> <p>Mr. Kuan Cheng Tuck had also been appointed as the Lead Independent Director of the Company and makes himself available to shareholders if they have concerns relating to matters that contact through the Chairman and CEO and/or the Financial Controller ("FC") has failed to resolve, or where such contact is inappropriate.</p> <p>The Lead Independent Director makes himself available to shareholders at the Company's general meetings and could be contacted at ac@kori.com.sg. The Lead Independent Director is also responsible for leading the meetings of independent directors and providing feedback to the Chairman on matters discussed at such meetings.</p> <p>Mr. Kuan will cease to be a Director of the Company upon the conclusion of the forthcoming AGM (by resignation) and subsequent to his resignation, he will relinquish his position as the Lead Independent Director. Subject to the approval of shareholders by way of ordinary resolutions at the forthcoming AGM, Mr. Lye Thiam Fatt Joseph Victor will be appointed as Lead Independent Director of the Company with effect from 29 April 2024 after the conclusion of the AGM. He is available to shareholders at ac@kori.com.sg where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.</p>

CORPORATE GOVERNANCE REPORT

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2.1 2.4 4.4	<u>Independence assessment of Directors</u>	<p>The Board considers the existence of relationships or circumstances, including those identified by the Code and Catalist Rules, that are relevant to determine whether a Director is independent. In addition, the NC reviews the individual director's declaration in their assessment of independence.</p> <p>The NC has reviewed and confirmed that the independence of the Independent Directors is in accordance with the Code, PG and Catalist Rules. The Independent Directors, and the incoming directors, being Mr. Chua Ser Miang and Mr. Lye Thiam Fatt Joseph Victor, have also confirmed their independence in accordance with the Code, PG and Catalist Rules.</p> <p>The Company has in place a policy whereby Directors must consult both the Chairman of the Board and the NC Chairman prior to accepting new director appointments. Directors must also immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence. This ensures that Directors continually meet the stringent requirements of independence under the Code and Catalist Rules.</p>
	<p>(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code and Catalist Rules that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.</p> <p>(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.</p>	<p>There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code and Catalist Rules that would otherwise deem him not to be independent.</p>

CORPORATE GOVERNANCE REPORT

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	<p><u>Independent Directors serving beyond nine years</u></p> <p>Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director.</p>	<p>In assessing the independence of the current independent directors, the NC adopts the definition of “independent director” as set out in Provision 2.1 of the Code as well as having regard to the Transitional Practice Note 3 of the Catalyst Rules. The NC has conducted a rigorous review of their contributions to the Board to determine if they have maintained their independence.</p> <p>The Independent Directors have contributed significantly to the discussion on matters which include the strategic direction and corporate governance of the Group, expressed individual viewpoints, debated issues, sought clarification as they deemed necessary including direct access to the Management and objectively scrutinised the Management. Having gained in-depth understanding of the business, operating environment and direction of the Group, they provided the Group with much needed experience and knowledge of the building and construction industry and offered valuable advice. All have independent income source apart from the fees received from the Group. None of them has any relationship with the Company (save for their directorship), its related corporations, its substantial shareholders or its officers. Accordingly, the NC, with the concurrence of the Board, (with the respective directors concerned abstained from deliberating on their own independence), is satisfied that Mr. Kuan Cheng Tuck, Mr. Nicholas Philip Lazarus and Mr. Lim Yeok Hua (collectively the “Incumbent Independent Directors”) have remained independent in their conduct, character and judgement and can continue to discharge their duties objectively with the utmost commitment to protecting and upholding the interests of the Company and all shareholders (not just the substantial shareholders), and found no evidence to indicate that the length of service has in any way affected their respective independence.</p> <p>The Incumbent Independent Directors were first appointed to the Board in 2012 and have served on the Board beyond nine years from the date of their first appointment. Pursuant to Transitional Practice Note 3 of the Catalyst Rules and the NC’s assessment as above, the Incumbent Independent Directors shall remain independent until the forthcoming AGM which is scheduled to be held on 29 April 2024. Thereafter, the Incumbent Independent Directors will cease their directorships in anticipation of the 9-year tenure limit for IDs in order to facilitate board renewal upon the conclusion of the forthcoming AGM.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
		<p>Mr. Chua Ser Miang ("Mr. Chua") and Mr. Lye Thiam Fatt Joseph Victor ("Mr. Lye") have been identified (the "Proposed Incoming IDs") and the respective proposed appointment ("Appointments") will be subject to the approval of shareholders by way of ordinary resolutions at the forthcoming AGM to be convened on 29 April 2024. Please refer to the Company's announcements dated 12 April 2024 and page 60 of this Annual Report for the details of the Appointments.</p>
	<p><i>Board diversity</i></p> <p>(a) What is the Board's policy with regard to diversity in identifying director nominees?</p>	<p>The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the policy is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.</p> <p>While the NC is aware of the merits of gender diversity to the Board composition, the NC notes that it is only one of the many aspects of diversity.</p> <p>While due consideration would be given to female representation on the Board, the NC will continue to make its selection of candidates based on objective criteria which it believes is in the best interest of the Company. The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.</p> <p>The Company has adopted a Board Diversity Policy which sets out its approach to achieve diversity of the Board. Pursuant to the Board Diversity Policy, the NC will review the structure, size and composition (including the gender, age, culture, skills, knowledge and experience of the Board) at least annually and to assist the Board to review the required mix of skills, experience and other qualities which Non-Executive Directors should bring to the Board on an annual basis.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

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		<p>Under the Board Diversity Policy, the Board strives to have one member with relevant experience in the Group's businesses or industry; and one member with professional qualification in accounting or other professional background or discipline as may be determined by the Board to be necessary and/or beneficial to the Group. All appointments will be based on merit of candidates, in the context of the skills and having due regard for the benefits of diversity on the Board, its needs and core values.</p> <p>The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.</p>																																				
	<p>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</p>	<p>The current Board composition provides a diversity of core competence, skills, experience and knowledge to the Company as follows:</p> <table border="1" data-bbox="799 1151 1437 1839"> <thead> <tr> <th colspan="3" data-bbox="799 1151 1437 1196">Table 2.4 – Diversity of the Board</th> </tr> <tr> <th data-bbox="799 1196 1161 1308"></th> <th data-bbox="1161 1196 1299 1308">Number of Directors</th> <th data-bbox="1299 1196 1437 1308">Proportion of Board (%)</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="799 1308 1437 1352">Core Competencies</td> </tr> <tr> <td data-bbox="799 1352 1161 1397">– Accounting or finance</td> <td data-bbox="1161 1352 1299 1397">4</td> <td data-bbox="1299 1352 1437 1397">57</td> </tr> <tr> <td data-bbox="799 1397 1161 1442">– Business management</td> <td data-bbox="1161 1397 1299 1442">5</td> <td data-bbox="1299 1397 1437 1442">71</td> </tr> <tr> <td data-bbox="799 1442 1161 1509">– Legal or corporate governance</td> <td data-bbox="1161 1442 1299 1509">4</td> <td data-bbox="1299 1442 1437 1509">57</td> </tr> <tr> <td data-bbox="799 1509 1161 1576">– Relevant industry knowledge or experience</td> <td data-bbox="1161 1509 1299 1576">3</td> <td data-bbox="1299 1509 1437 1576">43</td> </tr> <tr> <td data-bbox="799 1576 1161 1621">– Strategic planning experience</td> <td data-bbox="1161 1576 1299 1621">4</td> <td data-bbox="1299 1576 1437 1621">57</td> </tr> <tr> <td data-bbox="799 1621 1161 1688">– Customer based experience or knowledge</td> <td data-bbox="1161 1621 1299 1688">3</td> <td data-bbox="1299 1621 1437 1688">43</td> </tr> <tr> <td colspan="3" data-bbox="799 1688 1437 1733">Gender</td> </tr> <tr> <td data-bbox="799 1733 1161 1778">– Male</td> <td data-bbox="1161 1733 1299 1778">6</td> <td data-bbox="1299 1733 1437 1778">86</td> </tr> <tr> <td data-bbox="799 1778 1161 1839">– Female</td> <td data-bbox="1161 1778 1299 1839">1</td> <td data-bbox="1299 1778 1437 1839">14</td> </tr> </tbody> </table>	Table 2.4 – Diversity of the Board				Number of Directors	Proportion of Board (%)	Core Competencies			– Accounting or finance	4	57	– Business management	5	71	– Legal or corporate governance	4	57	– Relevant industry knowledge or experience	3	43	– Strategic planning experience	4	57	– Customer based experience or knowledge	3	43	Gender			– Male	6	86	– Female	1	14
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	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	<p data-bbox="799 1563 1426 1624">The Board took the following steps to maintain or enhance its balance and diversity:</p> <ul data-bbox="799 1668 1426 1937" style="list-style-type: none"> <li data-bbox="799 1668 1426 1803">• Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and <li data-bbox="799 1848 1426 1937">• Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board. 																																																			

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		<p>The Company strives to achieve the following Board Diversity Targets:</p> <table border="1" data-bbox="799 651 1437 1339"> <thead> <tr> <th data-bbox="799 651 1094 707">Targets</th> <th data-bbox="1094 651 1437 707">Progress</th> </tr> </thead> <tbody> <tr> <td data-bbox="799 707 1094 824">(1) To bring in female representation on the Board.</td> <td data-bbox="1094 707 1437 824">With one female representation on the Board, this target has been achieved.</td> </tr> <tr> <td data-bbox="799 824 1094 1010">(2) To have one member with relevant experience in the Group's businesses or industry</td> <td data-bbox="1094 824 1437 1010">With three members with experience in the building and construction industry, this target has been achieved</td> </tr> <tr> <td data-bbox="799 1010 1094 1339">(3) To have one member with professional qualification in accounting or related financial management</td> <td data-bbox="1094 1010 1437 1339">The NC and the Board, are of the opinion that both Mr. Lye Thiam Fatt Joseph Victor and Mr. Chua Ser Miang, have practical knowledge in accounting or financial management, and the relevant professional qualifications, this target has been achieved</td> </tr> </tbody> </table> <p>The NC and the Board acknowledge that improvements to Board diversity practices are an on-going process and that the Board will monitor the diversity of skill set and core competencies required by Company to ensures diversity in decision-making and enable the formation of Board Committees.</p> <p>The profiles of the Directors are set out in the "Board of Directors" section of this Annual Report.</p>	Targets	Progress	(1) To bring in female representation on the Board.	With one female representation on the Board, this target has been achieved.	(2) To have one member with relevant experience in the Group's businesses or industry	With three members with experience in the building and construction industry, this target has been achieved	(3) To have one member with professional qualification in accounting or related financial management	The NC and the Board, are of the opinion that both Mr. Lye Thiam Fatt Joseph Victor and Mr. Chua Ser Miang, have practical knowledge in accounting or financial management, and the relevant professional qualifications, this target has been achieved
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2.5	<u>Meeting in the absence of the Management</u>	<p>The Independent Directors, led by the Lead Independent Director, would communicate with each other from time to time and meet in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management. Feedback arising from such meetings or discussions is provided to the Board, as appropriate.</p> <p>For FY2023, the Independent Directors met once in the absence of key management personnel.</p>								

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
3.1 3.2	<u>Role of Chairman and CEO</u>	<p>Mr. Hooi Yu Koh is the Executive Chairman and CEO of the Company.</p> <p>As the Chairman, Mr. Hooi leads the Board discussions, fostering constructive conditions that renders the Board effective. He facilitates effective contribution and promotes high standards of corporate governance. He also ensures that Board meetings are held, when necessary, sets the Board agenda and ensures that all Board members are provided with complete, adequate and timely information. The Chairman performs a significant leadership role by providing clear oversight and guidance to the management on strategy and the drive to transform the Group's businesses.</p> <p>As the CEO of the Company, Mr. Hooi takes a leading role in developing the businesses of the Group and manages the day-to-day operations with the assistance of key management personnel. He proposes strategic proposals to the Board and implements decisions made by the Board.</p>
	<u>Relationship between Chairman and CEO</u>	<p>As aforementioned, Mr. Hooi assumes both the roles of the Chairman and CEO. The Company believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters. The Board is of the opinion that there is no need to separate the two roles after taking into consideration:</p> <ul style="list-style-type: none"> • Size and capabilities of the Board; • Size and operations of the Group; and • Safeguards currently in place (such as the requirement for the Board's approval for material transactions which exceed certain thresholds/the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence) to ensure that decision-making by the Board is collective. <p>The Lead Independent Director, provides leadership in situations where the Chairman is conflicted. He also makes himself available to shareholders when they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. Mr Kuan Cheng Tuck attended the annual general meeting held in FY2023 and made himself available to Shareholders. Upon Mr Kuan's resignation, and subsequent to Mr Victor Lye's appointment, Mr Lye will make himself available to shareholders.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

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BOARD MEMBERSHIP		
4	<u>Steps taken to progressively renew the Board composition</u>	<p>The NC is responsible for examining the size and composition of the Board and Board Committees. The composition of the Board and Board Committees is reviewed on an annual basis by the NC and the Board.</p> <p>To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on a regular basis to ensure that the Board dynamics remain optimal.</p> <p>Having considered the scope and nature of the Group's businesses and the requirements of the business and taking into account the reconstitution of the Board on the conclusion of the forthcoming AGM (details as set out above), the Board, in concurrence with the NC, believes that the current size and composition of the Board Committees following the said reconstitution effectively serve the Group and provide sufficient diversity without interfering with efficient decision-making.</p>
4.1	<u>Role of NC</u>	<p>The NC is guided by key terms of reference as follows:</p> <ul style="list-style-type: none"> (a) Reviewing of board succession plans for directors, in particular, the Chairman and CEO, as well as succession plans for key management personnel; (b) Proposing objective processes and performance criteria for evaluation of the Board's performance as a whole which allows for comparison with industry peers and address how the Board has enhanced long-term shareholder value; (c) Carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its board committees and the contributions of individual Directors to the effectiveness of the Board, based on the process implemented by the Board;

CORPORATE GOVERNANCE REPORT

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		<p>(d) Determining annually, and as and when circumstances require, whether a Director is independent, and providing its views to the Board in relation thereto for the Board’s consideration;</p> <p>(e) Reviewing the independence of any director who has served on the Board for more than nine (9) years from the date of his first appointment;</p> <p>(f) Where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director’s number of listed company board representations and other principal commitments¹;</p> <p>(g) Based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members;</p> <p>(h) Reviewing training and professional development programmes for the Board and its Directors; and</p> <p>(i) Making recommendations to the Board on matters relating to the appointment and re-appointment of Directors (including alternate directors, if any).</p> <p>¹ The term “principal commitments” shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments are not normally considered principal commitments.</p>

CORPORATE GOVERNANCE REPORT

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4.3	<p><u>Selecting, Appointment and Re-appointment of Directors</u></p> <p>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</p>	<p>Table 4.3(a) – Selection and Appointment of New Directors</p> <p>The NC:–</p> <table border="1"> <tbody> <tr> <td data-bbox="799 696 852 1093">1.</td> <td data-bbox="852 696 1070 1093">Determine selection criteria</td> <td data-bbox="1070 696 1439 1093"> <ul style="list-style-type: none"> In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board. Determines the role which competencies required for the new appointment after such consultation. </td> </tr> <tr> <td data-bbox="799 1093 852 1352">2.</td> <td data-bbox="852 1093 1070 1352">Candidate search</td> <td data-bbox="1070 1093 1439 1352"> <ul style="list-style-type: none"> Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. </td> </tr> <tr> <td data-bbox="799 1352 852 1644">3.</td> <td data-bbox="852 1352 1070 1644">Assess shortlisted candidates</td> <td data-bbox="1070 1352 1439 1644"> <ul style="list-style-type: none"> Meets and interviews the shortlisted candidates to assess their suitability, ensuring that the candidates are aware of the expectations and the level of commitment required of them. </td> </tr> <tr> <td data-bbox="799 1644 852 1774">4.</td> <td data-bbox="852 1644 1070 1774">Propose recommendations</td> <td data-bbox="1070 1644 1439 1774"> <ul style="list-style-type: none"> Makes recommendations for Board's consideration and approval. </td> </tr> </tbody> </table>	1.	Determine selection criteria	<ul style="list-style-type: none"> In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board. Determines the role which competencies required for the new appointment after such consultation. 	2.	Candidate search	<ul style="list-style-type: none"> Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. 	3.	Assess shortlisted candidates	<ul style="list-style-type: none"> Meets and interviews the shortlisted candidates to assess their suitability, ensuring that the candidates are aware of the expectations and the level of commitment required of them. 	4.	Propose recommendations	<ul style="list-style-type: none"> Makes recommendations for Board's consideration and approval.
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		<p data-bbox="804 573 1426 607">Table 4.3(b) – Re-election of Incumbent Directors</p> <p data-bbox="804 629 906 656">The NC:–</p> <table border="1" data-bbox="804 667 1426 1178"> <tr> <td data-bbox="804 667 852 954">1.</td> <td data-bbox="852 667 1070 954">Assess incumbent director</td> <td data-bbox="1070 667 1426 954"> <ul data-bbox="1086 680 1426 943" style="list-style-type: none"> Assesses the performance of the director in accordance with the performance criteria set by the Board. Considers the current needs of the Board. </td> </tr> <tr> <td data-bbox="804 954 852 1178">2.</td> <td data-bbox="852 954 1070 1178">Propose re-election of director</td> <td data-bbox="1070 954 1426 1178"> <ul data-bbox="1086 972 1426 1167" style="list-style-type: none"> Recommends the re-election of the director to the Board for its consideration and approval, subject to its satisfactory assessment. </td> </tr> </table> <p data-bbox="804 1229 1426 1357">Additionally, in relation to the appointment of new independent directors or re-election of incumbent independent directors, the NC would apply the pertinent rules and stipulations as set out in the Code and Catalyst Rules.</p> <p data-bbox="804 1402 1426 1529">After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new director and/or propose the re-election of the incumbent director for shareholders' approval.</p> <p data-bbox="804 1574 1426 1805">Pursuant to Regulation 117 of the Company's Constitution, at least one-third of the Directors are required to retire by rotation and submit themselves for re-election at each annual general meeting of the Company. The Company's Constitution and the Catalyst Rules, provides that all Directors shall retire by rotation at least once every three years and such retiring Director shall be eligible for re-election.</p> <p data-bbox="804 1850 1426 2045">Pursuant to Regulation 122 of the Company's Constitution, any person so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.</p>	1.	Assess incumbent director	<ul data-bbox="1086 680 1426 943" style="list-style-type: none"> Assesses the performance of the director in accordance with the performance criteria set by the Board. Considers the current needs of the Board. 	2.	Propose re-election of director	<ul data-bbox="1086 972 1426 1167" style="list-style-type: none"> Recommends the re-election of the director to the Board for its consideration and approval, subject to its satisfactory assessment.
1.	Assess incumbent director	<ul data-bbox="1086 680 1426 943" style="list-style-type: none"> Assesses the performance of the director in accordance with the performance criteria set by the Board. Considers the current needs of the Board. 						
2.	Propose re-election of director	<ul data-bbox="1086 972 1426 1167" style="list-style-type: none"> Recommends the re-election of the director to the Board for its consideration and approval, subject to its satisfactory assessment. 						

