KORI HOLDINGS LIMITED

BUILDING ON OUR STRENGTHS

ANNUAL REPORT 2021

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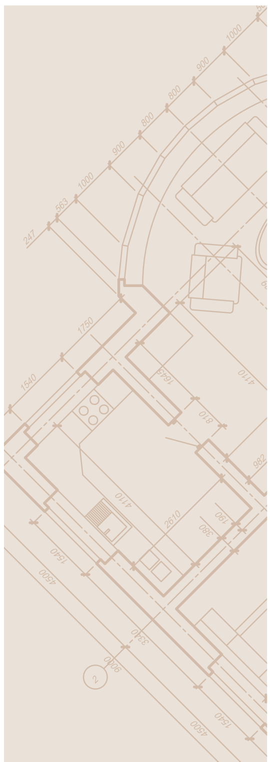
The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.



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 construction projects. The Group's businesses can be categorised into two main segments, namely, structural steelworks services and tunneling services.

CHAIRMAN'S STATEMENT

MR. HOOI YU KOH
EXECUTIVE CHAIRMAN AND CEO

"In spite of the disruptions to our operations, I am pleased to report that the Group's net profit for 2021 doubled that of 2020. We can attribute this to the strong foundation which we have laid over the years and this has helped the Group to weather through adversities."

DEAR SHAREHOLDERS

The global outbreak of COVID-19 since early February 2020 has continued unabated into 2021 with the Delta variant and the Omicron variant following suit. As a result, the Government's preventive and control measures were still in place. Nonetheless, high vaccination rates as well as modified health protocols had allowed for a gradual return to normalcy in general and the construction industry in particular.

Revenue for FY2021 consists of (i) Lease Income of S$12.5 million which is relatively consistent with FY2020; and (ii) Structural Steel Works income of S$1.3 million (FY2020: S$0.6 million). The increase in Structural Steel Works income is mainly attributable to some new projects procured and commenced during the financial year together with positive progress of ongoing projects.

Revenue from Tunnelling Works segment pertains to income from the provision of tunnelling services. The increase in revenue is attributable to the increase in percentage of completion of an ongoing tunnelling project in FY2021.

The overall gross profit increased marginally by 8% from S$6.0 million to S$6.6 million. However, overall gross profit margin decreased from 41% in FY2020 to 36% in FY2021.

BUSINESS DEVELOPMENTS/CONTRACTS SECURED

Our Group was awarded contracts amounting to an aggregate of S$52.3 million between May 2021 and June 2021. These contracts were awarded by the following companies:–

– Samsung C&T Corporation for the supply and installation of temporary steel works at Contract N106 Design and Construction of North-South Corridor (Tunnel) between Novena Rise and Toa Payoh Rise ("**N106 Project**"); and

– Hwa Seng-Chye Joo-Ho Lee Joint Venture for the supply, install, dismantle and buy back of steel struts and walers (Zone A to Zone F) at Contract N109 Design and Construction of North-South Corridor (Tunnel) between Pemimpin Place and Sin Ming Avenue ("**N109 Project**").

The value of these two contracts, in addition to the six which were awarded to Kori between September 2020 and January 2021, amounted to S$133.5 million. The contract with the largest value, N106 Project, is scheduled to be completed in 60 months from its commencement in the third quarter of 2021.

In recent years, companies are recognising that they can no longer focus on profits alone. Instead, the philosophy of social and environmental issues should be of equal importance. Climate change has become the impetus for companies to act. In this regard, Kori is also playing its part in addressing these issues of Environment, Sustainability and Governance.

ENVIRONMENT

The production of steel is highly energy intensive which is not environmentally friendly. We have been re-cycling the structural steel pre-cast in all our projects. Through reusing steel again and again, we are minimising the usage of steel. By doing this, we have been reducing carbon footprint.

SUSTAINABILITY AND INNOVATION

We encourage our staff to innovate so as to improve productivity. In this regard, we have come up with the Design and Build concept for our Steelworks Segment by fine tuning the design and reusing the steel. The steel components are also designed to be modular so as to fit in place and be reused early. As a result of re-cycling the structural steel pre-cast in all our projects, we are also embracing sustainable practices.