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
		<p>Mr. Nicholas Philip Lazarus (“Mr. Nicholas”), Mr. Lim Yeok Hua (“Mr. Lim”) and Ms. Elizabeth Toh Guek Li (“Ms. Toh”) are subjected to retirement at the forthcoming AGM pursuant to the provisions of the Constitution of the Company and/or Catalist Rules. As stated earlier in this report, Mr. Nicholas and Mr. Lim will not be seeking re-appointment at the forthcoming AGM and will accordingly retire at the forthcoming AGM.</p> <p><u>Retirements</u></p> <p>To facilitate the Board renewal process, Mr. Nicholas and Mr. Lim will not be seeking re-appointment at the forthcoming AGM and will accordingly retire at the forthcoming AGM. Consequently, Mr. Nicholas will cease to be the Chairman of the RC and member of AC and NC, and Mr. Lim will cease to be the Chairman of the NC and member of the AC and RC. Mr. Kuan Cheng Tuck will resign after the conclusion of the forthcoming AGM and consequently, will cease to be the Lead Independent Director of the Company, the Chairman of the AC and member of NC and RC.</p> <p><u>Appointments</u></p> <p>The NC has assessed independently the continued appointment of Ms. Toh and recommended her continued appointments to the Board, and the Board has endorsed her re-election by shareholders at the forthcoming AGM. Ms. Toh has offered herself for re-election as Director of the Company. Ms. Toh will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, a member of the AC and NC, and she will be appointed as the Chairman of the RC after the conclusion of the AGM. The Board considers Ms. Toh to be independent for the purposes of Rule 704(7) of the Catalist Rule.</p> <p>Shareholders' approvals will be sought for the appointments of the Proposed Incoming IDs, i.e. Mr. Chua Ser Miang and Mr. Lye Thiam Fatt Joseph Victor as Directors pursuant to Regulation 121 of the Company's Constitution at the forthcoming AGM.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
		<p>Mr. Lye Thiam Fatt Joseph Victor will, upon election as a Director of the Company, be appointed as the Lead Independent Director, the Chairman of the AC, and a member of the RC and NC. The Board considers Mr. Lye to be independent for the purposes of Rule 704(7) of the Catalist Rule.</p> <p>Mr. Chua Ser Miang will, upon election as a Director of the Company, be appointed as an Independent Director, the Chairman of the NC, and a member of the AC and RC. The Board considers Mr. Chua to be independent for the purposes of Rule 704(7) of the Catalist Rule.</p>
4.5	<p><u>Assessment of Directors' duties</u></p> <p><u>Other listed company directorships and principal commitments of Directors</u></p>	<p>Assessment of the individual Directors' performance was based on the criteria set out in Section 5.1 of Table I. The following were used to assess the performance and consider competing time commitments of the Directors:–</p> <ul style="list-style-type: none"> • Declarations by each Director of their other listed company directorships and principal commitments; • Annual confirmations by each Director on his ability to devote sufficient time and attention to the Company's affairs, having regard to his other commitments; and • Assessment of the individual Directors' performance based on the criteria set out in the response to Provisions 5.1 and 5.2 below. <p>The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and principal commitments of each of the Directors (if any) as set out below, and is satisfied that all Directors were able to diligently discharge their duties for FY2023.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation																					
		<p>Table 4.5 – Other listed company directorships and principal commitments of Directors</p> <table border="1"> <thead> <tr> <th data-bbox="799 645 995 725">Name of Director</th> <th data-bbox="995 645 1230 725">Listed Company Directorships</th> <th data-bbox="1230 645 1431 725">Principal Commitments</th> </tr> </thead> <tbody> <tr> <td data-bbox="799 725 995 806">Mr. Hooi Yu Koh</td> <td data-bbox="995 725 1230 806">Nil</td> <td data-bbox="1230 725 1431 806">Kori Construction (S) Pte. Ltd.</td> </tr> <tr> <td data-bbox="799 806 995 887">Mr. Ng Wai Kit</td> <td data-bbox="995 806 1230 887">Nil</td> <td data-bbox="1230 806 1431 887">Kori Construction (S) Pte. Ltd.</td> </tr> <tr> <td data-bbox="799 887 995 1285">Mr. Kuan Cheng Tuck</td> <td data-bbox="995 887 1230 1285"> <ul style="list-style-type: none"> • CNMC Goldmine Holdings Limited • Karin Technology Holdings Limited • Taka Jewellery Holdings Limited • Hoe Leong Corporation Ltd. </td> <td data-bbox="1230 887 1431 1285">KCT Consulting Pte. Ltd.</td> </tr> <tr> <td data-bbox="799 1285 995 1366">Mr. Nicholas Philip Lazarus</td> <td data-bbox="995 1285 1230 1366">Nil</td> <td data-bbox="1230 1285 1431 1366">Justicius Law Corporation</td> </tr> <tr> <td data-bbox="799 1366 995 1487">Mr. Lim Yeok Hua</td> <td data-bbox="995 1366 1230 1487">Nil</td> <td data-bbox="1230 1366 1431 1487">Radians Consulting Pte. Ltd.</td> </tr> <tr> <td data-bbox="799 1487 995 2051">Mr. Xu Quanqiang</td> <td data-bbox="995 1487 1230 2051">Keong Hong Holdings Limited</td> <td data-bbox="1230 1487 1431 2051"> <ul style="list-style-type: none"> • LJHB Capital (S) Pte Ltd • LJHB Holdings (S) Pte Ltd • LJHB USA Inc • Forevertrust International (S) Pte Ltd • Continental Hope Singapore Industrial Development Pte Ltd </td> </tr> </tbody> </table>	Name of Director	Listed Company Directorships	Principal Commitments	Mr. Hooi Yu Koh	Nil	Kori Construction (S) Pte. Ltd.	Mr. Ng Wai Kit	Nil	Kori Construction (S) Pte. Ltd.	Mr. Kuan Cheng Tuck	<ul style="list-style-type: none"> • CNMC Goldmine Holdings Limited • Karin Technology Holdings Limited • Taka Jewellery Holdings Limited • Hoe Leong Corporation Ltd. 	KCT Consulting Pte. Ltd.	Mr. Nicholas Philip Lazarus	Nil	Justicius Law Corporation	Mr. Lim Yeok Hua	Nil	Radians Consulting Pte. Ltd.	Mr. Xu Quanqiang	Keong Hong Holdings Limited	<ul style="list-style-type: none"> • LJHB Capital (S) Pte Ltd • LJHB Holdings (S) Pte Ltd • LJHB USA Inc • Forevertrust International (S) Pte Ltd • Continental Hope Singapore Industrial Development Pte Ltd
Name of Director	Listed Company Directorships	Principal Commitments																					
Mr. Hooi Yu Koh	Nil	Kori Construction (S) Pte. Ltd.																					
Mr. Ng Wai Kit	Nil	Kori Construction (S) Pte. Ltd.																					
Mr. Kuan Cheng Tuck	<ul style="list-style-type: none"> • CNMC Goldmine Holdings Limited • Karin Technology Holdings Limited • Taka Jewellery Holdings Limited • Hoe Leong Corporation Ltd. 	KCT Consulting Pte. Ltd.																					
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CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company’s Compliance or Explanation
	<p><u>Multiple Directorships</u></p> <p>(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?</p> <p>(b) If a maximum has not been determined, what are the reasons?</p> <p>(c) What are the specific considerations in deciding on the capacity of directors?</p>	<p>The Board has set the maximum number of listed company board representations as 6.</p> <p>Having assessed the capacity of the Directors based on factors disclosed in Section 4.5(c) of Table I, the Board is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge on board matters, hence ultimately benefitting the Company.</p> <p>Not Applicable.</p> <p>The specific considerations in assessing the capacity of Directors include:</p> <ul style="list-style-type: none"> • Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group’s operations and size; and • Capacity, complexity and expectations of the other listed directorships and principal commitments held.
<p>PG 4</p>	<p><u>Alternate Directors</u></p>	<p>Alternate directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans.</p> <p>The Company currently does not have any alternate directors.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

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BOARD PERFORMANCE		
5.1	<u>Performance Criteria</u>	<p>The NC is responsible for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board. The NC has established a review process and proposed objective performance criteria set out in assessment forms and checklists which are approved by the Board. The NC assesses the effectiveness of the Board as a whole, and the respective Board Committees, by completing a Board Performance Evaluation Form, which takes into consideration factors such as the Board's structure, access to information, conduct of meetings, succession planning, risk management and internal controls, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of financial performance indicators which includes share price performance. The NC assesses the individual Directors' performance by completing an Individual Director Self-Assessment Form, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.</p> <p>The NC would review the criteria periodically to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.</p> <p>The NC did not propose any significant changes to the performance criteria for FY2023.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

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5.2	<p><u>Performance Review</u></p> <p>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</p>	<p>The reviews of the performance of the Board, Board Committees and individual Directors are conducted by the NC annually and when the individual Director is due for re-election.</p> <p>For FY2023, the review process was as follows:</p> <ol style="list-style-type: none"> 1. All Directors individually completed the Performance Evaluation Questionnaires for the Board and Board Committees, and the Individual Director Self-Assessment Form on the effectiveness of the Board, Board Committees and the individual Directors based on criteria as briefly described in Section 5.1; 2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; 3. The NC discussed the report, and in particular matters relating to Board composition, Board processes, risk management, succession planning and director development; and 4. The results of the performance review were deliberated during the NC meeting and tabled at the Board meeting for further discussion. <p>All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance or re-appointment as a Director of the Company.</p> <p>No external facilitator was used in the evaluation process.</p>
	<p>(b) Has the Board met its performance objectives?</p>	<p>The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs for FY2023, is of the view that the performance of the Board as a whole has been satisfactory, and that the Board has met its performance objectives for FY2023.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
REMUNERATION MATTERS		
DEVELOPING REMUNERATION POLICIES		
6.1 6.3	<u>Composition and Role of the RC</u>	<p>The RC is guided by key terms of reference which includes:</p> <ul style="list-style-type: none"> (a) Reviewing and recommending to the Board, a general framework of remuneration for the Directors and key executives, which will be submitted for endorsement by the entire Board; (b) Reviewing and recommending annually to the Board, the specific remuneration packages for each Director as well as for the key executives; (c) Reviewing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind; (d) Considering and approving termination payments, retirement payments, gratuities, ex-gratia payment, severance payments and other similar payments to each member of key management personnel; (e) Reviewing and recommending to the Board the service contracts of the Executive Chairman and CEO and key management personnel and ensuring that such services contracts are fair and not excessively long or with onerous renewal/termination clauses; (f) Generally, perform such other functions and duties as may be required by the relevant laws or provisions of the Catalist Rules and the Code (as may be amended from time to time). <p>The RC's review and recommendations cover all aspects including fees, salaries, allowance, bonuses, options, share-based incentives, awards and benefits-in-kind.</p> <p>Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

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6.4	<u>Engagement of Remuneration Consultants</u>	No remuneration consultants were engaged by the Company in FY2023. If necessary, the RC may seek expert advice inside and/or outside the Company on remuneration of all Directors.
LEVEL AND MIX OF REMUNERATION		
DISCLOSURE ON REMUNERATION		
7.1 7.2 7.3 8.1	<u>Remuneration Policy</u>	The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff that total compensation has been linked to the achievement of organisational and individual performance objectives and benchmarked against relevant and comparative compensation in the market.
	<u>"Claw-back" Provisions</u>	There are no contractual provisions which allow the Company to reclaim incentives from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual performance of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate. Nonetheless, the Company shall consider the said contractual provisions to be included in future renewals of service contracts as recommended by the Code. Save as aforesaid, the Company reserves the rights to employ legal recourse should any Director and/or key management personnel wilfully and negligently engage in any misconduct.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

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	<p><u>Remuneration Structure for Executive Directors and key management personnel</u></p> <p>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</p>	<p>The annual review of the compensation is carried out by the RC to ensure that the remuneration of Executive Directors and key management personnel are commensurate with their performance, contribution, giving due regard to the financial and commercial health and business needs of the Group.</p> <p>The senior management proposes the compensation for the Executive Directors and key management personnel for the RC's review, which would thereafter be recommended for the Board's approval.</p> <p>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her role, individual performance and contribution towards the overall performance of the Group for FY2023. Their remuneration is typically made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives, for each individual role.</p>
	<p><u>Performance Criteria</u></p> <p>(b) What were the performance conditions used to determine their entitlement under the short term and long-term incentive schemes?</p>	<p>The performance conditions for determining incentive plans were chosen to motivate Executive Directors and key management personnel to work in alignment with the goals of all stakeholders are based on both qualitative criteria (such as leadership, people development, commitment, teamwork, current market and industry practices and macro-economic factors) and quantitative factors (such as profitability, number of contracts secured, amount of billings and relative financial performance of the Group to its industry peers).</p> <p>The Company does not have long-term incentive schemes.</p>

CORPORATE GOVERNANCE REPORT

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7.2	<u>Remuneration Structure of Non-Executive Directors</u>	<p>The Independent Non-Executive Directors do not have any service contracts and are paid directors' fees in cash.</p> <p>The Directors' fees are subject to shareholders' approval at a general meeting. The fees for the financial year in review are determined in the previous financial year, and were proposed by the Management, submitted to the RC for review and thereafter recommended for endorsement by the Board and subjected to shareholders at the annual general meeting.</p> <p>The RC (with the concerned directors abstained from deliberations) has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2023 is appropriate, considering the effort, time spent and responsibilities.</p>																																																	
8.1(a) 8.1(b)	(a) Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The breakdown for the remuneration of the Directors and the CEO for FY2023 is as follows:</p> <table border="1" data-bbox="799 1189 1430 1899"> <caption>Table 8.1(a) – Directors' and CEO's Remuneration</caption> <thead> <tr> <th data-bbox="799 1238 911 1355">Name</th> <th data-bbox="911 1238 1046 1355">Remuneration (S\$)</th> <th data-bbox="1046 1238 1115 1355">Salary (%)</th> <th data-bbox="1115 1238 1184 1355">Bonus (%)</th> <th data-bbox="1184 1238 1268 1355">Directors Fees (%)</th> <th data-bbox="1268 1238 1369 1355">Benefits- in-kind* (%)</th> <th data-bbox="1369 1238 1430 1355">Total (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="799 1355 911 1442">Mr. Hooi Yu Koh</td> <td data-bbox="911 1355 1046 1442">404,644</td> <td data-bbox="1046 1355 1115 1442">90</td> <td data-bbox="1115 1355 1184 1442">–</td> <td data-bbox="1184 1355 1268 1442">–</td> <td data-bbox="1268 1355 1369 1442">10</td> <td data-bbox="1369 1355 1430 1442">100</td> </tr> <tr> <td data-bbox="799 1442 911 1529">Mr. Ng Wai Kit</td> <td data-bbox="911 1442 1046 1529">198,564</td> <td data-bbox="1046 1442 1115 1529">100</td> <td data-bbox="1115 1442 1184 1529">–</td> <td data-bbox="1184 1442 1268 1529">–</td> <td data-bbox="1268 1442 1369 1529">–</td> <td data-bbox="1369 1442 1430 1529">100</td> </tr> <tr> <td data-bbox="799 1529 911 1617">Mr. Kuan Cheng Tuck</td> <td data-bbox="911 1529 1046 1617">48,000</td> <td data-bbox="1046 1529 1115 1617">–</td> <td data-bbox="1115 1529 1184 1617">–</td> <td data-bbox="1184 1529 1268 1617">100</td> <td data-bbox="1268 1529 1369 1617">–</td> <td data-bbox="1369 1529 1430 1617">100</td> </tr> <tr> <td data-bbox="799 1617 911 1733">Mr. Nicholas Philip Lazarus</td> <td data-bbox="911 1617 1046 1733">43,000</td> <td data-bbox="1046 1617 1115 1733">–</td> <td data-bbox="1115 1617 1184 1733">–</td> <td data-bbox="1184 1617 1268 1733">100</td> <td data-bbox="1268 1617 1369 1733">–</td> <td data-bbox="1369 1617 1430 1733">100</td> </tr> <tr> <td data-bbox="799 1733 911 1821">Mr. Lim Yeok Hua</td> <td data-bbox="911 1733 1046 1821">40,000</td> <td data-bbox="1046 1733 1115 1821">–</td> <td data-bbox="1115 1733 1184 1821">–</td> <td data-bbox="1184 1733 1268 1821">100</td> <td data-bbox="1268 1733 1369 1821">–</td> <td data-bbox="1369 1733 1430 1821">100</td> </tr> <tr> <td data-bbox="799 1821 911 1899">Mr. Xu Quanqiang</td> <td data-bbox="911 1821 1046 1899">–</td> <td data-bbox="1046 1821 1115 1899">–</td> <td data-bbox="1115 1821 1184 1899">–</td> <td data-bbox="1184 1821 1268 1899">100</td> <td data-bbox="1268 1821 1369 1899">–</td> <td data-bbox="1369 1821 1430 1899">100</td> </tr> </tbody> </table> <p data-bbox="799 1944 1198 1966">* Benefits-in-kind includes monthly allowances.</p> <p data-bbox="799 2007 1430 2098">There were no termination, retirement, post-employment benefits that may be granted to the Directors, the CEO and top four (4) key management personnel in FY2023.</p>	Name	Remuneration (S\$)	Salary (%)	Bonus (%)	Directors Fees (%)	Benefits- in-kind* (%)	Total (%)	Mr. Hooi Yu Koh	404,644	90	–	–	10	100	Mr. Ng Wai Kit	198,564	100	–	–	–	100	Mr. Kuan Cheng Tuck	48,000	–	–	100	–	100	Mr. Nicholas Philip Lazarus	43,000	–	–	100	–	100	Mr. Lim Yeok Hua	40,000	–	–	100	–	100	Mr. Xu Quanqiang	–	–	–	100	–	100
Name	Remuneration (S\$)	Salary (%)	Bonus (%)	Directors Fees (%)	Benefits- in-kind* (%)	Total (%)																																													
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CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation																																			
	<p>(b) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</p> <p>(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</p>	<p>Given the size and nature of the Company's business, the Company has only identified four (4) top key management personnel in FY2023.</p> <p>The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2023 is as follows:</p> <table border="1" data-bbox="799 824 1430 1279"> <thead> <tr> <th colspan="5" data-bbox="799 824 1430 907">Table 8.1(b) – Remuneration of Key Management Personnel</th> </tr> <tr> <th data-bbox="799 907 1046 1032">Name</th> <th data-bbox="1046 907 1139 1032">Salary (%)</th> <th data-bbox="1139 907 1232 1032">Bonus (%)</th> <th data-bbox="1232 907 1353 1032">Benefits-in-kind (%)</th> <th data-bbox="1353 907 1430 1032">Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5" data-bbox="799 1032 1430 1077">Below S\$250,000</td> </tr> <tr> <td data-bbox="799 1077 1046 1128">Jia Hongyan</td> <td data-bbox="1046 1077 1139 1128">100</td> <td data-bbox="1139 1077 1232 1128">–</td> <td data-bbox="1232 1077 1353 1128">–</td> <td data-bbox="1353 1077 1430 1128">100</td> </tr> <tr> <td data-bbox="799 1128 1046 1180">Lee Yeng Tat⁽¹⁾</td> <td data-bbox="1046 1128 1139 1180">100</td> <td data-bbox="1139 1128 1232 1180">–</td> <td data-bbox="1232 1128 1353 1180">–</td> <td data-bbox="1353 1128 1430 1180">100</td> </tr> <tr> <td data-bbox="799 1180 1046 1232">Wong Chi Kong⁽²⁾</td> <td data-bbox="1046 1180 1139 1232">100</td> <td data-bbox="1139 1180 1232 1232">–</td> <td data-bbox="1232 1180 1353 1232">–</td> <td data-bbox="1353 1180 1430 1232">100</td> </tr> <tr> <td data-bbox="799 1232 1046 1279">Chookul Charun</td> <td data-bbox="1046 1232 1139 1279">100</td> <td data-bbox="1139 1232 1232 1279">–</td> <td data-bbox="1232 1232 1353 1279">–</td> <td data-bbox="1353 1232 1430 1279">100</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> <li data-bbox="799 1361 1430 1413">Mr. Lee Yeng Tat retired as Head of the Steel Division of the Company on 14 March 2023. <li data-bbox="799 1413 1430 1440">Mr. Wong Chi Kong was appointed for this role on 15 March 2023. 	Table 8.1(b) – Remuneration of Key Management Personnel					Name	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Total (%)	Below S\$250,000					Jia Hongyan	100	–	–	100	Lee Yeng Tat ⁽¹⁾	100	–	–	100	Wong Chi Kong ⁽²⁾	100	–	–	100	Chookul Charun	100	–	–	100
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8.2	<p><u>Related Employees</u></p> <p>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S\$100,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</p>	<p>There was no employee of the Group who was a substantial shareholder, immediate family member of a substantial shareholder, Director or the CEO whose remuneration exceeded S\$100,000 in FY2023.</p>																																			

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE		
Principle/ Provisions of the Code	Code and/or Guide Description	Company’s Compliance or Explanation
8.3	<i>Employee Share Schemes</i>	The Company has no employee share scheme.
ACCOUNTABILITY AND AUDIT		
RISK MANAGEMENT AND INTERNAL CONTROLS		
9 9.1	<p><i>Risk Governance by the Board</i></p> <p><i>Identification of the Group’s risks</i></p> <p><i>Management of risks</i></p>	<p>The Board, with the assistance of the AC, is responsible for the overall risk governance, risk management and internal control systems and framework of the Group. The Board has in place a system of internal controls within the Group to safeguard shareholders’ interests and the Group’s assets, and to manage risk. Having considered the Company’s business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.</p> <p>At least once a year, the Group undertakes a formal enterprise-wide review of the adequacy and effectiveness of its risk management and internal control systems, including financial, operational, compliance and information technology controls. During this exercise, risk owners review and update the risks and controls for their respective areas. The result of this annual risk review is presented to the AC to ensure enterprise risks are appropriately identified and managed such that residual risks are acceptable given the operational nature of the business. For FY2023, the Board and AC has reviewed and is satisfied that the controls are adequate.</p> <p>Operational business risks are identified, addressed and reviewed on an ongoing basis by the Management. The Management then reports and updates the AC on a regular basis. For material risks which includes breaches in regulations or events that would potentially incur substantial damages/ loss, the Board has an internal escalation/practice in place, whereby the Board is notified of such major incidents to be able to provide oversight and advise the Management accordingly.</p> <p>For FY2023, the Board and AC has reviewed the Group’s enterprise risk management framework, detailed risks register and risk mitigating strategies that lies in the area of strategic risks, operational risks, financial risks, compliances risks and environmental risks. The risks shall be mitigated by way of improving project productivity to ensure the timely completion of job orders on hand and monitoring project financial indicators and outstanding settlements closely to ensure a healthy cash flow position to duly meet debt obligations and shareholders’ expectations.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
9.2	<p><u>Confirmation of Internal Controls</u></p> <p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p>	<p>The Board with the concurrence of the AC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were reasonably adequate and effective for FY2023.</p> <p>The bases for the Board's view are as follows:</p> <ol style="list-style-type: none"> 1. Assurance has been received from the CEO and FC (refer to Section 9.2(b) of Table I); 2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. Key management personnel evaluates, monitors material risks and reports to the AC on a regular basis; 4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; and 5. An enterprise risk management framework was established to identify, manage and mitigate significant risks. <p>The system of internal controls and risk management policies established by the Company is designed to manage, rather than eliminate, the risk of failure in achieving the Company's strategic objectives. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company’s Compliance or Explanation
	<p>(b) In respect of the past 12 months, has the Board received assurance from the CEO and the FC as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company’s operations and finances; and (ii) the Company’s risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</p>	<p>Yes, the Board has obtained such assurance from the CEO and FC in respect of FY2023.</p> <p>The Board had additionally relied on IA reports in respect of, amongst others, project management and accounts receivable management, issued to the Company as assurances that the Company’s risk management and internal control systems are reasonably effective. These risks have been mitigated by way of strengthening the control of timely submission of payment claims. To the main contractors, performing the project progress assessment earlier and enhancing communication between all stakeholders and updating of the Group’s policy on follow up process for collections.</p>
AUDIT COMMITTEE		
<p>10.1 10.3</p>	<p><i>Role of the AC</i></p>	<p>All members of the AC are Non-Executive Directors who are independent and do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members was previous partner or director of the Company’s external audit firm within a period of two years commencing on the date of his ceasing to be a partner of the external audit firm and none of the AC members holds any financial interest in the external audit firm.</p> <p>The AC is guided by its key terms of reference, which includes:</p> <ul style="list-style-type: none"> (a) Reviewing the significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Group’s financial performance; (b) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company’s internal controls, including financial, operational, compliance and information technology controls. Review of the Company’s internal controls may be carried out with the assistance of externally appointed professionals; (c) Reviewing the assurance from the CEO and the FC on the financial records and financial statements;

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
		<p>(d) Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions;</p> <p>(e) Reviewing the scope and results of the external audit, and the independence and objectivity of the EA;</p> <p>(f) Making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the EA, and the remuneration and terms of engagement of the EA;</p> <p>(g) Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;</p> <p>(h) Review and approve transactions falling within the scope of Chapters 9 and 10 of the Catalist Rules (if any);</p> <p>(i) Reviewing any potential conflicts of interest. In particular, the AC will review and assess from time to time whether additional processes are required to be put in place to manage any material conflicts of interest between the Group and the Directors, CEO, controlling shareholders and/or their respective associates and propose, where appropriate, the relevant measures for the management of such conflicts; and</p> <p>(j) Generally, performing such other functions and duties as may be required by the relevant laws or provisions of the Catalist Rules and the Code (as may be amended from time to time).</p> <p>The Company has in place a whistle-blowing policy which has been communicated to all employees and is available on its website. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report through email to ac@kori.com.sg.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
	<u>Whistle Blowing Policy</u>	<p>The AC is responsible for the oversight and monitoring of whistleblowing, and ensures independent investigation of the reported concern. If it deems appropriate, independent advisors will be engaged at the Group's expense. No whistle-blowing reports were received in FY2023. Should there be any whistle-blowing cases reported, such cases would be handled in accordance with the Company's whistle-blowing policy without fear of harassment and assurance their reports will be taken seriously. All complaints will be treated as confidential.</p> <p>The whistleblowers' identities will not be disclosed without prior consent (except where disclosure obligations are required under law and regulations). Where concerns are unable to be resolved without revealing the identity of the whistleblower (e.g. if their evidence is required in court), a dialogue will be entered into with the whistleblower as to whether and how to proceed. The AC and the Company commits to protect of the whistleblower against detrimental or unfair treatment.</p> <p>In the event that the report is about a Director, that Director will not be involved in the review and any decision making with respect to that report. The policy aims. To encourage reporting of such matters in good faith, with the confidence that any employees and any other persons making such reports will be treated fairly and be protected from reprisals.</p>
10.2	<u>Qualification of the AC members</u>	<p>The Board considers Mr. Kuan, who has extensive and practical accounting and financial management knowledge and experience, is well qualified to chair the AC. Mr. Lim and Mr. Nicholas are also trained in accounting and financial management.</p> <p>The Board also considers Mr. Lye Thiam Fatt Joseph Victor, who has relevant accounting or related financial management expertise and experience, is well qualified to chair the AC with effect from 29 April 2024, if appointed (after the conclusion of the AGM). The members of the current and reconstituted AC, collectively, have expertise or experience in accounting and related financial management and are qualified to discharge the AC's responsibilities.</p>

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
10.4	<u>Internal Audit Function</u>	<p>The Company's internal audit function is outsourced to RSM Risk Advisory Pte Ltd ("RSM") that reports directly to the AC Chairman and administratively to the Management. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the internal audit function of the Company is outsourced.</p> <p>The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit plan complements that of the external auditors and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems.</p> <p>The AC is satisfied that RSM is able to discharge its duties effectively as:</p> <ul style="list-style-type: none"> • It is adequately qualified, given that Partner and the staff assigned to the internal audit of the Company are members of the Institute of Internal Auditors and it adheres to the Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors; • It is adequately resourced as there is a team of three (3) members assigned to the Company's internal audit, led by the partner, with audit experience in the real estate and construction industry; and • It has the appropriate standing in the Company, given, <i>inter alia</i>, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.
10.5	<u>Met Auditors in Management's Absence</u>	The AC has met with the IA and the EA once in the absence of key management personnel in FY2023.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
SHAREHOLDER RIGHTS AND ENGAGEMENT		
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
11.1	<u>Shareholders' Participation at General Meetings</u>	Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders.
	<u>Appointment of Proxies</u>	The Company's Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote in the shareholder's place at the general meetings. Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two (2) proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.
11.2	<u>Bundling of Resolutions</u>	Resolutions requiring shareholders' approval are tabled separately for adoption at the Company's general meetings unless they are closely related and are more appropriately tabled together. Reasons and implications of why resolutions are bundled will be set out in the circulars sent out.
11.3	<u>Directors' Attendance</u>	<p>The Company requires all Directors (including the respective chairman of the Board Committees) to be present, either physically or virtually pursuant to meeting arrangement under the Order, at all general meetings, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.</p> <p>All Directors attended the annual general meeting for FY2022 held on 28 April 2023.</p>
11.4	<u>Absentia Voting</u>	The Company's Constitution allows for absentia voting, including but not limited to the voting by mail, electronic mail or facsimile.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
11.5	<u>Publication of Minutes</u>	Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and management will be published on SGXNET and the Company's corporate website within one (1) month after the AGM.
11.6	<u>Dividend Policy</u>	The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, inter alia, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.
	(a) Does the Company have a dividend policy?	
	(b) Is the Company paying dividends for the financial year? If not, please explain why.	No dividend has been declared or recommended for FY2023 after taking into consideration the Group's future cash flow requirements in the foreseeable future.
ENGAGEMENT WITH SHAREHOLDERS		
12.1 12.2 12.3 13.3	<u>Communication with Shareholders</u>	The Company solicits feedback from and addresses the concerns of shareholders (including institutional and retail investors) via: <ul style="list-style-type: none"> a dedicated investor relations team whose contact details can be found www.kori.com.sg; investor relations webpage at www.kori.com.sg/ir.html; and investor/analyst briefings. <p>The Company held two investor briefings in FY2023 to meet with its institutional and retail investors. In FY2023, Management has also updated shareholders on the Company's performance via its announcements and press releases.</p> <p>The Company currently does not have an investor relations policy but considers advice from its continuing sponsor, corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.</p>
	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

Principle/ Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
		<p>Notwithstanding that the Company does not have a dedicated investor relations team or investor relations policy, Mr. Hooi Yu Koh, the Executive Chairman and CEO of the Company, is responsible for the Company's communication with shareholders. Shareholders and investors who have questions may reach out to Mr. Hooi at admin@kori.com.sg.</p>
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	<p>Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.kori.com.sg and its investor relations webpage at www.kori.com.sg/latestnews.html and www.kori.com.sg/ir.html. All materials presented in general meetings are uploaded on the SGXNET.</p> <p>For enquires and all other matters, Shareholders and all other parties can contact the Company at 11 Sims Drive #06-01 SCN Centre Singapore 387385.</p>
MANAGING STAKEHOLDERS RELATIONSHIP		
ENGAGEMENT WITH STAKEHOLDERS		
13.1 13.2	<u>Stakeholders Management</u>	<p>The Company undertakes an annual review in identifying its material stakeholders. It assesses the material environmental, social and governance factors that affects the Group.</p> <p>Having assessed the stakeholders in terms of their impacts on the Company as well as the impact or potential impacts upon the stakeholders by the actions of the Company, it has identified the key stakeholders, the methods of engagement and addressed their concerns accordingly.</p> <p>The Company will publish its standalone FY2023 Sustainability Report no later than 30 April 2024 and the same will be uploaded on the Company's website as well as on SGXNET.</p>

CORPORATE GOVERNANCE REPORT

TABLE II - COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation
711A and 711B	<u>Sustainability Reporting</u>	<p>Under Practice Note 7F (Sustainability Reporting Guide) issued by the SGX-ST, the Board should determine the environmental, social and governance factors identified as material to the Group's business and ensure that they are monitored and managed. The Board has ultimate responsibility for the Company's sustainability reporting.</p> <p>In defining the Company's sustainability reporting content, the Company will apply the principles of the Global Reporting Initiative (GRI) by considering the Group's activities, impact and substantive expectations and interests of its stakeholders. The Company will observe a total of four principles, namely materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, the Company will observe the principles of balance, comparability, accuracy, timeliness, clarity and reliability.</p> <p>RSM conducted an internal control review of the sustainability reporting process in FY2023 for the Company, with a primary focus on the environment and corporate social responsibility.</p> <p>FY2023 Sustainability Report will be on a "comply or explain" basis in accordance with Rule 711B and Practice Note 7F of the Catalist Rules. Corresponding to GRI's emphasis on materiality, the Sustainability Report will highlight the key economic, environmental, social and governance related initiatives carried out throughout the 12-month period, from 1 January 2023 to 31 December 2023.</p> <p>The Group currently is not materially exposed to climate exposed to climate-related risks or opportunities due to the nature of its business and we will monitor any emerging climate-related risks or opportunities as the Group's business evolves. We are currently in the process of implementing mandatory climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). We will report on our progress and will align our disclosure with the TCFD recommendations for our sustainability report in accordance with the timeline prescribed by SGX-ST.</p>

CORPORATE GOVERNANCE REPORT

TABLE II - COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation															
1204(6)(A)	<p><u>Non-audit fees</u></p> <p>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</p>	<table border="1"> <thead> <tr> <th colspan="3">Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2023</th> </tr> <tr> <th></th> <th>S\$</th> <th>% of total</th> </tr> </thead> <tbody> <tr> <td>Audit fees</td> <td>85,589</td> <td>91.9</td> </tr> <tr> <td>Non-Audit Fees</td> <td>7,554</td> <td>8.1</td> </tr> <tr> <td>Total</td> <td>93,143</td> <td>100</td> </tr> </tbody> </table>	Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2023				S\$	% of total	Audit fees	85,589	91.9	Non-Audit Fees	7,554	8.1	Total	93,143	100
Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2023																	
	S\$	% of total															
Audit fees	85,589	91.9															
Non-Audit Fees	7,554	8.1															
Total	93,143	100															
1204(6)(B)	<p><u>Confirmation by AC</u></p> <p>(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.</p>	<p>The non-audit services rendered during FY2023 were not substantial.</p>															
1204(6)(C)	<p><u>Appointment of Auditors</u></p>	<p>The Company confirms its compliance to Rules 712 and 715 of the Catalist Rules.</p>															
1204(8)	<p><u>Material Contracts</u></p>	<p>The Company had entered into a loan agreement with Mr. Hooi Yu Koh, the Executive Chairman and CEO, for a principal amount of S\$460,000, bearing an interest of 5% per annum, in FY2023. The loan is unsecured and with no fixed term of repayment.</p> <p>The Company is the borrower and Mr. Hooi Yu Koh is the lender.</p> <p>During FY2022, the Company entered into a convertible bond agreement with LJHB Capital (S) Pte Ltd (“LJHB”), the controlling shareholder of Keong Hong Holdings Limited, which is in turn a controlling shareholder of the Company, for a principal amount of S\$2,000,000, bearing interest at 5% per annum. Interest is payable annually in arrears from the date on which it was issued (“Issue Date”). The maturity of the Bond is five (5) years from the Issue Date.</p> <p>The Company is the issuer (borrower) and LJHB is the holder (lender).</p> <p>Save for the above disclosure, there were no material contracts entered into by the Group involving the interest of any Director, or controlling shareholder, which are either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.</p>															

CORPORATE GOVERNANCE REPORT

TABLE II - COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation								
1204(10)	<u>Adequacy of Internal Controls</u>	Please refer to the confirmation provided by the Board in Section 9.2 of Table I.								
1204(10B)	<u>Adequacy of Internal Audit Function</u>	The AC is of the opinion that the internal audit function is independent, effective and adequately resourced.								
1204(11)	<u>Properties held for development/sale/investment</u>	Not applicable, as the Group does not hold any land or building for development, sale or investment.								
1204(17)	<u>Interested Person Transactions ("IPT")</u>	<p>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.</p> <p>The Company has inadvertently omitted the disclosure of an interested person transaction in the FY2023 unaudited financial results announcement which value at risk was S\$100,000. The details of the IPT transacted during FY2023 is as set out in the table below. Save for as disclosed, there were no other IPTs entered into during FY2023 that was valued at S\$100,000 or more.</p> <table border="1"> <thead> <tr> <th>Name of interested person</th> <th>Nature of relationship</th> <th>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th> <th>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</th> </tr> </thead> <tbody> <tr> <td>LJHB</td> <td>The relationship between the Company and LJHB is described under the heading of "Material Contracts" in the preceding page.</td> <td>Contractual interest paid/payable to LJHB on convertible bond S\$100,000</td> <td>–</td> </tr> </tbody> </table> <p>The Company does not have a general mandate from its shareholders for IPTs.</p>	Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	LJHB	The relationship between the Company and LJHB is described under the heading of "Material Contracts" in the preceding page.	Contractual interest paid/payable to LJHB on convertible bond S\$100,000	–
Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)							
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CORPORATE GOVERNANCE REPORT

TABLE II - COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation																
1204(19)	<u>Dealing in Securities</u>	<p>The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information, which is not available to the public.</p> <p>The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements respectively, and ending on the date of the announcement of the relevant results. The Company will also send a memorandum prior to the commencement of each window period as a reminder to the Directors, officers, relevant employees and associates to ensure that they comply with the Code.</p>																
1204(21)	<u>Non-sponsor Fees</u>	The Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd., has not rendered any non-sponsorship services to the Company for FY2023. Accordingly, no non-sponsor fees were paid to the Sponsor for FY2023.																
1204(22)	<u>Use of Proceeds</u>	<p>The Company had on 21 September 2022 issued an aggregated S\$3,000,000 convertible bonds pursuant to convertible bonds subscription agreements with the investors dated 14 August 2022. The Company has raised net proceeds of approximately S\$2.845 million from issuance of the convertible bonds.</p> <p>As at the date of this Annual Report, the proceeds have been fully utilised as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Amount allocated S\$'000</th> <th>Amount utilised* S\$'000</th> <th>Balance S\$'000</th> </tr> </thead> <tbody> <tr> <td>Use of Proceeds</td> <td></td> <td></td> <td></td> </tr> <tr> <td>General working capital purposes</td> <td>2,845</td> <td>2,845</td> <td>Nil</td> </tr> <tr> <td>Total</td> <td>2,845</td> <td>2,845</td> <td>Nil</td> </tr> </tbody> </table> <p>Note:</p> <p>* The entire amount of S\$2,845,000 for general working capital has been utilised to acquire new steel materials in anticipation of its operational needs as the Group expects an increase in work volume with the gradual lifting of pandemic restrictions and the roll out of new public infrastructure works such as the MRT Cross Island Line projects.</p> <p>The proceeds were utilised in accordance with its intended use.</p>		Amount allocated S\$'000	Amount utilised* S\$'000	Balance S\$'000	Use of Proceeds				General working capital purposes	2,845	2,845	Nil	Total	2,845	2,845	Nil
	Amount allocated S\$'000	Amount utilised* S\$'000	Balance S\$'000															
Use of Proceeds																		
General working capital purposes	2,845	2,845	Nil															
Total	2,845	2,845	Nil															

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION REQUIRED IN RELATION TO A DIRECTOR SEEKING RE-ELECTION AND APPOINTMENT

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Retiring Director and the Proposed as set out in Appendix 7F to the Catalist Rules of the SGX-ST is set out below:

Name of Person	Ms. Elizabeth Toh Guek Li	Mr. Chua Ser Miang	Mr. Lye Thiam Fatt Joseph Victor
Date of Appointment	1 April 2024	29 April 2024	29 April 2024
Date of Last Re-Appointment	N.A.	N.A.	N.A.
Age	32	55	62
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration and the search and nomination process)	<p>The Board has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, working experiences, contribution, performance, attendance, preparedness, participation, candour and suitability of Ms. Elizabeth Toh Guek Li for re-election as an Independent Director of the Company and concluded that Ms. Toh possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.</p> <p>The Board considers Ms. Toh to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>	<p>The Board has considered the recommendation of the NC and assessment of Mr. Chua Ser Miang's qualifications and experience, is of the view that Mr. Chua has the requisite experience and capability to assume the responsibilities of an Independent Director of the Company.</p> <p>The Board considers Mr. Chua to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>	<p>The Board has considered the recommendation of the NC and assessment of Mr. Lye Thiam Fatt Joseph Victor's qualifications and experience, is of the view that Mr. Lye has the requisite experience and capability to assume the responsibilities of an Independent Director of the Company.</p> <p>The Board considers Mr. Lye to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the RC, member of AC and NC	Independent Director, Chairman of the NC, member of the AC and RC	Lead Independent Director, Chairman of the AC, member of the NC and RC