Integrated Digital Delivery (IDD) aims to strengthen coordination and foster collaboration by connecting all parties through digital information and technology. We are early adopters of integrated digital delivery in our projects and we are proud that we have been awarded the GOLD[PLUS] BCA Awards 2021 for Integrated Digital Delivery Project Category for the project LTA Contract N110 – Design and Construction of North-South Corridor (Tunnel) Between Ang Mo Kio Avenue 3 and Ang Mo Kio. The award given by the Building and Construction Authority was for Recognising Excellence in the Built Environment.

GOVERNANCE

I am pleased to report that Kori Holdings has been in compliance with all regulations set up by the regulatory bodies since its inception. The average age of our Board of Directors is 55 years and meeting attendance has been 100%. Our female Executive Officers make up 33% of our total Executive Officers. Our engagement with shareholders and investor visits although done on an ad hoc basis, have been done periodically throughout the year.

PRODUCTIVITY

Kori Holdings is the first company to design structural steel pre-cast road diversion deck for the construction industry. This has helped to improve productivity and re-engineering of work processes. In addition, our structural steel pre-cast iron is relatively cheaper than the normal method and is an innovative design which is a first for the construction industry. This has not only been a boon to the industry but also increases productivity. The use of digital components in our processes maximises productivity and minimises requirement for manpower. It has also helped to reduce manpower resources especially during the lock-downs and labour shortage.

Steel prices were at "historic high levels" in 2021 with supply chain disruptions as well. The successful implementation of precast steel before off-site installation has helped to reduce the wastage of steel. In addition, by re-using the steel in all our projects, we were able to save costs and therefore, the sharp increase in steel price had not impacted our company greatly.

CONSTRUCTION INDUSTRY TRANSFORMATION MAP

The Building and Construction Authority has outlined the Industry Transformation Map for the construction industry. The Integrated Digital Design (IDD) will fully integrate processes and stakeholders along the value chain through advanced info-communications technology (ICT) and smart technologies.

Under the Design for Manufacturing & Assembly (DfMA), there will be design upfront for ease of manufacturing and assembly. Construction firms are expected to have highly automated offsite production facilities as well as efficient and clean on-site installation processes. The objective is to increase productivity and reduce costs by eliminating the duplication of work processes.

Although the implementation of the Industry Transformation Map has been delayed, we have already put in place the processes and are gearing ourselves towards the transformation programme.

LOOKING AHEAD

The outlook for the Singapore construction industry for 2022 is expected to recover progressively. The Building and Construction Authority projected the value of construction contracts to be awarded in 2022 to be between S$27 billion and S$32 billion. Public sector projects are expected to contribute significantly with the demand between S$16 billion and S$19 billion, among which are infrastructure works such as the Cross Island MRT Line (Phase 1).

I am confident that our established track record and strong technical expertise in past similar infrastructure projects will put us in a favourable position to benefit from the projected public sector projects.

The labour shortage brought about by the pandemic has gradually eased. The Group is expected to continue with full on-site activities while maintaining pandemic control measures and observing the latest health protocols. It is to be noted that the pandemic has caused disruption, such as the price surge in steel materials, leading to a shortage of construction supplies. As a result, the completion dates of certain steelworks segment projects are expected to be further extended. This might in turn affect the timing of recognition of revenue and profit as well as collections from our customers.

The COVID-19 (Temporary Measures) Act 2020 has provided certain reliefs for contracts affected by construction delays. Therefore, the Group believes that the risk and cost associated with the extension of the initially agreed completion dates of projects would be manageable.

It is to be noted that the successful implementation of our precast road decking panels to replace steel decking panels and our emphasis on research and development efforts to increase productivity as well as reduce cost is paying off to alleviate both the labour shortage and increase in steel price.

With the new contracts secured in 2021 and barring any unforeseen circumstances, the Group is well-positioned to emerge much stronger from the pandemic.

DIVIDEND

In view of the uncertain outlook brought about by the pandemic, no interim or final dividend has been recommended for FY2021.