CORPORATE GOVERNANCE REPORT

Name of Person	Ms. Elizabeth Toh Guek Li	Mr. Chua Ser Miang	Mr. Lye Thiam Fatt Joseph Victor
Academic qualifications	<p>Advocate & Solicitor, Supreme Court of Singapore (Admitted in August 2015)</p> <p>Singapore Mediation Centre Accredited Mediator (2021 – Present)</p> <p>Determinant under the IMDA Telecommunications & Subscription Television Dispute Resolution Scheme (2022 – 2023)</p> <p>LLM International Corporate and Commercial Law King's College London</p> <p>Diploma in Translation & Interpretation (English & Mandarin Chinese) Singapore Chinese Chamber Institute of Business</p> <p>LLB Honours University of Leicester, United Kingdom</p>	<p>Master's degree in Global Finance and Banking, King's College London</p> <p>Bachelor's degree in Business Administration, National University of Singapore</p> <p>Chartered Financial Analyst</p> <p>Member of Institute of Singapore Chartered Accountants</p>	<p>Bachelor of Economics (First Class Honours), University of Adelaide</p> <p>Chartered Financial Analyst</p>
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • 2019 to present – Senior Associate/Director of Justicius Law Corporation • 2017 to 2019 – Legal Counsel, Asia Pacific of thyssenkrupp, Asia Pacific Regional Headquarters (RHQ) • 2015 to 2017 – Trainee/ Associate of Justicius Law Corporation 	<ul style="list-style-type: none"> • November 2020 to present – Director of Crowe Horwath Capital Pte Ltd • January 2013 to December 2020 – Director of Eastwin Capital Pte Ltd • October 2013 to July 2014 – Principal Consultant of Stamford Management Pte Ltd 	<ul style="list-style-type: none"> • December 2017 to present – Director and CEO of Pivot Fintech Pte. Ltd. • 2016 to 2017 – Group Head of FWD Digital Financial Services • 2014 to 2016 – CEO of Shenton Insurance Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Person	Ms. Elizabeth Toh Guek Li	Mr. Chua Ser Miang	Mr. Lye Thiam Fatt Joseph Victor
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
<p>* "Principal Commitments" has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p>			
Past (for the last 5 years)	Asia Pacific of thyssenkrupp, Asia Pacific Regional Headquarters (RHQ)	Eastwin Capital Pte Ltd Yamada Green Resources Ltd China Knowledge Data Technology Pte. Ltd.	Capital World Limited
Present	Justicius Law Corporation	VCPlus Limited Aoxin Q&M Dental Group Limited LS 2 Holdings Limited Acumen Research Laboratories Pte. Ltd. Acumen Diagnostics Pte. Ltd.	Pivot Fintech Pte. Ltd. Pivot Angel Investments Pte. Ltd. WMG Management Pte. Ltd. SG Carbonex Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Name of Person	Ms. Elizabeth Toh Guek Li	Mr. Chua Ser Miang	Mr. Lye Thiam Fatt Joseph Victor
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Person	Ms. Elizabeth Toh Guek Li	Mr. Chua Ser Miang	Mr. Lye Thiam Fatt Joseph Victor
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Person	Ms. Elizabeth Toh Guek Li	Mr. Chua Ser Miang	Mr. Lye Thiam Fatt Joseph Victor
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Person	Ms. Elizabeth Toh Guek Li	Mr. Chua Ser Miang	Mr. Lye Thiam Fatt Joseph Victor
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management of conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	Yes, in relation to (j)(i). Mr. Chua Ser Miang served as an independent director of Yamada Green Resources Ltd (“Yamada”) from September 2013 to March 2021. In September 2017, the then auditors, BDO LLP, made a report to the Ministry of Finance of Singapore relating to the group’s financial records for FY2017. Deloitte & Touche Financial Advisory Services Pte Ltd was appointed to perform a review, and the key findings were announced on 1 April 2018. On 21 August 2018, Yamada announced that certain core assets had been disposed without bringing to the Board’s attention and approval. The AC engaged Foo Kon Tan LLP to conduct an investigation, and the key findings were announced on 28 January 2019. On 30 September 2022, SGX reprimanded the former Executive Director of Yamada for breaches of certain listing rules arising from the disposal of its assets. As an independent director, Mr. Chua was not involved in the management or the operations of the company, and he was not a subject of the abovementioned investigations. No, in relation to (j)(ii), (iii) and (iv).	No

CORPORATE GOVERNANCE REPORT

Name of Person	Ms. Elizabeth Toh Guek Li	Mr. Chua Ser Miang	Mr. Lye Thiam Fatt Joseph Victor
<p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Person	Ms. Elizabeth Toh Guek Li	Mr. Chua Ser Miang	Mr. Lye Thiam Fatt Joseph Victor
<i>Any prior experience as a director of a listed company?</i>			
<p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Not applicable</p> <p>Ms. Toh is nominated for re-election to the Board.</p> <p>Ms. Toh will attend the required courses within one year from her date of appointment.</p>	<p>Yes</p> <p>Mr. Chua is currently a director in VCPlus Limited, Aoxin Q&M Dental Group Limited and LS 2 Holdings Limited, which are listed on SGX-ST.</p>	<p>Yes</p> <p>Mr. Lye was an Independent Director for Capital World Limited which is listed on the Catalist of the SGX-ST.</p>

DIRECTORS' STATEMENT

The directors of Kori Holdings Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

1. Opinion of the directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are as follows:

Hooi Yu Koh
Ng Wai Kit
Kuan Cheng Tuck
Nicholas Philip Lazarus
Lim Yeok Hua
Xu Quan Qiang
Elizabeth Toh Guek Li (Appointed on 1 April 2024)

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as follows:

	Direct Interest		Deemed Interest	
	Balance as at 1 January 2023	Balance as at 31 December 2023	Balance as at 1 January 2023	Balance as at 31 December 2023
	Number of ordinary shares		Number of ordinary shares	
Company				
Hooi Yu Koh	18,939,100	18,939,100	14,924,000	14,924,000
Ng Wai Kit	10,000	10,000	-	-

By virtue of Section 7 of the Act, Hooi Yu Koh and Ng Wai Kit are deemed to have an interest in all the related corporations of the Company.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the directors of the Company state that, according to the Register of the Directors' Shareholdings, the directors' interests as at 21 January 2024 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2023.

5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under options at the end of the financial year.

DIRECTORS' STATEMENT

6. Audit Committee

The Audit Committee comprises the following members who are all non-executive and independent directors. The members of the Audit Committee during the financial year and at the date of this statement are:

Kuan Cheng Tuck (Chairman)
Nicholas Philip Lazarus
Lim Yeok Hua
Elizabeth Toh Guek Li

In accordance with Section 201B(5) of the Act, the Audit Committee has reviewed with the Company's internal auditors their audit plan and the scope and results of their internal audit procedures. It has also reviewed with the Company's independent auditors, BDO LLP, their audit plan, their evaluation of the system of internal accounting controls, their audit report on the accompanying financial statements for the financial year ended 31 December 2023 and the assistance given by the management of the Group to them. The accompanying financial statements as well as the independent auditors' report thereon have been reviewed by the Audit Committee prior to their submission to the Board of Directors.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the audit committee.

The Audit Committee has recommended to the Board of Directors the re-appointment of BDO LLP as independent auditors of the Company, at the forthcoming Annual General Meeting of the Company.

7. Independent auditors

The independent auditors, BDO LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Hooi Yu Koh
Director

Ng Wai Kit
Director

Singapore
2 April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kori Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 78 to 130, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

KEY AUDIT MATTER (Continued)	AUDIT RESPONSE
<p>1 Revenue recognition</p>	
<p>The Group is principally engaged in providing civil/structural engineering and infrastructural construction services such as installation and dismantling services for structural steel works and supply of labour for tunnelling works ("Construction Services"). The Group is also required to supply steel beams, by way of lease arrangement with its customers as part of the contracts with its customers.</p> <p>During the financial year ended 31 December 2023, the Group's revenue from Construction Services and rental of steel beams amounted to \$7,645,008 and \$10,225,593 respectively.</p> <p>The Group has identified that the supply of steel beams as an operating lease and revenue is measured separately from those of Construction Services.</p> <p>Revenue from the Group's Construction Services are recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group as the project progresses. The Group applies the input method to determine the percentage-of-completion which is measured by total contract costs incurred to-date over total budgeted contract costs of the construction contracts as approved by management.</p> <p>We have determined revenue recognition as a key audit matter due to the significant management judgement and estimates involved in determining the percentage-of-completion for Constructions Services and accounting for lease arrangements on supply of steel beams.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the Group's revenue recognition accounting policies; • Selected significant construction contracts and obtained an understanding of the key terms of the contracts; • Carried out tests of controls surrounding management's budgeted contract costs and revenue recognition process to estimate contract revenues, contract costs and profit margins; • Obtained an understanding of the progress and status of the significant ongoing construction contracts through discussions with management and conducted site visits; • Tested the costs-to-complete for significant ongoing construction contracts by evaluating the reasonableness of the total budgeted contract costs; • Tested the labour costs charged for significant ongoing construction contracts against the timesheets of the construction contract employees, on sample basis. We also verified the existence of those employees by checking against payroll records; and • Assessed the adequacy of the related disclosures in the financial statements.
<p>Refer to Notes 5 and 14 to the accompanying financial statements.</p>	

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

KEY AUDIT MATTER (Continued)	AUDIT RESPONSE
<p data-bbox="252 450 288 495">2</p> <p data-bbox="384 443 1337 501">Loss allowance for trade receivables, unbilled receivables, retention receivables and contract assets</p> <p data-bbox="217 566 767 739">As at 31 December 2023, the net carrying amounts of trade receivables, unbilled receivables, retention receivables and contract assets aggregated to \$39,928,858 and represented approximately 94% of the Group's total current assets.</p> <p data-bbox="217 770 767 1003">During the financial year, loss allowance of \$826,653 was recognised in profit or loss. In addition, the Group is exposed to significant concentration of credit risk in relation to its top 3 customers which contributed approximately 89% of the total trade receivables, unbilled receivables, retention receivables and contract assets as at 31 December 2023.</p> <p data-bbox="217 1034 767 1267">Management estimates the lifetime expected credit losses by taking into account the historical payment trends, default payment information, credit profile of its customers and an assessment of both the current and forward-looking information on macroeconomic factors affecting the Group's customers, all of which involved significant judgement.</p> <p data-bbox="217 1299 767 1471">We have determined the assessment of loss allowance for trade receivables, unbilled receivables, retention receivables and contract assets to be a key audit matter as it involved significant judgements and critical assumptions applied by management.</p> <hr/> <p data-bbox="217 1541 767 1599">Refer to Notes 13, 14 and 30.1 to the accompanying financial statements.</p>	<p data-bbox="804 566 1343 624">We performed the following audit procedures, amongst others:</p> <ul data-bbox="804 656 1343 1274" style="list-style-type: none"> <li data-bbox="804 656 1343 741">• Tested the trade receivables aging report used by management in its recoverability assessment; <li data-bbox="804 772 1343 889">• Reviewed collectability of trade receivables by obtaining evidence of receipts from the debtors on a sampling basis subsequent to the year-end; <li data-bbox="804 920 1343 1184">• Assessed the reasonableness of management's loss allowance estimates by reviewing the information used to determine such judgements, including testing the reasonableness of historical default rate, checked the profile of its customers and evaluated the current and forward-looking information in determining the provision rates; and <li data-bbox="804 1216 1343 1274">• Assessed the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

KEY AUDIT MATTER (Continued)	AUDIT RESPONSE
<p>3</p> <p>Recoverability of current income tax recoverable</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> • Obtained and read the correspondences between the Group, independent tax advisor and tax authority; • Held discussions with management to understand if there were any major developments subsequent to the receipt of the letter from the tax authority; • Engage our internal tax specialist to evaluate the appropriateness of management's judgement, which is supported by the advice from independent tax advisor, under the relevant income tax rule; and • Assessed the adequacy of the related disclosures in the financial statements. <p>As at 31 December 2023, the Group recorded current income tax recoverable of \$643,094 with respect to revised tax computations submitted to the tax authority. The recoverability is largely dependent on the tax authority accepting the Group's revised tax computations arising from the restatement of financial results in prior years.</p> <p>During the financial year, a subsidiary of the Group was informed by the tax authority that the capital allowances previously disregarded could be claimed, subject to clarification on its adoption of SFRS(I) 15 and the adjustments thereof relating to the recognition of those qualifying assets in the prior financial years. Management continues to engage the tax authority, along with its independent tax advisor, to justify that the claims were appropriate in the prior financial years. Based on the advice received from the independent tax advisor, management has determined that the tax recoverable of \$643,094 recorded as at 31 December 2023 remains appropriate under the relevant income tax rule.</p> <p>We have determined the income tax recoverable to be a key audit matter due to the significant judgement made by management and tax specialist in the recoverability assessment.</p> <p>Refer to Note 9 to the accompanying financial statements.</p>

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lee Kuang Hon.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
2 April 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Revenue	5	17,870,601	19,494,462
Cost of sales		<u>(12,639,539)</u>	<u>(12,671,556)</u>
Gross profit		5,231,062	6,822,906
Other items of income			
Interest income	6	16,474	6,984
Other income	6	50,910	400,559
Other items of expense			
Administrative and other expenses		(3,525,134)	(3,051,600)
Loss allowance reversed/ (made)			
- trade receivables		44,133	(96,192)
- unbilled receivables		(685,425)	(1,550,183)
- retention receivables		(125,035)	(356,814)
- contract assets		(60,326)	(311,073)
Finance costs	7	<u>(277,644)</u>	<u>(270,412)</u>
Profit before income tax	8	669,015	1,594,175
Income tax expense	9	<u>(145,972)</u>	<u>(238,583)</u>
Profit for the financial year, attributable to owners of the parent		<u>523,043</u>	<u>1,355,592</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency differences on translation of foreign operations		7,422	5,954
Other comprehensive income, net of tax		<u>7,422</u>	<u>5,954</u>
Total comprehensive income for the financial year, attributable to owners of the parent		<u>530,465</u>	<u>1,361,546</u>
Earnings per share			
Basic	10	<u>0.53 cents</u>	<u>1.37 cents</u>
Diluted	10	<u>0.53 cents</u>	<u>1.34 cents</u>

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 \$	2022 \$	2023 \$	2022 \$
Non-current assets					
Property, plant and equipment	11	32,269,960	32,705,307	-	-
Investments in subsidiaries	12	-	-	25,825,255	25,825,255
Total non-current assets		32,269,960	32,705,307	25,825,255	25,825,255
Current assets					
Trade and other receivables	13	35,799,174	33,381,447	4,314,747	4,145,701
Contract assets	14	4,348,990	4,546,423	-	-
Capitalised contract costs	14	184,042	266,106	-	-
Prepayments		159,914	236,616	297	557
Current income tax recoverable		643,094	643,094	-	-
Cash and bank balances	15	427,037	691,046	14,281	39,088
Fixed deposits	15	1,014,786	2,572,206	-	-
Total current assets		42,577,037	42,336,938	4,329,325	4,185,346
Less:					
Current liabilities					
Trade and other payables	16	7,670,530	8,483,083	529,599	265,751
Contract liabilities	14	6,961,395	5,242,284	-	-
Lease liabilities	17	188,601	202,520	-	-
Bank borrowings	18	764,950	1,749,914	-	-
Current income tax payable		-	5,863	-	5,863
Total current liabilities		15,585,476	15,683,664	529,599	271,614
Net current assets		26,991,561	26,653,274	3,799,726	3,913,732
Less:					
Non-current liabilities					
Lease liabilities	17	114,499	158,037	-	-
Bank borrowings	18	388,287	1,153,152	-	-
Deferred tax liabilities	19	1,147,000	1,001,029	7,000	31,000
Convertible bonds	20	2,846,777	2,811,870	2,846,777	2,811,870
Provisions	21	50,000	50,000	-	-
Total non-current liabilities		4,546,563	5,174,088	2,853,777	2,842,870
Net assets		54,714,958	54,184,493	26,771,204	26,896,117

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
Equity					
Share capital	22	32,290,650	32,290,650	32,290,650	32,290,650
Merger reserve	23	(25,627,521)	(25,627,521)	-	-
Foreign currency translation account	24	(5,585)	(13,007)	-	-
Capital reserve	25	39,012	39,012	39,012	39,012
Retained earnings/(Accumulated losses)	26	48,018,402	47,495,359	(5,558,458)	(5,433,545)
Total equity attributable to owners of the parent		54,714,958	54,184,493	26,771,204	26,896,117

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to owners of the parent				Total equity
		Share capital	Merger reserve	Foreign currency translation account	Capital reserve	
Balance at 1 January 2023		\$ 32,290,650	\$ (25,627,521)	\$ (13,007)	\$ 39,012	\$ 54,184,493
Profit for the financial year		-	-	-	-	523,043
Other comprehensive income for the financial year:						
Exchange differences on translation of foreign operations	24	-	-	7,422	-	7,422
Total comprehensive income for the financial year		-	-	7,422	-	523,043
Balance at 31 December 2023		\$ 32,290,650	\$ (25,627,521)	\$ (5,585)	\$ 39,012	\$ 54,714,958

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

<u>Group</u>	Attributable to owners of the parent					Total equity
	Share capital	Merger reserve	Foreign currency translation account	Capital reserve	Retained earnings	
Note	\$	\$	\$	\$	\$	\$
Balance at 1 January 2022	32,290,650	(25,627,521)	(18,961)	-	46,139,767	52,783,935
Profit for the financial year	-	-	-	-	1,355,592	1,355,592
Other comprehensive income for the financial year:						
Exchange differences on translation of foreign operations	-	-	5,954	-	-	5,954
Total comprehensive income for the financial year	-	-	5,954	-	1,355,592	1,361,546
Total transactions with owners, recognised directly in equity:						
Recognition of equity component of convertible bonds, representing total transactions with owners	-	-	-	39,012	-	39,012
Balance at 31 December 2022	32,290,650	(25,627,521)	(13,007)	39,012	47,495,359	54,184,493

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Operating activities			
Profit before income tax		669,015	1,594,175
Adjustments for:			
Amortisation of capitalised contract costs	14	82,064	208,723
Depreciation of property, plant and equipment	11	1,672,173	1,669,620
Loss on disposal and write-off of property, plant and equipment		1,045,615	427,530
Interest expense		279,499	273,286
Interest income		(16,474)	(6,984)
Loss allowance made/(reversed)			
- trade receivables		(44,133)	96,192
- unbilled receivables		685,425	1,550,183
- retention receivables		125,035	356,814
- contract assets		60,326	311,073
Unrealised exchange difference		9,982	47,196
Operating cash flows before working capital changes		4,568,527	6,527,808
Working capital changes:			
Trade and other receivables		(3,184,054)	(9,398,136)
Contract assets		137,107	2,166,763
Capitalised contract costs		-	(13,999)
Trade and other payables		(3,251,737)	1,001,128
Contract liabilities		1,719,111	1,455,921
Prepayments		76,702	33,734
Cash generated from operations		65,656	1,773,219
Income tax paid		(5,863)	(2,472)
Net cash from operating activities		59,793	1,770,747
Investing activities			
Interest received		16,474	6,984
Proceeds from disposal of property, plant and equipment		216,637	2,032,110
Purchase of property, plant and equipment	11	(121,591)	(1,918,515)
Net cash from investing activities		111,520	120,579

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Financing activities			
Release of/(addition) pledged fixed deposits		1,053,524	(363)
Repayments of principal portion of lease liabilities	A	(220,724)	(260,695)
Repayments of interest portion of lease liabilities	A	(6,785)	(7,015)
Proceeds from bank borrowings	A	-	248,174
Repayments of bank borrowings	A	(1,749,829)	(4,448,450)
Proceeds from convertible bonds	A	-	3,000,000
Payments for issuance of convertible bonds	A	-	(159,210)
Proceeds of loan from a director		90,000	500,000
Repayment of loan to a director		(40,000)	(130,000)
Interest paid		(63,749)	(192,542)
Net cash used in financing activities		<u>(937,563)</u>	<u>(1,450,101)</u>
Net change in cash and cash equivalents		(766,250)	441,225
Cash and cash equivalents at beginning of financial year		1,196,969	756,050
Effects of exchange rate changes on cash and cash equivalents		(1,655)	(306)
Cash and cash equivalents at end of financial year	15	<u>429,064</u>	<u>1,196,969</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note A: Reconciliation of liabilities arising from financing activities

	1.1.2023		31.12.2023		Non-cash changes					
	\$	\$	\$	\$	Cash flows	Accretion of interest	Additions of property, plant and equipment under lease liabilities	31.12.2023		
Lease liabilities	360,557	(227,509)	6,785	163,267				303,100		
Bank borrowings	2,903,066	(1,749,829)	-	-				1,153,237		
Convertible bonds	2,811,870	-	34,907	-				2,846,777		
	1.1.2022		31.12.2022		Non-cash changes					
	\$	\$	\$	\$	Cash flows	Foreign exchange differences	Accretion of interest	Allocation to capital reserve on issuance	Additions of property, plant and equipment under lease liabilities	31.12.2022
Lease liabilities	311,683	(267,710)	7,015	309,569						360,557
Bank borrowings	7,126,365	(4,200,276)	-	-		(23,023)	-	-	-	2,903,066
Convertible bonds	-	2,840,790	10,092	(39,012)						2,811,870

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. General corporate information

Kori Holdings Limited is a public limited company, incorporated and domiciled in Singapore with its registered office and principal place of business at 11 Sims Drive, #06-01 SCN Centre, Singapore 387385. The Company's registration number is 201212407R. The Company is listed on the Catalyst Board of the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are investment holding and management and administrative support to its subsidiary corporations.

The Group's ultimate controlling party is Mr Hooi Yu Koh.

The principal activities of the subsidiaries are set out in Note 12 to the financial statements.

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the material policy information in the relevant notes to the financial statements and on a going concern basis as set out in Note 4 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below and detailed disclosures are included in the respective notes to the financial statements.

Critical judgements applied:

- Leasing of steel beams (Note 5)
- Recoverability of income tax recoverable (Note 9)
- Potential income tax liability (Note 9)

Significant accounting estimates and assumptions used:

- Revenue recognition - Estimation of total contract costs (Note 5)
- Estimation of useful life and residual value of steel beams (Note 11)
- Expected credit loss allowance (Note 30.1)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Basis of preparation of financial statements (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2023

On 1 January 2023, the Group adopted the new or amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements, except as disclosed below.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Disclosure of Accounting Policies and SFRS(I) Practice Statements 2

Management has followed the guidance to the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 in determining which accounting policy information is material. For the preparation of financial statements for the financial year ended 31 December 2023, the material accounting policy information have been included in the respective notes to the financial statements.

Amendments to SFRS(I) 1-12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously. The amendments introduce an additional criterion for the initial recognition exemption under paragraph 15 of SFRS(I) 1-12, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of transaction, gives rise to equal taxable and deductible temporary differences.

The amendment should be applied to transaction that occur on or after the beginning of the earliest comparative period presented. Deferred tax assets should be recognised to the extent that it is probable that they can be utilised and deferred tax liabilities should be recognised at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with the Group's right-of-use assets and lease liability in the scope of SFRS(I) 16.

The Group has previously accounted for the deferred taxes on right-of-use assets and lease liabilities. Therefore, the amendments have no effect on the financial statements of the Group for the year ended 31 December 2023 and relevant disclosure is included in Note 19 to the financial statements.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards and interpretations that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Segment information

Management has determined the operating segments that are used to make strategic decisions.

During the financial years ended 31 December 2023 and 31 December 2022, the Group operated mainly in Singapore and all non-current assets were located in Singapore. Accordingly, an analysis of non-current assets and revenue of the Group by geographical distribution has not been presented.

The Group has two reportable segments being structural steel works and tunnelling works.

The structural steel segment provides services to design, purchase and fabricate reusable steel struts and steel beams for temporary strutting works in earth retaining or stabilising structures for excavation works and rental of steel beams.

The tunnelling segment supplies skilled personnel with the required technical expertise to provide macro-tunnelling works.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of the Group.

The accounting policies of the operating segments are the same of those described in the material accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses which are not directly attributable to a particular reportable segment above as they are not separately reported to the chief operating decision maker.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Segment information (Continued)

	Structural steel \$	Tunnelling \$	Unallocated \$	Total \$
2023				
External revenue	16,847,312	1,023,289	-	17,870,601
Depreciation of property, plant and equipment	(1,428,359)	(20,963)	(222,851)	(1,672,173)
Loss allowance reversed/ (made)				
- trade receivables	32,386	11,747	-	44,133
- unbilled receivables	(685,425)	-	-	(685,425)
- retention receivables	(115,726)	(9,309)	-	(125,035)
- contract assets	(60,207)	(119)	-	(60,326)
Loss on disposal and write-off of property, plant and equipment	(1,043,563)	-	(2,052)	(1,045,615)
Segment profit/ (loss)	<u>4,127,716</u>	<u>(766,872)</u>	<u>(2,430,659)</u>	<u>930,185</u>
Interest income				16,474
Interest expenses				(277,644)
Income tax expense				<u>(145,972)</u>
Profit for the financial year				<u><u>523,043</u></u>
Reportable segment assets	<u>71,354,703</u>	<u>652,945</u>	<u>2,839,349</u>	<u>74,846,997</u>
Included in the segment assets: Additions to property, plant and equipment	<u>2,323,995</u>	-	175,990	<u>2,499,985</u>
Reportable segment liabilities	10,819,549	-	8,165,490	18,985,039
Deferred tax liabilities				<u>1,147,000</u>
Total Group's liabilities				<u><u>20,132,039</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Segment information (Continued)

	Structural steel \$	Tunnelling \$	Unallocated \$	Total \$
2022				
External revenue	17,933,014	1,561,448	-	19,494,462
Depreciation of property, plant and equipment	(1,273,053)	-	(396,567)	(1,669,620)
Loss allowance made				
- trade receivables	(79,426)	(16,766)	-	(96,192)
- unbilled receivables	(1,550,183)	-	-	(1,550,183)
- retention receivables	(343,828)	(12,986)	-	(356,814)
- contract assets	(273,196)	(37,877)	-	(311,073)
Loss on disposal and write-off of property, plant and equipment	(401,138)	-	(26,392)	(427,530)
Segment profit/(loss)	<u>5,309,059</u>	<u>(1,201,553)</u>	<u>(2,249,903)</u>	<u>1,857,603</u>
Interest income				6,984
Interest expenses				(270,412)
Income tax expense				<u>(238,583)</u>
Profit for the financial year				<u>1,355,592</u>
Reportable segment assets	<u>67,928,106</u>	<u>2,261,349</u>	<u>4,852,790</u>	<u>75,042,245</u>
Included in the segment assets:				
Additions to property, plant and equipment	<u>1,130,974</u>	-	359,569	<u>1,490,543</u>
Reportable segment liabilities	9,500,249	-	10,350,611	19,850,860
Current income tax payables				5,863
Deferred tax liabilities				<u>1,001,029</u>
Total Group's liabilities				<u>20,857,752</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Segment information (Continued)

Geographical information

During the financial year ended 31 December 2023, the Group operated mainly in Singapore and revenue from external customers were generated in Singapore. Accordingly, an analysis of revenue from external customers of the Group by geographical distribution has not been presented.

Location of non-current assets

	Singapore \$	Malaysia \$	Group \$
2023			
Non-current assets	32,255,438	14,522	32,269,960
2022			
Non-current assets	32,689,264	16,043	32,705,307

Non-current assets are property, plant and equipment which includes right-of-use assets as presented in the statement of financial position of the Group.

Major customers

The revenues from 4 customers (2022: 5 customers) of the Group's structural steel and tunnelling segment and the details of customers which individually contributed 10 percent or more of the Group's revenue during the financial year were as follows:

	Group			
	Structural steel		Tunnelling	
	2023 \$	2022 \$	2023 \$	2022 \$
Customer A	5,327,804	6,427,527	-	-
Customer B	-	2,564	-	1,561,448
Customer C	1,928,299	2,692,587	-	-
Customer D	3,800,687	3,552,800	-	-
Customer E	3,564,824	2,692,548	-	-
	14,621,614	15,368,026	-	1,561,448

4. Going concern

During the financial year, the Group recorded profit before tax of \$669,015 and generated positive cash flows from operating activities of \$59,793. As at 31 December 2023, although the Group had cash and cash equivalents of \$429,064, the Group had net current assets of \$26,991,561 which included unbilled receivables and contract assets of \$32,020,556 and \$4,348,990 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. Going concern (Continued)

Notwithstanding the above, management has assessed that the use of going concern assumption to prepare the financial statements to be appropriate based on the following factors:

- (i) The Group has adequate funds to meet its debt obligations and working capital requirements based on a 18-months projected cash flows for the Group from 1 January 2024; and
- (ii) The Group has ongoing projects with the remaining total contract value of approximately \$135 million. The management estimates that there will be adequate cash inflows generated from these projects in next 18 months.

The Group and the Company actively manage their operating cash flows and availability of funds so as to ensure that its repayment and funding needs are met. Accordingly, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due for the ensuing twelve months.

5. Revenue

Disaggregation of revenue

The Group has disaggregated revenue into the following categories:

	Structural steel works segment		Tunnelling works segment		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Construction services						
- Over time	6,621,719	4,793,457	1,023,289	1,561,448	7,645,008	6,354,905
Rental of steel beams	10,225,593	13,139,557	-	-	10,225,593	13,139,557
	<u>16,847,312</u>	<u>17,933,014</u>	<u>1,023,289</u>	<u>1,561,448</u>	<u>17,870,601</u>	<u>19,494,462</u>

All revenues of the Group are generated within Singapore.

Material accounting policy information, critical judgements, and significant estimates

(a) Revenue from construction services

The Group recognises revenue from providing civil/structural engineering and infrastructural construction services such as installation and dismantling services for structural steel works and supply of labour for tunnelling works (“Construction Services”) as a sub-contractor for commercial, industrial and public infrastructural construction projects.

Revenue is measured based on the consideration specified in contracts with customers and excludes amount collected on behalf of third parties (i.e. sales related taxes).

The Group’s Construction Services are segregated into the structural steel works and tunnelling segments which are under long-term contracts with customers. Such contracts are entered before the construction of the commercial, industrial or public infrastructural projects. The Group has assessed that these Construction Services contracts qualify for over time revenue recognition as the customer simultaneously receives and consumes the benefits provided by the Group as the project progresses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. Revenue (Continued)

Disaggregation of revenue (Continued)

Material accounting policy information, critical judgements, and significant estimates (Continued)

(a) Revenue from construction services (Continued)

The stage of completion is assessed by reference to the contract costs incurred till date in proportion to the total estimated contract costs of each contract as approved by management (“input method”) and excludes goods or services for which the Group does not transfer control to its customers.

The Group becomes entitled to invoice customers for Construction Services based on acknowledgement of payment certification by the main contractors. The Group submits a progress claim on a monthly basis to the main contractor for assessment of work performed. The Group would have previously recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the payment exceeds the revenue recognised to date under the input method then the Group recognises a contract liability for the difference. The period between the completion of the Construction Services and payment by the customer may exceed one financial year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customer from the Group’s failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by the Group.

Estimation of total contract costs

Significant assumptions are used to estimate the total contract costs which will affect the revenue recognised in profit or loss. In making these estimates, management has relied on past experiences and expertise of the Group’s project specialist.

As at 31 December 2023, contract assets of \$4,348,990 (2022: \$4,546,423) and contract liabilities of \$6,961,395 (2022: \$5,242,284) were recognised based on the estimation of Group’s work progress using input method. If total contract costs of ongoing contracts to be incurred had been higher or lower by 3% (2022: 4%) from management’s estimates, the Group’s revenue, and net of contract assets/contract liabilities would have been lower and higher by approximately \$1,215,000 and \$1,309,000 (2022: \$1,322,000 and \$1,432,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. Revenue (Continued)

Disaggregation of revenue (Continued)

Material accounting policy information, critical judgements, and significant estimates (Continued)

(b) Rental income

Rental income from supply of steel beams (net of any incentives given to lessees) is recognised on a straight-line basis over the term of the relevant lease.

Leasing of steel beams

For revenue from contracts with customer under the structural steel works segment, the Group has identified that the supply of steel beams as an operating lease and revenue is measured separately from Construction Services. This assessment requires the Group to consider whether (i) the fulfilment of the Construction Services is dependent on the use of steel beams; and (ii) the Construction Services conveys a right to use the steel beams.

Upon considering the above factors, the Group has determined that its supply of steel beams embedded in the revenue from contract with customers for Construction Services constitute a leasing arrangement.

6. Other income

	Group	
	2023	2022
	\$	\$
Interest income		
Financial assets measured at amortised cost		
- Bank deposits	16,474	6,984
Other income		
Government grants		
- Foreign worker levy waiver and rebate	-	212,100
- Others	11,885	43,508
	11,885	255,608
Secondment of workers	-	49,103
Insurance claims	4,468	75,450
Foreign exchange gain, net	24,126	-
Others	10,431	20,398
	50,910	400,559

Government grants in the previous financial year refers to foreign worker levy waiver and rebate announced by the Singapore Government to provide business employers who hire foreign workers and to ease the labour costs of such firms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. Finance costs

	Group	
	2023	2022
	\$	\$
Interest expenses:		
- Lease liabilities (Note 17)	6,785	7,015
- Bank borrowings	63,108	184,053
- Convertible bonds	182,853	53,653
- Loan from a director	26,753	24,725
- Others	-	3,840
	<u>279,499</u>	<u>273,286</u>
Less: Interest expense allocated to cost of sales line item	(1,855)	(2,874)
	<u>277,644</u>	<u>270,412</u>

Finance costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

8. Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2023	2022
	\$	\$
<i>Cost of sales</i>		
Accommodation of construction workers	345,452	351,275
Amortisation of capitalised contract costs	82,064	208,723
Hiring of machinery	1,329,891	1,326,463
Subcontractors charges	413,646	237,287
Worksite expenses	<u>3,285,291</u>	<u>2,421,453</u>
<i>Administrative and other expenses</i>		
Audit fees paid/payable to the auditors		
- auditors of the Company	85,000	80,000
- other auditors - network firms	-	6,700
- other auditors	589	-
Non-audit related services fees paid/payable to auditors*		
- auditors of the Company	7,200	13,700
- other auditors - network firms	-	1,800
- other auditors	354	-
Foreign exchange loss, net	-	162,106
Hiring of equipment	31,104	30,816
Professional fees	166,722	210,678
Loss on disposal and write-off of property, plant and equipment	<u>1,045,615</u>	<u>427,530</u>

* The Group has not incurred any audit-related services fee paid/payable to the auditors of the Company and other auditors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. Profit before income tax (Continued)

The Group has certain leases for workers' accommodation, hiring of machinery and hiring of equipment with lease term of 12 months or less. The Group applies the "short-term lease" exemptions for these leases.

Expenses relating to short-term leases include the following items within profit before income tax:

	2023	2022
	\$	\$
Lease expenses on short-term leases		
- Accommodation of construction workers	345,452	351,275
- Hiring of machinery	1,329,891	1,326,463
- Hiring of equipment	31,104	30,816
	<u>1,706,447</u>	<u>1,708,554</u>

The Group has not incurred any lease expenses on low value assets.

Depreciation of property, plant and equipment and right-of-use assets is recognised in the following line items of the Group's profit or loss:

	Group	
	2023	2022
	\$	\$
Cost of sales	1,449,320	1,415,986
Administrative expenses	222,853	253,634
	<u>1,672,173</u>	<u>1,669,620</u>

Employee benefits expense is recognised in the following line items of the Group's profit or loss:

	Group	
	2023	2022
	\$	\$
Cost of sales		
- salaries, wages, bonuses and other short-term benefits	5,136,770	5,859,696
- employer's contribution to defined contribution plans	111,210	125,163
Administrative expenses		
- salaries, wages, bonuses and other short-term benefits	1,198,950	1,188,550
- employer's contribution to defined contribution plans	131,569	126,529
	<u>6,578,499</u>	<u>7,299,938</u>

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into the Singapore Central Provident Fund and has no legal and constructive obligation to pay further once the payments are made.

Employee benefits expense includes the remuneration of key management personnel as disclosed in Note 29 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Income tax expense

	Group	
	2023	2022
	\$	\$
Current income tax		
- current financial year	-	5,863
Deferred tax		
- current financial year	141,000	402,000
- under/(over) provision in prior financial years	4,972	(169,280)
	<u>145,972</u>	<u>232,720</u>
Total income tax expense recognised in profit or loss	<u>145,972</u>	<u>238,583</u>

Critical judgements and significant estimates

Recoverability of income tax recoverable

During the financial year, a subsidiary of the Group was informed by the tax authority that the capital allowances previously disregarded could be claimed, subject to the subsidiary satisfying the tax authority that there was no double claim on the cost of steel beams with respect to certain years of assessment ("Relevant YAs"), which arose from the adoption of SFRS(I) 15. The subsidiary continues to engage the tax authority and has been invited to present its case in May 2024, to satisfy the queries raised. Based on the advice from the independent tax advisor, management had determined that the amount of \$643,094 recorded as income tax recoverable as at 31 December 2023 remains appropriate under the relevant income tax rule.

Potential income tax liability

During the financial year, a subsidiary of the Group received a protective income tax assessment from the tax authority imposing an additional tax liability of \$678,800 for the Year of Assessment ("YA") 2019. The alleged additional tax liability stemmed from the exclusion of certain carried-forward capital allowances attributable to the Relevant YAs, which are currently under review by the tax authority. The subsidiary subsequently filed a notice of objection to the protective assessment. Based on the advice received from the independent tax advisor, management is of the view that the likelihood of settlement for the additional tax liability is not probable. As such, no provision for this alleged tax liability has been recognised as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Income tax expense (Continued)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit before income tax as a result of the following differences:

	Group	
	2023	2022
	\$	\$
Profit before income tax	<u>669,015</u>	<u>1,594,175</u>
Tax calculated at Singapore statutory income tax rate of 17% (2022: 17%)	113,733	271,010
Effects of:		
- Singapore statutory stepped income exemption	-	(6,713)
- Different income tax rate in overseas operations	3,172	(23,619)
- Expenses not deductible for tax purposes	13,380	72,318
- Income not subject to tax	(23,319)	(2,626)
- Deferred tax assets not recognised	44,065	53,346
- Under/(Over) provision of deferred tax liabilities in prior financial years	4,972	(169,280)
- Others	(10,031)	44,147
	<u>145,972</u>	<u>238,583</u>

Unrecognised deferred tax assets

	Group	
	2023	2022
	\$	\$
Balance at beginning of financial year	103,720	61,280
Amount not recognised during the financial year	44,065	53,346
Revision amount on the prior years' timing differences	-	(23,779)
Currency translation adjustment	(5,089)	12,873
Balance at end of financial year	<u>142,696</u>	<u>103,720</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Income tax expense (Continued)

Unrecognised deferred tax assets (Continued)

Unrecognised deferred tax assets are attributable to:

	Group	
	2023	2022
	\$	\$
Unabsorbed capital allowances	1,178	1,250
Unutilised tax losses	140,189	99,432
Provision for unutilised leaves	1,329	3,038
	142,696	103,720

Included in unutilised tax losses are the following tax losses of Kori Construction (M) Sdn. Bhd. which are available for offset against future taxable income for a period of 10 years from the year of assessment ("YA") incurred:

Year incurred	Year of expiry	Group	
		2023	2022
		\$	\$
2018	2028	40,462	42,927
2021	2031	18,966	20,121
2022	2032	14,737	15,635
2023	2033	9,142	-
		83,307	78,683

These deferred tax assets have not been recognised as there is no certainty that there will be sufficient future taxable profits to offset against these future benefits. Accordingly, these deferred tax assets have not been recognised in the financial statements.

10. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the financial year attributable to owners of the parent by the actual number of ordinary shares in issue during the financial year. As the Group has no dilutive potential ordinary shares, the diluted earnings per share is equivalent to basic earnings per share for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. Earnings per share (Continued)

(a) Basic earnings per share

	Group	
	2023	2022
	\$	\$
The calculation of basic earnings per share is based on the following data:		
Profit attributable to owners of the parent	<u>\$523,043</u>	<u>\$1,355,592</u>
Weighted average number of ordinary shares outstanding for basic earnings per share	<u>99,200,000</u>	<u>99,200,000</u>
Basic earnings per share	<u>0.53 cents</u>	<u>1.37 cents</u>

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company's convertible bonds are the only dilutive potential ordinary shares outstanding during the financial year.

Convertible bonds are assumed to have been converted into ordinary shares at issuance and the net profit is adjusted to eliminate the interest expense less the tax effect.