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 what 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. For our Group, we are "Building on Our Strengths" to move ahead.

HOOI YU KOH
Executive Chairman and CEO

FINANCIAL AND OPERATIONS REVIEW

The Group's financial statements for the year ended 31 December 2021 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"). On 1 January 2021, the Group adopted new and amended SRS(1) and interpretations to SFRS(1) ("INT SFRS(1)") that are mandatory for application for the financial period. The adoption of these new or amended SFRS(1) and INT SFRS(1) did not have a material effect on the financial statements.

STRUCTURAL STEEL WORKS

Revenue from this segment comprises income from the provision of structural steel construction services ("Structural Steel Works Income") and income from leasing of steel beams ("Lease Income"). Structural steel works 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.

Group revenue for FY2021 comprises (i) Lease income of S$12.5 million which is relatively consistent with FY2020; and (ii) Structural steel works income of S$1.3 million (FY2020: S$0.6 million). The increase in Structural Steel Works income is largely attributable to some new projects procured and commenced during the financial year as well as the positive progress of the ongoing projects.

TUNNELLING WORKS

Revenue from this segment is derived from the provision of tunnelling services ("Tunnelling Works Income") which is also recognised over the period of the contracts by reference to the stage (or percentage) of completion as estimated by applying the "input method". The increase in Tunnelling income is due to the increase in percentage of completion of an ongoing tunnelling project in FY2021.

COST OF SALES

Cost of sales for both Structural Steel Works and Tunnelling Works increased in FY2021 compared to FY2020, in line with the increase in revenue. In addition, the higher increase in cost of sales for Structural Steel Works vis-à-vis the revenue was due to an increase in steel price during FY2021 particularly during the second half of FY2021.

GROSS PROFIT MARGIN

Although the overall gross profit increased marginally by about 8%, the overall gross profit margin decreased from 41% in FY2020 to 36% in FY2021.

OTHER INCOME

Decrease in other income was mainly due to lower income from government grants for FY2021 as compared to FY2020.

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

The loss allowance of S$1.6 million was mainly attributable to a specific allowance made against the receivable and contract asset arising from an ongoing project for FY2021.

ADMINISTRATIVE AND OTHER EXPENSES

The increase in other expenses was largely due to an increase in steel beams being written off during FY2021 due to more works carried out compared with FY2020.

FINANCE EXPENSE

There was an increase in finance cost in FY2021 due largely to an increase in trade loan facility being used in FY2021.

INCOME TAX EXPENSE

There was an decrease of 66% in income tax expense for FY2021 amounting to S$0.099 million as compared to S$0.293 million in FY2020. Due to there is an adjustment in over provision in deferred tax amount S$0.060 whereas there was an under provision amount S$0.246 million in deferred tax regards to prior financial year.

PROFIT BEFORE INCOME TAX

The Group recorded a profit before tax of S$1.28 million in FY2021 as compared to S$0.73 million in FY2020.

REVIEW OF THE FINANCIAL POSITION OF THE GROUP

As at 31 December 2021, the Group's trade and other receivables increased by S$6.9 million due mainly to an increase in unbilled receivables due to revenue recognised that has yet to be certified attributable to a couple of ongoing projects as well as new projects that commenced in FY2021.

Contract assets decreased by S$4.7 million as a result of:–

(i) transfer of contract assets to trade receivables account of S$9.8 million in the light of progress billings raised for work certified during FY2021;

(ii) a loss allowance provided against contract assets in respect of an ongoing project; offset by

(iii) the recognition of additional contract assets (and revenue) in respect of additional work done of S$6.6 million for ongoing and new projects during FY2021.

PROPERTY, PLANT AND EQUIPMENT

The increase of S$4.7 million in property, plant and equipment was mainly due to additional purchases of steel beams of S$8.1 million in anticipation of the requirements by some new projects during FY2021, offset largely by the write-off of S$1.6 million as well as depreciation of S$1.7 million of steel beams.

LIABILITIES

Trade and other payables increased by 87% due mainly to more purchases of steel beams for new projects in FY2021.

Bank borrowings increased by S$2.3 million as at 31 December 2021 compared with 31 December 2020. This was largely due to more bills receivable purchase ("BRP") facilities of S$6.5 million being utilised in FY2021 to principally finance the purchase of steel beams and other materials for projects secured which was offset with partial repayment of borrowings of S$4.2 million during FY2021.

REVIEW OF THE CASH FLOW STATEMENT OF THE GROUP

Net cash generated from operating activities amounting to S$2.8 million includes operating cash flows before working capital changes of S$6.9 million which was, among others, augmented by the changes in contract assets but reduced by the changes in trade and other receivables.

Net cash used in investing activities amounted to S$0.3 million was mainly due to the acquisition of steel beams in FY2021.

Net cash used in financing activities amounted to S$2.6 million was largely due to the BRP facilities abovementioned. This was then used to partially repay borrowings of S$4.2 million in FY2021.

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 29 June 2020. 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. Previously, he served as a director of Fuchiang Construction Pte. Ltd.

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.

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 29 June 2020. 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. Previously, he served as a director of Kori Singapore and Ming Shin Construction (S) Pte Ltd.

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).

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 27 April 2021. He also currently serves as an independent director of CNMC Goldmine Holdings Limited (a company listed on Catalist of the SGX-ST) and Karin Technology Holdings Limited (a company listed on the Main Board of SGX-ST). Previously, Mr Kuan served as an independent director of Green Build Technology Limited (a company listed on the Main Board of SGX-ST), CW Group Holdings Limited (a company listed on the Main Board of the Hong Kong Stock Exchange) and China Star Food Group Limited.

Mr. Kuan has more than 20 years of experience in the fields of accounting, auditing as well as business and financial advisory. Mr. Kuan has worked with various international accounting firms in Singapore and Malaysia between 1994 and early 2004. He has since been managing his own business and financial consulting firms.

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 and the Singapore Institute of Directors. He was also admitted to the Singapore Bar.

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.

BOARD OF DIRECTORS

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 30 April 2019. Previously, Mr. Lim served as an independent director of JLogo Holdings Limited, Tritech 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 Radiant Management Services 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 as well as an accredited tax advisor with the Singapore Chartered Tax Professionals.

EXECUTIVE OFFICERS

MR. LEE YENG TAT

HEAD OF THE STEEL DIVISION

MR. LEE YENG TAT is the Head of the Steel Division of our Group and has been responsible for the management of all our Group's steel strutting, piling and decking projects since January 2012.

Mr. Lee was first employed with Retired Servicemen Engineering Agency, Taiwan as a civil engineer and was in charge of the underground and tunnelling projects in Taiwan from July 1989 to July 1997. In October 1997, he joined Fujita Corporation (M) Sdn. Bhd. in Malaysia as a project manager in charge of underground and tunnelling projects in Malaysia till April 2002. In July 2002, he joined Kori Singapore as a project manager and was responsible for the management of all the projects in Singapore till December 2011. In January 2012, he was promoted to the Head of Steel Division in charge of all the steel strutting, piling and decking projects of our Group.

Mr. Lee graduated from National Taiwan University in 1989 with a Bachelor degree in Science of Engineering (Civil).

Mr. Lee has also successfully completed the required course of study and passed the examination required for the certification and registration as a structural steel supervisor and has obtained the Certification of Structural Steel Supervisor issued by the Singapore Structural Steel Society in August 2008.

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 HONG YAN

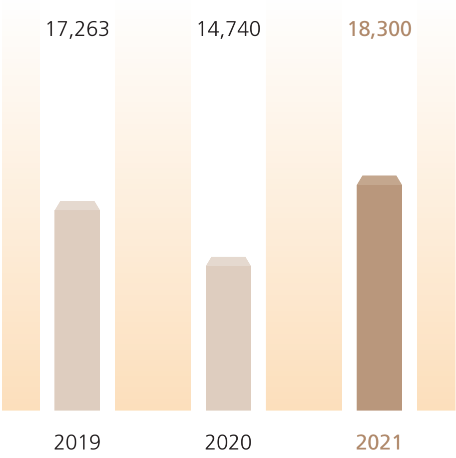
FINANCIAL CONTROLLER

MS. JIA HONG YAN 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.