Diluted earnings per share for attributable to owners of the parent is calculated as follows:

	Group	
	2023	2022
	\$	\$
The calculation of diluted earnings per share is based on the following data:		
Profit attributable to owners of the parent	523,043	1,355,592
Add/(Less):		
Interest expense on convertible bonds	182,853	53,653
Tax effect relating to interest expense on convertible bonds	(5,934)	(1,716)
Earnings used in diluted earnings per share	<u>699,962</u>	<u>1,407,529</u>
Weighted average number of ordinary shares outstanding used for basic earnings per share	99,200,000	99,200,000
Effect of convertible bonds	<u>18,750,000</u>	<u>5,496,575</u>
Weighted average number of ordinary shares outstanding used for diluted earnings per share	<u>117,950,000</u>	<u>104,696,575</u>
Diluted earnings per share*	<u>0.53 cents</u>	<u>1.34 cents</u>

* For the financial year ended 31 December 2023, diluted earnings per share was the same as the basic earnings per share because the effect of potential ordinary shares to be issued upon conversion of the convertible bond was anti-dilutive as the diluted earnings per share was higher than the basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Property, plant and equipment

Group	Leasehold land and building	Furniture and fittings	Motor vehicles	Office equipment	Plant and machinery	Office premises/ warehouse	Steel beams	Total
Cost	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2023	30,527	79,049	266,827	85,971	587,512	627,318	43,369,156	45,046,360
Additions	-	2,430	53,684	1,093	7,600	111,183	2,323,995	2,499,985
Disposal and write-off	-	(71,928)	(49,471)	(5,733)	-	(267,745)	(2,009,764)	(2,404,641)
Currency translation adjustment	(1,753)	-	(788)	(38)	-	-	-	(2,579)
Balance at 31 December 2023	28,774	9,551	270,252	81,293	595,112	470,756	43,683,387	45,139,125
Accumulated depreciation								
Balance at 1 January 2023	14,605	73,827	250,336	42,526	580,891	262,522	11,116,346	12,341,053
Depreciation charged	591	3,243	32,147	9,303	3,131	199,966	1,423,792	1,672,173
Disposal and write-off	-	(71,323)	(49,471)	(5,733)	-	(264,367)	(751,495)	(1,142,389)
Currency translation adjustment	(853)	-	(788)	(31)	-	-	-	(1,672)
Balance at 31 December 2023	14,343	5,747	232,224	46,065	584,022	198,121	11,788,643	12,869,165
Carrying amount								
Balance at 31 December 2023	14,431	3,804	38,028	35,228	11,090	272,635	31,894,744	32,269,960

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Property, plant and equipment (Continued)

Group	Leasehold land and building	Furniture and fittings	Motor vehicles	Office equipment	Plant and machinery	Office premises/ warehouse	Steel beams	Construction in progress	Total
Cost	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2022	1,120,298	83,324	345,433	108,398	587,512	1,043,836	43,395,519	943,824	47,628,144
Additions	-	-	-	-	-	359,569	1,130,974	-	1,490,543
Disposal and write-off	(1,029,391)	(4,045)	(77,751)	(22,325)	-	(776,087)	(1,157,337)	(893,091)	(3,960,027)
Currency translation adjustment	(60,380)	(230)	(855)	(102)	-	-	-	(50,733)	(112,300)
Balance at 31 December 2022	30,527	79,049	266,827	85,971	587,512	627,318	43,369,156	-	45,046,360
Accumulated depreciation									
Balance at 1 January 2022	198,404	68,760	312,453	55,657	579,047	791,195	10,178,105	-	12,183,621
Depreciation charged	3,786	8,042	16,489	8,766	1,844	247,414	1,383,279	-	1,669,620
Disposal and write-off	(176,843)	(2,826)	(77,751)	(21,842)	-	(776,087)	(445,038)	-	(1,500,387)
Currency translation adjustment	(10,742)	(149)	(855)	(55)	-	-	-	-	(11,801)
Balance at 31 December 2022	14,605	73,827	250,336	42,526	580,891	262,522	11,116,346	-	12,341,053
Carrying amount									
Balance at 31 December 2022	15,922	5,222	16,491	43,445	6,621	364,796	32,252,810	-	32,705,307

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Property, plant and equipment (Continued)

- (a) For the purpose of consolidated statement of cash flows, the additions to property, plant and equipment were financed as follows:

	2023	2022
	\$	\$
Additions during the financial year	2,499,985	1,490,543
Additions through lease arrangements	(164,867)	(309,569)
Additions through trade payables	(2,323,997)	(962,296)
Cash payment for additions through trade payables in the prior financial year	110,470	1,699,837
Cash payment to acquire plant and equipment	<u>121,591</u>	<u>1,918,515</u>

Right-of-use of assets under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed below and disclosures relating to lease arrangements are included under Note 17 to the financial statements.

Material accounting policy information and significant estimates

- (b) All items of property, plant and equipment (excluding right-of-use assets) are initially recognised at cost. After initial recognition, property, plant and equipment (excluding right-of-use assets) are stated at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives on the following bases:

	Years
Leasehold land and building	50
Furniture and fittings	10
Motor vehicles	5
Office equipment	1 to 10
Plant and machinery	5
Office premises/warehouse	2 to 20
Steel beams	15

Estimated useful life and residual value of steel beams

The costs of steel beams are depreciated on a straight-line basis over their estimate useful economic life. Management estimates the useful life of these steel beams to be 15 years. Changes in the expected level of usage could impact the estimated economic useful life and the residual value of these assets, therefore estimates of future depreciation charges could be revised if expectations differ from previous estimates. As at 31 December 2023, the Group's carrying amount of steel beams amounted to \$31,894,744 (2022: \$32,252,810).

If expected useful life of these assets from management's estimate had been higher or lower by 3 years from management's estimates, the Group's profit would have been higher and lower by approximately \$174,000 and \$693,000 (2022: \$341,000 and \$812,000) respectively.

During the financial year, the management has assessed the Group's residual value of its steel beams. The management is of the view that the residual value of \$500 per ton remain appropriate at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Property, plant and equipment (Continued)

Right-of-use assets classified within property, plant and equipment

Group	Office premises/ warehouse \$	Motor vehicles \$	Office equipment \$	Total \$
Cost				
Balance at 1 January 2023	623,489	49,471	24,740	697,700
Additions	111,183	53,684	-	164,867
Derecognition of right-of-use assets	(263,920)	(49,471)	-	(313,391)
Balance at 31 December 2023	470,752	53,684	24,740	549,176

Accumulated depreciation

Balance at 1 January 2023	260,526	32,980	3,092	296,598
Depreciation charged	199,911	32,147	2,474	234,532
Derecognition of right-of-use assets	(262,320)	(49,471)	-	(311,791)
Balance at 31 December 2023	198,117	15,656	5,566	219,339

Carrying amount

Balance at 31 December 2023	272,635	38,028	19,174	329,837
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Group	Leasehold land \$	Office premises/ warehouse \$	Machinery \$	Motor vehicles \$	Office equipment \$	Total \$
Cost						
Balance at 1 January 2022	1,087,868	894,156	310,200	127,222	54,852	2,474,298
Additions	-	359,569	-	-	-	359,569
Derecognition of right-of-use assets	(1,029,391)	(630,236)	(310,200)	(77,751)	(30,112)	(2,077,690)
Currency translation adjustment	(58,477)	-	-	-	-	(58,477)
Balance at 31 December 2022	-	623,489	-	49,471	24,740	697,700

Accumulated depreciation

Balance at 1 January 2022	183,537	643,542	310,200	94,242	12,274	1,243,795
Depreciation charged	3,172	247,220	-	16,489	2,474	269,355
Derecognition of right-of-use assets	(176,843)	(630,236)	(310,200)	(77,751)	(11,656)	(1,206,686)
Currency translation adjustment	(9,866)	-	-	-	-	(9,866)
Balance at 31 December 2022	-	260,526	-	32,980	3,092	296,598

Carrying amount

Balance at 31 December 2022	-	362,963	-	16,491	21,648	401,102
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Property, plant and equipment (Continued)

Right-of-use assets classified within property, plant and equipment (Continued)

Material accounting policy information

The right-of-use assets are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets on the following bases:

	Years
Leasehold land	43
Office premises/warehouse	1 to 2
Motor vehicles	3
Office equipment	5 to 9
Machinery	3

The Group leases office premises/warehouse, office equipment (i.e. copier machine), machinery (i.e. crawler crane) and motor vehicles with fixed payments over the lease terms.

During the financial year, lease liabilities of machinery, office premises/warehouse and motor vehicles with cost of \$Nil (2022: \$310,200), \$263,920 (2022: \$630,236) and \$49,471 (2022: \$77,751) respectively and carrying amount nil were fully settled and derecognised.

12. Investments in subsidiaries

	Company	
	2023	2022
	\$	\$
Unquoted equity shares, at cost	27,069,780	27,069,780
Allowance for impairment loss	(1,244,525)	(1,244,525)
	25,825,255	25,825,255

The details of the subsidiaries are as follows:

Name	Country of business/ incorporation	Principal activities	Proportion of ownership interest held	
			2023 %	2022 %
Kori Construction (S) Pte. Ltd. ⁽¹⁾	Singapore	Building construction and civil engineering work	100	100
Ming Shin Construction (S) Pte. Ltd. ⁽¹⁾	Singapore	Building construction and civil engineering work	100	100
Kori Construction (M) Sdn. Bhd. ⁽²⁾⁽³⁾	Malaysia	Dormant	100	100

⁽¹⁾ Audited by BDO LLP, Singapore

⁽²⁾ Audited by BDO PLT, Malaysia, a member firm of BDO International Limited in FY2022.

⁽³⁾ Audited by another firm of auditors, YYC & CO PLT in FY2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. Investments in subsidiaries (Continued)

Movement in the allowance for impairment loss are as follows:

	Company	
	2023	2022
	\$	\$
Balance at beginning of financial year	1,244,525	-
Impairment loss recognised during the financial year	-	1,244,525
Balance at end of financial year	<u>1,244,525</u>	<u>1,244,525</u>

As at 31 December 2022, management had carried out impairment assessment arising from indicators of impairment on its investments in subsidiaries. Management used the fair value less costs of disposal ("FVLCD") as a proxy for the recoverable amount. The review led to the impairment loss of \$1,244,525 recognised by the Company. The fair value measurement is categorised as level 3 in the fair hierarchy based on the inputs used.

13. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Trade receivables				
- Third parties	771,874	1,805,994	-	-
Loss allowance (Note 30)	(52,488)	(96,621)	-	-
	719,386	1,709,373	-	-
Unbilled receivables				
- Third parties	34,356,820	30,856,798	-	-
Loss allowance (Note 30)	(2,336,264)	(1,650,839)	-	-
	32,020,556	29,205,959	-	-
Retention receivables				
- Third parties	3,471,349	2,715,171	-	-
Loss allowance (Note 30)	(631,423)	(506,388)	-	-
	2,839,926	2,208,783	-	-
Other receivables				
- Subsidiaries	-	-	4,314,747	4,145,701
- Third parties	2,030	55,018	-	-
	2,030	55,018	4,314,747	4,145,701
Deposits	217,276	202,314	-	-
	<u>35,799,174</u>	<u>33,381,447</u>	<u>4,314,747</u>	<u>4,145,701</u>

The Group and the Company recognise trade receivables in the statements of financial position principally from the provision of goods and services to customers. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Trade and other receivables (Continued)

Trade receivables are unsecured, non-interest bearing and generally on 30 to 60 days credit terms.

The unbilled receivables in respect of lease income from the supply of steel beams to customers refers to the right to consideration in exchange for services provided which is conditional upon future billing.

Retention receivables are due for settlement after more than 12 months. They have been classified as current assets because they are expected to be realised in the normal operating cycle of the Group.

The amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

Other receivables from third parties are unsecured and non-interest bearing and repayable on demand.

The Group's and the Company's exposure to credit and currency risks and loss allowance for trade receivables, unbilled receivables and retention receivables are disclosed in Note 30.1.

The currency profiles of trade and other receivables as at the end of the reporting period were as follows:

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Singapore dollar	35,793,525	33,321,534	4,297,892	4,128,846
Ringgit Malaysia	5,649	59,913	16,855	16,855
	<u>35,799,174</u>	<u>33,381,447</u>	<u>4,314,747</u>	<u>4,145,701</u>

14. Contract assets, contract liabilities and capitalised contract costs

	Group	
	2023	2022
	\$	\$
<u>Contract assets</u>		
Structural steel works	6,155,861	4,892,758
Tunnelling works	16,061	1,416,271
	6,171,922	6,309,029
Loss allowance (Note 30)	(1,822,932)	(1,762,606)
	<u>4,348,990</u>	<u>4,546,423</u>
<u>Contract liabilities</u>		
Structural steel works	6,961,395	5,242,284
	<u>6,961,395</u>	<u>5,242,284</u>
Capitalised contract costs	184,042	266,106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. Contract assets, contract liabilities and capitalised contract costs (Continued)

a) Significant changes in contract assets and contract liabilities

	Group			
	Contract assets		Contract liabilities	
	2023	2022	2023	2022
	\$	\$	\$	\$
Balance at beginning of financial year	4,546,423	7,024,259	5,242,284	3,786,363
Cumulative catch-up adjustments	(986,879)	(1,547,530)	(88,069)	21,571
Contract assets reclassified to trade receivables	(4,184,876)	(6,831,608)	-	-
Excess of revenue recognised over cash (or rights to cash)	5,034,648	6,212,375	-	-
Revenue recognised that was included in the contract liabilities balance at the beginning of financial year	-	-	(3,046,004)	(3,205,405)
Cash received in advance of performance and not recognised as revenue	-	-	4,853,184	4,639,755
Loss allowance recognised	(60,326)	(311,073)	-	-
Balance at end of financial year	<u>4,348,990</u>	<u>4,546,423</u>	<u>6,961,395</u>	<u>5,242,284</u>

Contract assets represent the Group's rights to consideration for work completed and transferred to customer which are conditioned upon future performance. These contract assets arise as the customer is invoiced based on payment certification as stated in Note 5 to the financial statements. Contract assets are transferred to trade receivables when the rights become unconditional.

The cumulative catch-up adjustments reflect the changes in measurement of progress and contract modifications as at the end of the respective periods.

During the financial year, the scopes of certain contracts were changed, which resulted in the cumulative catch-up adjustments of \$986,879 (2022: \$1,932,977) to revenue in the current year on revenue recognised in the previous years, and \$88,069 (2022: \$363,876) being revenue recognised in the current year but related to fulfilment of performance obligations in the previous years.

At each reporting date, the Group carried out a review of the recoverable amounts of its contract assets. During the financial year, the Group recognised a loss allowance on contract assets arising from contracts with customers amounting to \$1,822,932 (2022: \$1,762,606) (Note 30.1).

Contract liabilities mainly relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for structural steel works. Contract liabilities are recognised as revenue as the Group fulfils its performance obligations under the contract. Contract liabilities are generally utilised within 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. Contract assets, contract liabilities and capitalised contract costs (Continued)

b) Remaining performance obligations

Certain construction contracts have been entered into for which both:

- the original contractual period was greater than 12 months; and
- the Group's right to consideration does not correspond directly with the performance.

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	Group	
	2023	2022
	\$	\$
Structural steel works		
Within one financial year	19,408,621	24,351,604
After one financial year but within five financial years	92,460,270	135,950,530
After five financial years	22,996,750	-
	<u>134,865,641</u>	<u>160,302,134</u>

c) Capitalised contract costs

	Group	
	2023	2022
	\$	\$
<i>Capitalised contract costs to fulfil contracts</i>		
Balance at beginning of financial year	266,106	460,830
Additions	-	13,999
Amortisation	(82,064)	(208,723)
Balance at end of financial year	<u>184,042</u>	<u>266,106</u>

The capitalised contract costs relate to preliminary costs incurred to fulfil a contract and are amortised over the contractual period, which generally ranged from 1 to 2 (2022: 1 to 3) years. This amortisation charged for the financial year had been included in "cost of sales" line item of the consolidated statement of comprehensive income.

Costs to fulfil contracts for the construction relate to costs incurred for labour costs used to fulfil the contracts. These costs are amortised to profit or loss as cost of sales on a basis consistent with the pattern of recognition of the associated revenue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. Cash and bank balances

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Cash and bank balances	427,037	691,046	14,281	39,088
Fixed deposits	1,014,786	2,572,206	-	-
	<u>1,441,823</u>	<u>3,263,252</u>	<u>14,281</u>	<u>39,088</u>

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

	Group	
	2023	2022
	\$	\$
Cash and bank balances (as above)	1,441,823	3,263,252
Less: Fixed deposits pledged (Note 18)	(1,012,759)	(2,066,283)
Cash and cash equivalents per consolidated statement of cash flows	<u>429,064</u>	<u>1,196,969</u>

Fixed deposits mature on a period of 12 months (2022: varying between 1 to 12 months) from the reporting period. The effective interest rate on the fixed deposits is 2% (2022: 0.05% to 2.70%) per annum.

As at 31 December 2023, the fixed deposits of the Group were pledged to banks as security for banking facilities as disclosed in Note 18 to the financial statements.

The currency profiles of cash and bank balances as at the end of the reporting period were as follows:

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Singapore dollar	1,422,509	3,228,237	14,281	39,088
Ringgit Malaysia	19,314	35,015	-	-
	<u>1,441,823</u>	<u>3,263,252</u>	<u>14,281</u>	<u>39,088</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Trade payables				
- Third parties	1,572,429	4,039,361	-	-
Other payables				
- Third parties	589,087	399,990	199,247	111,381
- Amount due to a director	574,642	524,642	-	-
	1,163,729	924,632	199,247	111,381
Goods and services tax payables, net	212,102	137,780	1,783	9,258
Advance billings to customers	3,722,708	2,362,197	-	-
Accrued operating expenses	761,225	955,474	137,062	101,550
Interest payable				
- Third parties	191,507	43,562	191,507	43,562
- Amount due to a director	46,830	20,077	-	-
	238,337	63,639	191,507	43,562
	<u>7,670,530</u>	<u>8,483,083</u>	<u>529,599</u>	<u>265,751</u>

Trade and other payables, excluding value added tax and deferred government grants, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Trade payables are unsecured, non-interest bearing and are generally on 30 to 90 days credit terms.

Advance billings to customers are for rental of steel beams in respect of future financial periods.

Non-trade payables to third parties are unsecured, non-interest bearing and repayable on demand.

Non-trade payables due to a director is unsecured, with interest bearing of 5% per annum and repayable on demand.

The currency profiles of trade and other payables as at the end of the reporting period were as follows:

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Singapore dollar	7,511,701	6,846,012	529,599	265,751
United States dollar	135,447	1,496,444	-	-
Ringgit Malaysia	23,382	140,627	-	-
	<u>7,670,530</u>	<u>8,483,083</u>	<u>529,599</u>	<u>265,751</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. Lease liabilities

	Office premises/ warehouse \$	Motor vehicles \$	Office equipment \$	Total \$
Group				
Balance at 1 January 2023	323,523	17,180	19,854	360,557
Additions	111,183	53,684	-	164,867
Derecognition	(1,600)	-	-	(1,600)
Interest expense (Note 7)	5,086	984	715	6,785
Lease payments				
- Principal portion	(182,914)	(32,516)	(5,294)	(220,724)
- Interest portion	(5,086)	(984)	(715)	(6,785)
Balance at 31 December 2023	<u>250,192</u>	<u>38,348</u>	<u>14,560</u>	<u>303,100</u>
Balance at 1 January 2022	252,645	33,890	25,148	311,683
Additions	309,569	-	-	309,569
Interest expense (Note 7)	5,609	691	715	7,015
Lease payments				
- Principal portion	(238,691)	(16,710)	(5,294)	(260,695)
- Interest portion	(5,609)	(691)	(715)	(7,015)
Balance at 31 December 2022	<u>323,523</u>	<u>17,180</u>	<u>19,854</u>	<u>360,557</u>

The maturity analysis of lease liabilities of the Group at each reporting date are as follows:

	Group	
	2023	2022
	\$	\$
Contractual undiscounted cash flows		
- Not later than one financial year	194,809	208,209
- Between one and five financial years	116,816	162,125
	<u>311,625</u>	<u>370,334</u>
Less: Future finance charges	(8,525)	(9,777)
Present value of lease liabilities	<u>303,100</u>	<u>360,557</u>
Presented in statement of financial position		
- Current	188,601	202,520
- Non-current	114,499	158,037
	<u>303,100</u>	<u>360,557</u>

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. Lease liabilities (Continued)

The corresponding right-of-use assets of the lease liabilities are presented as property, plant and equipment as disclosed in Note 11 to the financial statements.

As at 31 December 2023, the weighted average incremental borrowing rate applied was 3.02% (2022: 2.42%).

The Group's lease liabilities of \$14,560 (2022: \$37,034) are secured by the leased assets (Note 11), which will be repossessed by the lessors (legal owners) in the event of default in repayment by the Group.

Total cash outflow for all leases including short-term leases were \$1,933,956 (2022: \$1,976,264).

The currency profile of lease liabilities as at the end of the reporting period was Singapore dollar.

18. Bank borrowings

	Group	
	2023	2022
	\$	\$
Current		
<i>Secured</i>		
- Trade facilities	-	1,000,000
<i>Unsecured</i>		
- Bridging loan	764,950	749,914
	<u>764,950</u>	<u>1,749,914</u>
Non-current		
<i>Unsecured</i>		
- Bridging loan	388,287	1,153,152
	<u>1,153,237</u>	<u>2,903,066</u>

Bank borrowings are classified as financial liabilities measured at amortised cost.

As at the end of the reporting period, the Group's unutilised banking facilities were as follows:

	Group	
	2023	2022
	\$	\$
Facilities unutilised	-	<u>7,768,484</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. Bank borrowings (Continued)

(i) Trade facilities

The Group entered into trade facilities amounting to \$6,000,000 on 8 August 2014 which can be drawn down to facilitate and finance a subsidiary's purchases and subcontractors' invoices. As at the end of the reporting period, all outstanding borrowings were repaid (2022: \$1,000,000). Fixed advance facility was repayable on demand to the bank and bears interest at 4.25% (2022: 4.25%) per annum which is the bank's prevailing prime rate. As at the end of the financial year, the trade facilities have been fully repaid.

The weighted average effective interest rate for trade facilities is 4.25% (2022: 2.78%) per annum.

The trade facilities are secured by a corporate guarantee from the Company and fixed deposits pledged with financial institution (Note 15).

(ii) Bridging loan

The Group entered into a banking facility amounting to \$3,000,000 on 4 June 2020 which was drawn down by a subsidiary of the Company. The loan carries an interest at 2% (2022: 2%) per annum. The loan is supported by a corporate guarantee issued by the Company. The facility requires the Group to service a 12-month interest servicing period. After this period, the repayment is to be made via 48 monthly installments comprising monthly principal of \$62,500 plus interest from 24 July 2021 to 25 June 2025.

Management estimates that the carrying amounts of the Group's borrowings approximate their fair values as their fair value measurements adjusted using Singapore Overnight Rate Average ("SORA") market rates are not significantly different from their carrying amount. The fair values are within level 2 of the fair value hierarchy.

The currency profiles of bank borrowings as at the end of the reporting period was Singapore dollar.

19. Deferred tax

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Deferred tax liabilities	1,147,000	1,001,029	7,000	31,000

Movements in deferred tax position are as follows:

	Group	
	2023	2022
	\$	\$
Balance at beginning of financial year	(1,001,029)	(776,393)
Charged to profit or loss (Note 9)	(145,972)	(232,720)
Currency translation adjustment	1	8,084
Balance at end of financial year	(1,147,000)	(1,001,029)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. Deferred tax (Continued)

Deferred tax liabilities are mainly attributable to temporary differences arising from accelerated tax depreciation.

The following are the major deferred tax liabilities and assets recognised by the Group and the movements during the financial year.

Deferred tax liabilities

	Accelerated tax depreciation \$	Right-of-use asset \$	Total \$
Group			
At 1 January 2022	(912,885)	(55,449)	(968,334)
Charge to profit or loss	(434,337)	(12,738)	(447,075)
Exchange differences	11,672	-	11,672
At 1 January 2023	(1,335,550)	(68,187)	(1,403,737)
(Charge)/Credit to profit or loss	(309,085)	12,115	(296,970)
Exchange differences	1	-	1
At 31 December 2023	(1,644,634)	(56,072)	(1,700,706)

Deferred tax assets

	Non-credit impaired allowance on receivables \$	Lease liabilities \$	Others \$	Total \$
Group				
At 1 January 2022	83,850	53,035	55,056	191,941
Credit/(Charge) to profit or loss	278,130	8,260	(72,035)	214,355
Exchange differences	-	-	(3,588)	(3,588)
At 1 January 2023	361,980	61,295	(20,567)	402,708
Credit/(Charge) to profit or loss	133,275	(9,768)	27,491	150,998
At 31 December 2023	495,255	51,527	6,924	553,706

At the end of the financial year, the Company's deferred tax liabilities of \$7,000 (2022: \$31,000) was pertaining to deferred tax liabilities from temporary differences arising from convertible bonds of \$26,000 (2022: \$31,000) and deferred tax assets from unutilised tax losses of \$19,000 (2022: \$Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. Convertible bonds

On 16 September 2022, the Company issued convertible bonds denominated in Singapore dollar with a nominal value of \$3,000,000. The convertible bonds carry an interest at 5% per annum. The bonds are due for repayment 5 years from the issue date at their nominal value of \$3,000,000 or may be converted into ordinary shares of the Company at the option of the holder at the conversion price of \$0.16.

Convertible bonds are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of convertible bonds issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. A conversion feature that will be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments is an equity component.

The carrying amounts of the convertible bonds approximate fair value as the fair value measurements adjusted using market rates are not significantly different from their carrying amounts.

The fair value of the liability component is discounted using a market interest rate of 5.32% (equivalent to a non-convertible bond at the date of issue), and has an effective interest rate of 6.59%, after taking into account the related transaction costs. The residual amount, representing the value of the equity conversion component is included in capital reserve, net of deferred income taxes.

The carrying amount of the liability component of the convertible bonds as at end of the reporting period was derived as follows:

	Group and Company	
	2023	2022
	\$	\$
Face value of convertible bonds at issuance	3,000,000	3,000,000
Equity conversion component on initial recognition (Note 25)	(39,012)	(39,012)
Less: Transaction cost at issuance	<u>(159,210)</u>	<u>(159,210)</u>
Liability component on initial recognition	2,801,778	2,801,778
Accumulated amortisation of interest expense (Note 7)	236,506	53,653
Accumulated payments of interest	<u>(191,507)</u>	<u>(43,561)</u>
Liability component at end of financial year	<u>2,846,777</u>	<u>2,811,870</u>

The equity component of \$39,012 (2022: \$39,012) has been credited to the equity reserves (Note 25).

21. Provisions

	Group	
	2023	2022
	\$	\$
Provision for costs of dismantlement, removal or restoration	<u>50,000</u>	<u>50,000</u>

The above represents the estimated costs of dismantlement, removal or restoration of leased premises to its original conditions as stipulated in the terms and conditions of lease contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. Share capital

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares		\$	\$
Issued and fully-paid	99,200,000	99,200,000	32,290,650	32,290,650

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

23. Merger reserve

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group's equity.

Merger reserve represents the difference between the consideration paid and the share capital of subsidiaries acquired under common control that are accounted for by applying the "pooling-of-interest" method.

24. Foreign currency translation account

Foreign currency translation account reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency and is not distributable.

25. Capital reserve

The capital reserve represents the equity component of convertible bonds (Note 20).

26. Accumulated losses

	Company	
	2023	2022
	\$	\$
Accumulated losses	(5,558,458)	(5,433,545)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. Accumulated losses (Continued)

Movement of accumulated losses of the Company is as follows:

	Company	
	2023	2022
	\$	\$
Balance at beginning of financial year	(5,433,545)	(4,216,045)
Total comprehensive income for the financial year	(124,913)	(1,217,500)
Balance at end of financial year	<u>(5,558,458)</u>	<u>(5,433,545)</u>

27. Dividends

The Directors of the Company did not recommend any tax-exempt dividend to be paid in respect of the current financial year.

28. Commitments and contingent liabilities

28.1 Lease commitment (in the capacity of lessor)

The Group as a lessor

The Group has entered into operating leases on its steel beams. These non-cancellable leases have remaining lease terms of between one and six years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

As at the end of the reporting period, future minimum rentals receivable under non-cancellable operation leases were as follows:

	Group	
	2023	2022
	\$	\$
Within one financial year	9,813,337	12,876,729
After one year but within five financial years	33,900,429	44,828,654
After five financial years	3,661,888	-
	<u>47,375,654</u>	<u>57,705,383</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. Commitments and contingent liabilities (Continued)

28.2 Contingent liabilities

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

- a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Corporate guarantees

As at 31 December 2023, the Company had given guarantees amounting to \$1,153,237 (2022: \$2,903,066) to certain banks in respect of banking facilities granted to a subsidiary. Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the subsidiary to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings.

The Company has considered the fair values of potential liability arising from the corporate guarantees extended to the banks for the financing facilities granted to the subsidiary ("borrowing subsidiary") is insignificant. The subsidiary is in a favourable net equity position and profitable, with no history of default in the repayment of such financing facilities.

29. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions between the Group and the Company with their related parties during the financial year on terms agreed between the parties:

	Group	
	2023	2022
	\$	\$
With director		
Loan from a director	90,000	500,000
	<hr/>	<hr/>
	Company	
	2023	2022
	\$	\$
With subsidiaries		
Management and admin fees charged to a subsidiary	376,574	474,186
Repayment from a subsidiary	248,153	455,555
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. Significant related party transactions (Continued)

	Group and Company	
	2023	2022
	\$	\$
Balance with company in which director has significant influence		
Convertible bonds	1,897,900	1,874,500

At the end of the reporting period, the outstanding balances in respect of the above transactions are disclosed in Notes 13, 16 and 20 to the financial statements.

Compensation of key management personnel

Key management personnel are directors of the Company and subsidiaries and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The remuneration of key management personnel of the Group and the Company during the financial year was as follows:

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries and other short-term benefits (other than fees)	984,184	1,042,407	-	-
Employer's contribution to defined contribution plans	93,957	97,279	-	-
Directors' fees	131,000	131,000	131,000	131,000
Other benefits	40,000	38,400	-	-
	<u>1,249,141</u>	<u>1,309,086</u>	<u>131,000</u>	<u>131,000</u>

30. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to credit risk, market risk (including interest rate risk and foreign exchange risk) and liquidity risk. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's managements then establish the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which they manage and measure these risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments, financial risks and capital management (Continued)

30.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group is mainly exposed to credit risk from credit sales. The Group and Company place their bank deposits with creditworthy institutions. The Group has adopted policies and procedures in extending credit terms to customers and in monitoring credit risk. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management.

Concentration of credit risk exists when changes in economic, industry or geographic factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the Group's and Company's total credit exposure.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that financial instruments presented in the respective statements of financial position, except for the financial guarantee issued by the Company to financial institutions for loans provided to subsidiaries.

Trade receivables, unbilled receivables, retention receivables and contract assets

Significant estimates

Expected credit loss allowance

The Group applies the simplified approach, using a provision matrix, to measure the expected credit losses for trade receivables, unbilled receivables, retention receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables, unbilled receivables, retention receivables and contract assets are grouped based on similar credit risk and aging.

Expected credit loss ("ECL") model is initially based on the Group's historical observed default rates. At each reporting date, the Group uses the historical default rate, checked the profile of its customers and calibrated the model to adjust historical credit loss rates based on current economic condition, adjusted with forward-looking information on macroeconomic factors affecting the Group's customers. The Group also evaluates ECL rates on credit impaired receivables separately at each reporting period.

Notwithstanding the above, the Group evaluates the expected credit loss on customers with significant increase in credit risk separately since initial recognition. The management has assigned probabilities to each scenario for respective customers based on the risk characteristic.

During the financial year, total loss allowance of \$826,653 (2022: \$2,314,262) was recognised in profit or loss. At the end of the financial year, the Group applies the expected credit loss rate of 6.8% (2022: 5.35%) for trade receivables, unbilled receivables, retention receivables and contract assets by using a provision matrix.

As at the end of the reporting period, the Group and the Company did not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except the Group has outstanding from 5 (2022: 4) counterparties which represent 100% (2022: 88%) of total trade receivables, unbilled receivables, retention receivables and contracts assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments, financial risks and capital management (Continued)

30.1 Credit risk (Continued)

Trade receivables, unbilled receivables, retention receivables and contract assets
(Continued)

As at the reporting date, the lifetime expected loss allowance for the Group's trade receivables, unbilled receivables, retention receivables and contract assets were as follows:

	Group			Carrying amount
	Gross carrying amount	Non-credit impaired	Credit Impaired	
	\$	\$	\$	\$
31 December 2023				
Trade receivables				
Not past due	764,289	(51,972)	-	712,317
Past due but not impaired				
- less than 1 month	7,585	(516)	-	7,069
	<u>771,874</u>	<u>(52,488)</u>	<u>-</u>	<u>719,386</u>
Unbilled receivables	<u>34,356,820</u>	<u>(2,336,264)</u>	<u>-</u>	<u>32,020,556</u>
Retention receivables	<u>3,471,349</u>	<u>(207,203)</u>	<u>(424,220)</u>	<u>2,839,926</u>
Contract assets	<u>6,171,922</u>	<u>(317,308)</u>	<u>(1,505,624)</u>	<u>4,348,990</u>
31 December 2022				
Trade receivables				
Not past due	1,743,862	(93,297)	-	1,650,565
Past due but not impaired				
- less than 1 month	40,652	(2,175)	-	38,477
- 1 to 3 months	21,480	(1,149)	-	20,331
	<u>1,805,994</u>	<u>(96,621)</u>	<u>-</u>	<u>1,709,373</u>
Unbilled receivables	<u>30,856,798</u>	<u>(1,650,839)</u>	<u>-</u>	<u>29,205,959</u>
Retention receivables	<u>2,715,171</u>	<u>(124,849)</u>	<u>(381,539)</u>	<u>2,208,783</u>
Contract assets	<u>6,309,029</u>	<u>(256,982)</u>	<u>(1,505,624)</u>	<u>4,546,423</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments, financial risks and capital management (Continued)

30.1 Credit risk (Continued)

Trade receivables, unbilled receivables, retention receivables and contract assets
(Continued)

Movements in the loss allowance on trade receivables, unbilled receivables, retention receivables and contract assets are as follows:

	Non-credit impaired \$	Group Credit impaired \$	Total \$
31 December 2023			
Balance at beginning of financial year	2,129,291	1,887,163	4,016,454
Loss allowance recognised during the financial year	783,972	42,681	826,653
Balance at end of financial year	<u>2,913,263</u>	<u>1,929,844</u>	<u>4,843,107</u>
31 December 2022			
Balance at beginning of financial year	605,192	1,097,000	1,702,192
Loss allowance recognised during the financial year	1,524,099	790,163	2,314,262
Balance at end of financial year	<u>2,129,291</u>	<u>1,887,163</u>	<u>4,016,454</u>

Trade receivables, unbilled receivables, retention receivables and contract assets are written off when there is no reasonable expectation of recovery such as debtor is under liquidation. When receivables were written off, the Group continues to engage in enforcement activity in order to recover the receivables due. If the receivables are subsequently recovered, such recovery is recognised in profit or loss as “other income”.

Credit-impaired balances during the financial year were mainly contributed by two customers (2022: one customer) where the Group had difficulty in recovering the amounts which were overdue way beyond the credit term granted.

Other receivables including amount due from subsidiaries

For amounts due from subsidiaries, management has taken into account information that it has available internally about these subsidiaries’ past, current and expected operating performance and cash flow position. Management monitors and assess at each reporting date on whether there is any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by reviewing their financial performance and results. The risk of default is considered to be minimal as these subsidiaries have sufficient liquid assets and cash to repay their debts. There is no significant increase in credit risk as at 31 December 2023. Therefore, amount due from subsidiaries are subject to immaterial credit loss.

For other receivables, management monitors and assess at each reporting date on any indicator of significant increase in credit risk on these other receivables. As at 31 December 2023, there is no indication that credit risk on these receivables have increased significantly hence, these receivables are measured at 12-month expected credit loss model and subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments, financial risks and capital management (Continued)

30.1 Credit risk (Continued)

Financial guarantee contracts

In addition, the Company are exposed to credit risk in relation to financial guarantees given to banks on subsidiaries' borrowings. The Company's maximum exposure is the maximum amount the Company could have to pay if the guarantee is called on. As at 31 December 2023, subsidiaries borrowings of approximately \$1,153,237 (2022: \$2,903,066) was guaranteed by the Company. For the financial guarantee issued, the Company has assessed that the subsidiary has sufficient financial capabilities to meet its contractual cash flows obligation in the near future hence, does not expect any material loss allowance under 12-month expected credit loss model.

Cash and bank balances

The cash and bank balances as at the end of the reporting period were held with the financial institutions with the following credit ratings:

		Group		Company	
	Rating	Bank balance	Short-term deposits	Rating	Bank balance
		\$	\$		\$
31 December 2023					
International banks	AA/A	407,319	1,014,786	AA/A	14,271
International banks	BAA/BBB	19,314	-		-
		<u>426,633</u>	<u>1,014,786</u>		<u>14,271</u>
31 December 2022					
International banks	AA/A	654,366	2,572,206	AA/A	39,078
International banks	BAA/BBB	35,015	-		-
		<u>689,381</u>	<u>2,572,206</u>		<u>39,078</u>

The credit ratings above are derived from Moody's ratings. Management monitors the credit ratings of counterparties regularly. Impairment of cash and bank balances has been measured based on 12-month expected credit loss model. At the reporting date, the Group and Company did not expect any credit losses from non-performance by the counterparties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments, financial risks and capital management (Continued)

30.2 Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk) and interest rates (interest rate risk).

(i) Foreign exchange risk management

Currency risk arises from transactions denominated in currency other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily United States dollar.

It is not the Group's policy to take speculative positions in foreign currency.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency of the entities within the Group were as follows:

	Assets		Liabilities	
	2023	2022	2023	2022
	\$	\$	\$	\$
United States dollar	-	-	135,447	1,496,444

Exposure to foreign currency risk is monitored on an ongoing basis in accordance with the Group's risk management policies to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk is insignificant as the business is operated in Singapore and transactions are mainly denominated in Singapore dollar, which is the functional currency of the Company. Hence, foreign currency sensitivity analysis has not been presented.

(ii) Interest rate risk management

The Group and the Company is not exposed to significant interest rate risk as the interest rate applied and implicit in bridging loan, convertible bonds and amount due to a director are fixed on the date of inception. Further, the cash and bank balances are subject to insignificant interest rate exposure and hence, interest rate risk sensitivity analysis has not been presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments, financial risks and capital management (Continued)

30.3 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to finance the Group's and the Company's operations. As part of their overall prudent liquidity management, the Group and the Company minimise liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from financial institutions and maintain sufficient levels of cash to meet their working capital requirement. At 31 December 2023, the Group has no available undrawn committed borrowing facilities (2022: \$7,768,484) in respect of which all conditions precedent had been met.

Contractual maturity analysis

The following table details the Group's and the Company's remaining contractual maturity for their non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

	Within one financial year \$	After one financial year but within five financial years \$	Total \$
Group			
31 December 2023			
Non-interest bearing			
- Trade and other payables ⁽¹⁾	3,161,078	-	3,161,078
Interest bearing			
- Amount due to a director	603,374	-	603,374
- Bank borrowings	781,032	390,543	1,171,575
- Lease liabilities	194,809	116,816	311,625
- Convertible bonds	150,000	3,450,000	3,600,000
	<u>4,890,293</u>	<u>3,957,359</u>	<u>8,847,652</u>
31 December 2022			
Non-interest bearing			
- Trade and other payables ⁽¹⁾	5,458,464	-	5,458,464
Interest bearing			
- Amount due to a director	550,874	-	550,874
- Bank borrowings	1,823,293	1,156,254	2,979,547
- Lease liabilities	208,209	162,125	370,334
- Convertible bonds	150,000	3,600,000	3,750,000
	<u>8,190,840</u>	<u>4,918,379</u>	<u>13,109,219</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments, financial risks and capital management (Continued)

30.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Within one financial year \$	After one financial year but within five financial years \$	Total \$
Company			
31 December 2023			
Non-interest bearing			
- Trade and other payables ⁽¹⁾	527,816	-	527,816
Interest Bearing			
- Convertible bonds	150,000	3,450,000	3,600,000
	<u>677,816</u>	<u>3,450,000</u>	<u>4,127,816</u>
Financial corporate guarantee	<u>1,153,237</u>	-	<u>1,153,237</u>
31 December 2022			
Non-interest bearing			
- Trade and other payables ⁽¹⁾	256,493	-	256,493
Interest Bearing			
- Convertible bonds	150,000	3,600,000	3,750,000
	<u>406,493</u>	<u>3,600,000</u>	<u>4,006,493</u>
Financial corporate guarantee	<u>2,903,066</u>	-	<u>2,903,066</u>

⁽¹⁾ Excludes goods and services tax and advance billings to customers.

The disclosed amounts for the financial guarantee contracts represent the maximum amount of issued financial guarantees in the earliest period for which the guarantees could be called upon in the contracted maturity analysis. The corporate guarantees were provided to banks for subsidiary's banking facilities utilised as at the end of financial year. The Company has assessed that the subsidiary has sufficient financial capabilities to meet its contracted cash flows obligation in the near future and hence the Company does not expect any liabilities to arise from the guarantee.

The Group's operations are financed mainly through equity, bank borrowings, convertible bonds and lease arrangements. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments, financial risks and capital management (Continued)

30.4 Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as going concern, to maintain an optimal capital structure so as to maximise shareholders' value and to ensure that all externally imposed capital requirements are complied with.

The management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. The Group's and the Company's overall strategy remains unchanged from 2022.

The management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by equity attributable to owners of the parent plus net debt. The Group and the Company include within net debt, trade and other payables, lease liabilities, convertible bonds and bank borrowings less cash and bank balances. Equity attributable to owners of the parent consists of share capital, foreign currency translation reserve, merger reserve and retained earnings/net of accumulated losses.

The Group is in compliance with all borrowings covenants, including debt service ratio and gross debts to earnings before interest, tax, depreciation and amortisation ratio imposed by the financial institutions for the financial years ended 31 December 2023 and 2022.