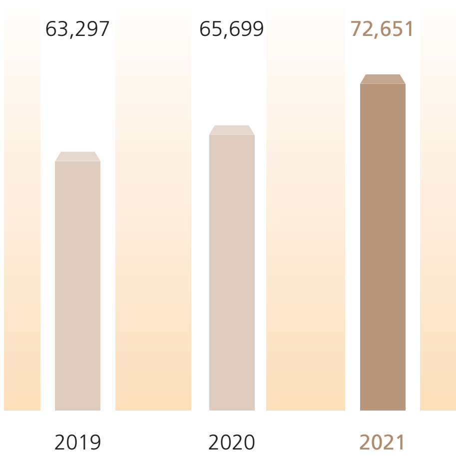
Ms. Jia graduated from HeNan University with a Bachelor degree of Accounting. She holds a Hons degree of applied accounting from Oxford Brooks University and Master Degree of Professional Accounting (Distinction) from University of London. She is a member of the Association of Chartered Certified Accountants,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

FINANCIAL HIGHLIGHTS

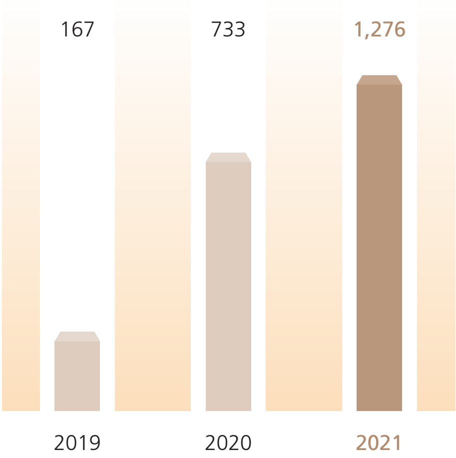
Revenue S$'000



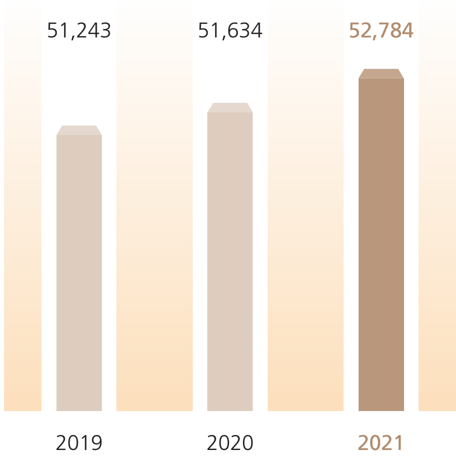
Total Assets S$'000



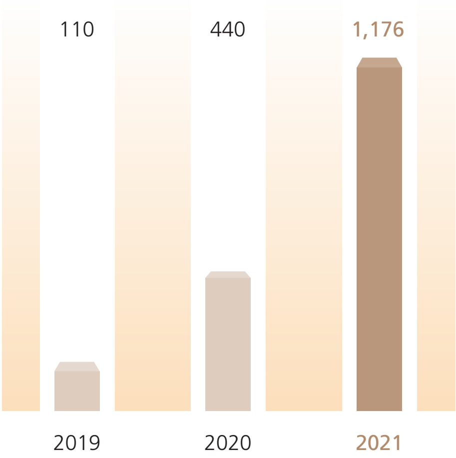
Profit Before Tax S$'000



Shareholder Equity S$'000

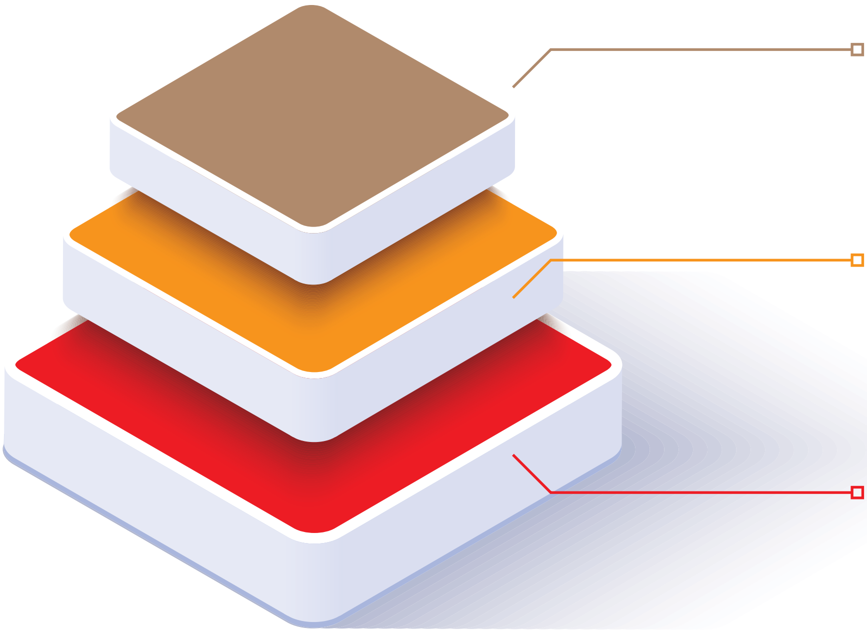


Profit After Tax S$'000



GROUP STRUCTURE

Kori Holdings Limited



100%
MING SHIN CONSTRUCTION
(S) PTE. LTD.

100%
KORI CONSTRUCTION
(M) SDN. BHD.

100%
KORI CONSTRUCTION
(S) PTE. LTD.

GROUP **INFORMATION**

BOARD OF DIRECTORS