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Trade and other payables	7,670,530	8,483,083	529,599	265,751
Lease liabilities	303,100	360,557	-	-
Bank borrowings	1,153,237	2,903,066	-	-
Convertible bonds	2,846,777	2,811,870	2,846,777	2,811,870
Less:				
Cash and bank balances	(427,037)	(691,046)	(14,281)	(39,088)
Fixed deposits	(1,014,786)	(2,572,206)	-	-
Net debt	<u>10,531,821</u>	<u>11,295,324</u>	<u>3,362,095</u>	<u>3,038,533</u>
Equity attributable to owners of the parent	<u>54,714,958</u>	<u>54,184,493</u>	<u>26,771,204</u>	<u>26,896,117</u>
Total capital	<u>65,246,779</u>	<u>65,479,817</u>	<u>30,133,299</u>	<u>29,934,650</u>
Gearing ratio (%)	<u>16</u>	<u>17</u>	<u>11</u>	<u>10</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. Financial instruments, financial risks and capital management (Continued)

30.5 Fair value of financial assets and financial liabilities

The carrying amounts of the Group's and the Company's current financial assets and current financial liabilities approximate their respective fair values as at the end of the reporting period due to the relative short-term maturity of these financial instruments. The fair value of the non-current borrowings is disclosed in Note 18 to the financial statements.

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial assets, at amortised cost				
Trade and other receivables ⁽¹⁾	3,778,618	4,175,488	4,314,747	4,145,701
Cash and bank balances	427,037	691,046	14,281	39,088
Fixed deposits	1,014,786	2,572,206	-	-
	<u>5,220,441</u>	<u>7,438,740</u>	<u>4,329,028</u>	<u>4,184,789</u>
Financial liabilities, at amortised cost				
Trade and other payables ⁽²⁾	3,735,720	5,983,106	527,816	256,493
Bank borrowings	1,153,237	2,903,066	-	-
Lease liabilities	303,100	360,557	-	-
Convertible bonds	2,846,777	2,811,870	2,846,777	2,811,870
	<u>8,038,834</u>	<u>12,058,599</u>	<u>3,374,593</u>	<u>3,068,363</u>

⁽¹⁾ Excludes unbilled receivables.

⁽²⁾ Excludes goods and services tax and advance billings to customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. Offsetting arrangements

Financial assets and liabilities are offset, and net amount presented in the statement of financial position when, and only when, the Group currently has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

	Group		
	Related amounts set off in the balance sheet		
	Gross amounts	Offset amounts	Net amounts
	\$	\$	\$
2023			
Trade and other receivables			
- Trade receivables	788,405	(69,019)	719,386
- Unbilled receivables	34,304,983	(2,284,427)	32,020,556
- Retention receivables	3,358,926	(519,000)	2,839,926
Contract assets	15,343,877	(10,994,887)	4,348,990
Trade and other payables			
- Trade payables	(1,618,773)	46,344	(1,572,429)
- Advance billings to customers	(15,762,985)	12,040,277	(3,722,708)
- Advance payments from customers	(1,780,712)	1,780,712	-
Total	<u>34,633,721</u>	<u>-</u>	<u>34,633,721</u>
2022			
Trade and other receivables			
- Trade receivables	1,810,856	(101,483)	1,709,373
- Unbilled receivables	31,162,149	(1,956,190)	29,205,959
- Retention receivables	2,727,783	(519,000)	2,208,783
Contract assets	15,618,284	(11,071,861)	4,546,423
Trade and other payables			
- Trade payables	(4,054,099)	14,738	(4,039,361)
- Advance billings to customers	(13,788,233)	11,426,036	(2,362,197)
- Advance payments from customers	(2,207,760)	2,207,760	-
Total	<u>31,268,980</u>	<u>-</u>	<u>31,268,980</u>

32. Authorisation of financial statements

The statement of financial position of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2023 were authorised for issue in accordance with a Directors' resolution dated 2 April 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 28 MARCH 2024

Issued and paid-up capital	: S\$33,669,650
Number of issued shares	: 99,200,000
Class of shares	: Ordinary shares
Number of treasury shares	: Nil
Number of subsidiary holdings	: Nil
Voting rights	: 1 vote for each ordinary share

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF SHAREHOLDINGS AS AT 28 MARCH 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
1,00 – 1,000	10	8.70	3,700	0.00
1,001 – 10,000	29	25.22	166,500	0.17
10,001 – 1,000,000	62	53.91	7,356,300	7.42
1,000,001 and above	14	12.17	91,673,500	92.41
Total	115	100.00	99,200,000	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2024

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%	Total Interest	%
1 Hooi Yu Koh	18,939,100	19.09	14,924,000 ⁽¹⁾	15.04	33,863,100	34.13
2 Keong Hong Holdings Limited	15,000,000	15.12	–	–	15,000,000	15.12
3 Foo Tiang Ann	–	–	10,972,500 ⁽²⁾	11.06	10,972,500	11.06
4 Kori Nobuaki	6,592,000	6.65	–	–	6,592,000	6.65

Note:

- (1) The deemed interest in 14,924,000 shares are held through BNP Paribas Nominees Singapore Pte. Ltd.
- (2) The deemed interest in shares are held as follows:– (i) 1,150,300 shares are through Hong Leong Finance Nominees Pte Ltd; (ii) 3,115,800 shares are through Philip Securities Singapore Pte Ltd; (iii) 1,830,000 shares are through CGS-CIMB Securities (Singapore) Pte Ltd; and (iv) 4,876,400 shares are through KGI Securities (Singapore) Pte. Ltd.

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 28 March 2024, approximately 33.03% of the issued shares of the Company was held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “Catalist Rules”). Accordingly, Rule 723 of the Catalist Rules has been complied with.

STATISTICS OF SHAREHOLDINGS

AS AT 28 MARCH 2024

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS AS AT 28 MARCH 2024

No.	Name	No. of Shares	%
1	HOOI YU KOH	18,939,100	19.09
2	KEONG HONG HOLDINGS LIMITED	15,000,000	15.12
3	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	14,924,000	15.04
4	PHILLIP SECURITIES PTE LTD	7,125,200	7.18
5	UOB KAY HIAN PTE LTD	6,651,800	6.71
6	KORI NOBUAKI	6,592,000	6.65
7	HONG LEONG FINANCE NOMINEES PTE LTD	6,507,000	6.56
8	KGI SECURITIES (SINGAPORE) PTE LTD	5,622,400	5.67
9	TAN TIN NAM	2,442,000	2.46
10	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,150,400	2.17
11	LAU ENG TIONG	1,843,900	1.86
12	SIA LING SING	1,472,000	1.48
13	TAN SUAN DAO	1,390,700	1.40
14	DBS NOMINEES PTE LTD	1,013,000	1.02
15	OW YEOW BUNG	889,000	0.90
16	TAN LEE CHING (CHEN LIZHEN)	615,000	0.62
17	LIM VOON NNA @ LIM BOON NAA	495,000	0.50
18	TEOU KEM ENG @ TEOU KIM ENG	400,000	0.40
19	TAN LEE WAH	350,000	0.35
20	LEO TING PING RONALD	300,000	0.30
Total:		94,722,500	95.48

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Kori Holdings Limited (the “**Company**”) will be held at Carnation Room, Level 3, Singapore Polytechnic Graduates’ Guild, 1010 Dover Road, Singapore 139658, on Monday, 29 April 2024 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2023 and the Directors’ Statement together with the Auditors’ Report. **(Resolution 1)**
2. To note the retirements of Mr. Lim Yeok Hua and Mr. Nicholas Philip Lazarus, who are retiring as Directors of the Company pursuant to Regulation 117 of the Company’s Constitution.
(See Explanatory Note (i)(a))
3. To note the resignation of Mr. Kuan Cheng Tuck as Director of the Company.
(See Explanatory Note (i)(b))
4. To re-elect Ms. Elizabeth Toh Guek Li, who is retiring pursuant to Regulation 117 of the Company’s Constitution and who, being eligible, offered herself for re-election. **(Resolution 2)**
(See Explanatory Note (ii))
5. To approve the payment of Directors’ fees of up to S\$161,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears (FY2023: S\$145,000). **(Resolution 3)**
6. To re-appoint Messrs BDO LLP, as the Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**
7. To transact any other ordinary business which may properly be transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

8. That Mr. Chua Ser Miang be is hereby appointed as Director of the Company Pursuant to Regulation 122 of the Company’s Constitution. **(Resolution 5)**
(See Explanatory Note (iii))
9. That Mr. Lye Thiam Fatt Joseph Victor be is hereby appointed as Director of the Company Pursuant to Regulation 122 of the Company’s Constitution. **(Resolution 6)**
(See Explanatory Note (iv))

NOTICE OF ANNUAL GENERAL MEETING

10. GENERAL MANDATE TO ISSUE SHARES OR CONVERTIBLE SECURITIES

(Resolution 7)

That pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”) and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual (Section B: Rules of Catalist) (“**Catalist Rules**”) and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company (the “**Directors**”) to:

- (a) (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements or options (collectively, “**instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) shall be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) at the time of the passing of this Resolution, after adjusting for:
 - (1) new shares arising from the conversion or exercise of any convertible securities;

NOTICE OF ANNUAL GENERAL MEETING

- (2) (where applicable) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (3) any subsequent bonus issue, consolidation or subdivision of Shares;

any adjustments made in accordance with (b)(ii)(1) or (b)(ii)(2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed;

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act, and the Constitution for the time being of the Company; and
- (iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note (v))

BY ORDER OF THE BOARD

Hooi Yu Koh
Executive Chairman and Chief Executive Officer

12 April 2024
Singapore

Explanatory Notes:

- (i) (a) Mr. Lim Yeok Hua ("**Mr. Lim**") and Mr. Nicholas Philip Lazarus ("**Mr. Nicholas**") are subject to retirements pursuant to Regulation 117 of the Company's Constitution and do not wish to seek re-election in anticipation of the 9-years tenure limit for independent director in order to facilitate the process of board renewal.

Mr. Lim shall be retiring at the conclusion of this AGM and stepping down as an Independent Director of the Company, the Chairman of the Nominating Committee ("**NC**") and member of the Audit Committee ("**AC**") and Remuneration Committee ("**RC**").

Mr. Nicholas shall be retiring at the conclusion of this AGM and stepping down as an Independent Director of the Company, the Chairman of the RC, and member of the AC and NC.

- (b) Mr. Kuan Cheng Tuck will resign as Director of the Company and step down as the Lead Independent Director of the Company, the Chairman of the AC, and member of the NC and RC at the conclusion of this AGM in anticipation of the 9-years tenure limit for independent director in order to facilitate the process of board renewal.

NOTICE OF ANNUAL GENERAL MEETING

- (ii) Ms. Elizabeth Toh Guek Li (“**Ms. Toh**”), upon re-election as Director of the Company, will remain as an Independent Director of the Company, a member of the AC and NC and will be appointed as the Chairman of the RC after the conclusion of the AGM. The Board considers Ms. Toh to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Ms. Toh does not have any relationship, including immediate family relationship, with other Directors, the Company or its substantial shareholders.

- (iii) Ordinary Resolution 5 is to appoint Mr. Chua Ser Miang (“**Mr. Chua**”) as Director of the Company. The Board considers Mr. Chua to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Further details of Mr. Chua’s appointment as Independent Director of the Company pursuant to Rule 704(6) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited was set out in the Company’s announcement dated 12 April 2024.

Mr. Chua will, upon the passing of Ordinary Resolution 5, shall be appointed as an Independent Director of the Company, the Chairman of the NC and member of the AC and RC.

Mr. Chua does not have any relationship, including immediate family relationship, with other Directors, the Company or its substantial shareholders.

- (iv) Ordinary Resolution 6 is to appoint Mr. Lye Thiam Fatt Joseph Victor (“**Mr. Lye**”) as Director of the Company. The Board considers Mr. Lye to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Further details of Mr. Lye’s appointment as Independent Director of the Company pursuant to Rule 704(6) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited was set out in the Company’s announcement dated 12 April 2024.

Mr. Lye will, upon the passing of Ordinary Resolution 6, shall be appointed as the Lead Independent Director of the Company, the Chairman of the AC and member of the NC and RC.

Mr. Lye does not have any relationship, including immediate family relationship, with other Directors, the Company or its substantial shareholders.

- (v) The Ordinary Resolution 7 proposed in item 10 above, if passed, is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to this Resolution 7 (including shares to be issued in pursuance of instruments made or granted) shall not exceed one hundred per cent. (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, with a sub-limit of fifty per cent. (50%) for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares of the Company will be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time of the passing of this Resolution 7, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution 7, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

IMPORTANT NOTICE FOR SHAREHOLDERS:

1. The Company’s AGM is being convened, and will be held, in a wholly physical format, at Carnation Room, Level 3, Singapore Polytechnic Graduates’ Guild, 1010 Dover Road, Singapore 139658, on Monday, 29 April 2024 at 10.00 a.m.. **There will be no option for members to participate in the AGM virtually.**

The Annual Report, Notice of AGM, the accompanying proxy form and the request form for printed copy of the FY2023 Annual Report (“**Request Form**”) will be made available on the Company’s website at <https://www.kori.com.sg> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents.

Printed copies of this Notice of AGM, the accompanying proxy form and the Request Form will be sent to members via post.

NOTICE OF ANNUAL GENERAL MEETING

2. Members (including Central Provident Fund (“CPF”) Investment Scheme members (“CPF Investors”) and/or Supplementary Retirement Scheme investors (“SRS Investors”)) may participate in the AGM by:
 - a. attending the AGM in person;
 - b. raising questions at the AGM or submitting questions in advance of the AGM; and/or
 - c. voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 17 April 2024, being seven (7) working days prior to the date of the AGM.

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

3. Members are encouraged to submit questions relating to the resolution to be tabled for approval at the AGM in advance in the following manner:
 - (a) if submitted by post, to the Company’s office at 11 Sims Drive #06-01 SCN Centre Singapore 387385, attention to Kori AGM; or
 - (b) If submitted electronically, by email to admin@kori.com.sg.

All questions for the AGM must be submitted by 10.00 a.m. on 20 April 2024.

After the cut-off time for the submission of questions, any subsequent clarifications sought or follow-up questions will be addressed at the AGM.

Members will need to identify themselves when posing questions by email or by post by providing the following details:

- the member’s full name (for individuals)/company name (for corporations) as it appears on his/her/its CDP/CPF/SRS share records;
- the member’s NRIC/Passport/UEN number;
- the member’s contact number and email address; and
- the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will endeavour to address all substantial and relevant questions submitted in advance of the AGM by publishing the responses to such questions on SGXNet and the Company’s website at <https://www.kori.com.sg>, by 10.00 a.m. on 24 April 2024 (being not less than forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms).

Where substantial relevant questions submitted by Shareholders are unable to be addressed prior to the AGM, the Company will address them during the AGM. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the AGM on SGXNET and the Company’s website at <https://www.kori.com.sg> within one (1) month from the date of the AGM. The minutes would include the responses to the substantial and relevant questions addressed at the AGM.

4. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. Where such member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

NOTICE OF ANNUAL GENERAL MEETING

“**Relevant Intermediary**” has the meaning prescribed to it in Section 181 of the Companies Act:

- a. a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- b. a person holding a capital markets services licence holder to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- c. the CPF Board established by the CPF Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

A member can appoint the Chairman of the AGM as his/her/its proxy **but** this is **not mandatory**.

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

5. A proxy need not be a member of the Company.
6. The instrument appointing proxy/proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be deposited:
 - a) if sent personally or by post, be received by Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, at 9 Raffles Place #26-01 Republic Plaza 1 Singapore 048619; or
 - b) if submitted electronically, be received by Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, by email at sg.is.proxy@sg.tricorglobal.com (e.g. a clear scanned signed form in PDF),

in either case, by 10.00 a.m. on 26 April 2024 (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

Members of the Company are encouraged to submit completed proxy forms electronically via email.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (such as in the case where the appointor submits more than one instrument appointing a proxy or proxies).
9. In the case of a member whose shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have any shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

“**Personal data**” in this Notice of AGM has the same meaning as “personal data” in the Personal Data Protection Act 2012, which includes your name, address and NRIC/Passport number.

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”); (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes to be prepared in respect of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or any motions he may propose/second) may be recorded by the Company for such purpose.

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KORI HOLDINGS LIMITED(Incorporated in the Republic of Singapore)
(Company Registration No.: 201212407R)**PROXY FORM – ANNUAL GENERAL MEETING**

(Please see notes overleaf before completing this Form)

IMPORTANT:

- For investors who have used their Central Provident Fund (“CPF”) and/or Supplementary Retirement Scheme (“SRS”) monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF and/or SRS investors are requested to contact their respective Agent Banks at least seven (7) working days before the AGM to specify voting instructions and to ensure that their votes are submitted.

I/We* _____ (Name) _____ (NRIC/Passport/Company Registration Number*)
of _____ (Address)
being a *member/members of **KORI HOLDINGS LIMITED** (the “Company”), hereby appoint

NAME	ADDRESS	NRIC or Passport No.	Proportion of Shareholdings	
			No. of Shares	%

*and/or

NAME	ADDRESS	NRIC or Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/them*, the Chairman of the Annual General Meeting of the Company (the “AGM”) as my/our* proxy(ies) to attend, speak and vote for me/us* on my/our* behalf at the AGM to be held at Carnation Room, Level 3, Singapore Polytechnic Graduates’ Guild, 1010 Dover Road, Singapore 139658 on Monday, 29 April 2024 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy(ies) to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy will vote or abstain from voting at his/her discretion.

All resolutions put to the vote at the AGM shall be decided by way of poll.

(If you wish your proxy to cast all your votes “For” or “Against” a resolution, please tick (✓) in the “For” or “Against” box provided. Alternatively, please indicate the number of votes as appropriate. If you wish your proxy to abstain from voting on a resolution, please tick (✓) in the “Abstain” box provided. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting in the “Abstain” box in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on the resolution if no voting instruction is specified, and on any other matter arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of the resolution, the appointment of the Chairman of the AGM as your proxy for the resolution will be treated as invalid.)

No.	Ordinary Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2023 and the Directors’ Statement together with the Auditor’s Report			
2.	To re-elect Ms. Elizabeth Toh Guek Li as a Director of the Company			
3.	To approve the payment of Directors’ fees of up to S\$161,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears			
4.	To re-appoint Messrs BDO LLP as Auditor of the Company and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
5.	To appoint Mr. Chua Ser Miang as a Director of the Company			
6.	To appoint Mr. Lye Thiam Fatt Joseph Victor as a Director of the Company			
7.	To authorise the Directors to allot and issue new shares			

* Delete as appropriate.

Dated this _____ day of _____ 2024

Signature(s) of Member(s)
or Common Seal of Corporate Shareholder

Total Number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

NOTES TO PROXY FORM:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
2. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act 1967) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. Where such member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“**Relevant Intermediary**” has the meaning prescribed to it in Section 181 of the Companies Act 1967:

- a. a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- b. a person holding a capital markets services licence holder to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- c. the CPF Board established by the CPF Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

The proxy need not be a member of the Company. Please note that if any of your shareholdings are not specified in the list provided by the Relevant Intermediary to the Company, the Company has the sole discretion to disallow the participation of the said proxy at the AGM.

A member can appoint the Chairman of the AGM as his/her/its proxy **but** this is **not mandatory**.

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

4. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his/her/its attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument of proxy may be treated as invalid.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be deposited in the following manner:
 - a. if sent personally or by post, be received by Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, at 9 Raffles Place #26-01 Republic Plaza 1 Singapore 048619; or
 - b. if submitted electronically, be received by Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, by email at sg.is.proxy@sg.tricorglobal.com, (e.g. a clear scanned signed form in PDF),

in either case, by 10.00 a.m. on 26 April 2024 (being not less than seventy-two (72) hours before the time appointed for holding the AGM) and in default the instrument of proxy shall not be treated as valid.

Members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

6. Please indicate with a tick [✓] in the spaces provided whether you wish your vote(s) to be for or against the Resolution(s) or to abstain from voting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the meeting.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
8. Completion and return of the Proxy Form by a member will not prevent him/her/it from attending, speaking and voting at the AGM if he/she/it so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
9. An investor who buys shares using CPF monies (“**CPF Investor**”) and/or SRS monies (“**SRS Investor**”) (as may be applicable) should not make use of this Proxy Form and should instead approach their respective Relevant Intermediary as soon as possible to specify voting instructions. CPF Investors/SRS Investors who wish to vote should approach their respective CPF Agent Bank/SRS Operator at least seven (7) working days before the AGM (i.e. by 17 April 2024), to ensure that their votes are submitted.
10. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2024.

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KORI HOLDINGS LIMITED

(COMPANY REGISTRATION NO.: 201212407R)
(INCORPORATED IN THE REPUBLIC OF SINGAPORE ON 18 MAY 2012)