MR. HOOI YU KOH (Executive Chairman and CEO)
MR. NG WAI KIT (Executive Director)
MR. KUAN CHENG TUCK (Lead Independent Director)
MR. NICHOLAS PHILIP LAZARUS (Independent Director)
MR. LIM YEOK HUA (Independent Director)

AUDIT COMMITTEE

MR. KUAN CHENG TUCK (Chairman)
MR. NICHOLAS PHILIP LAZARUS
MR. LIM YEOK HUA

REMUNERATION COMMITTEE

MR. NICHOLAS PHILIP LAZARUS (Chairman)
MR. KUAN CHENG TUCK
MR. LIM YEOK HUA

NOMINATING COMMITTEE

MR. LIM YEOK HUA (Chairman)
MR. KUAN CHENG TUCK
MR. NICHOLAS PHILIP LAZARUS

COMPANY SECRETARY

MS. LEE PIH PENG

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 Income at Raffles
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.)
80 Robinson Road | #02-00 | Singapore 068898

PRINCIPAL BANKERS

SINGAPORE

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

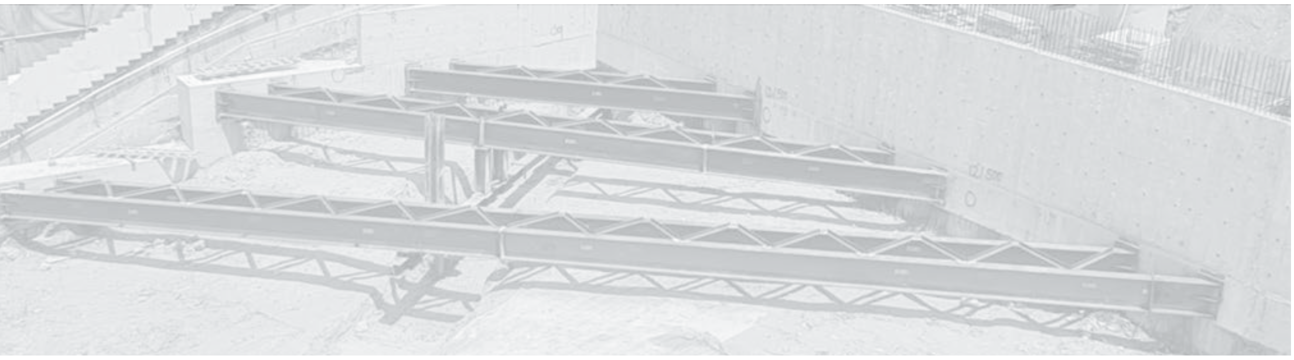
DBS BANK LTD.
12 Marina Boulevard | Marina Bay Financial Centre |
Tower 3 | Singapore 018982

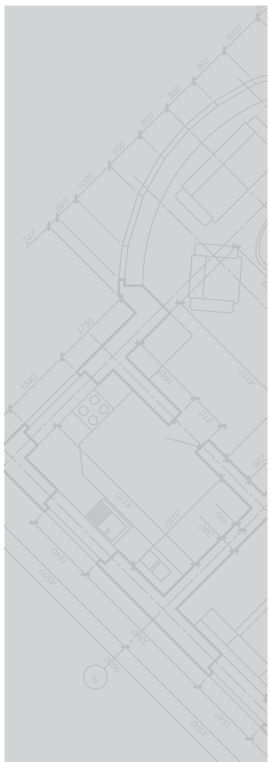
OVERSEA-CHINESE BANKING CORPORATION LIMITED
65 Chulia Street OCBC Centre | Singapore 049513

MALAYSIA

HSBC BANK MALAYSIA BERHAD
No. 2 Leboh Ampang | 50100 Kuala Lumpur | Malaysia

FINANCIAL **CONTENTS**





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 2021 ("**FY2021**"), with specific reference made to the Code of Corporate Governance 2018 (the "**Code**"), its related practice guidance ("**PG**"), as well as the disclosure guide developed by the Singapore Exchange Securities Trading Limited (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?	The Company has complied with the principles, provisions as set out in the Code, where applicable.
	If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	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 FY2021.

CORPORATE **GOVERNANCE REPORT**

<table>
<tr><th colspan="3">TABLE I – COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle/Provisions of the Code</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3">THE BOARD’S CONDUCT OF AFFAIRS</td></tr>
<tr><td>1.1
4.2
6.2
10.2</td><td><u>Board composition</u></td><td>As at date of this report, the Board has five (5) members and comprises the following:
<table>
<tr><th colspan="2">Composition of the Board</th><th colspan="3">Composition of the Board Committees
• C – Chairman
• M – Member</th></tr>
<tr><th>Name of Director</th><th>Designation</th><th>AC(1)</th><th>NC(2)</th><th>RC(3)</th></tr>
<tr><td>Mr. Hooi Yu Koh</td><td>Executive Chairman and CEO</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Mr. Ng Wai Kit</td><td>Executive Director</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Mr. Kuan Cheng Tuck</td><td>Lead Independent Director</td><td>C</td><td>M</td><td>M</td></tr>
<tr><td>Mr. Nicholas Philip Lazarus</td><td>Independent Director</td><td>M</td><td>M</td><td>C</td></tr>
<tr><td>Mr. Lim Yeok Hua</td><td>Independent Director</td><td>M</td><td>C</td><td>M</td></tr>
</table>
Notes:
1. The AC comprises 3 non-executive directors, all of whom including the Chairman, are independent.
2. The NC comprises 3 non-executive directors, all of whom including the Chairman, are independent. The Lead Independent Director is also member of the NC.
3. The RC comprises 3 non-executive directors, all of whom including the Chairman, are independent.</td></tr>
</table>

TABLE I – COMPLIANCE WITH THE CODE		
Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
	Role of Board	Entrusted to lead and oversee the Group, the Board is to act in the best interests of the Group. In addition to its statutory duties, the Board's principal functions are to: (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; (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; (c) Ensure good corporate governance practices to protect the interests of shareholders; (d) Oversee, through the NC, the appointments, re-election and resignation of Directors and key management personnel; (e) Oversee, through the RC, the design and operation of an appropriate remuneration framework; (f) Align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders; (g) Oversee, through the AC, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls; and (h) Ensure compliance with all laws and regulations as may be relevant to the business.
	Practices relating to conflict of interest	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.

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	*Directors' training and orientation*	There was no appointment of new directors in FY2021.
	(a) Are new Directors given formal training? If not, please explain why.	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. In addition, as required under the SGX-ST Listing Manual: Section B: Rules of Catalist ("**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.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	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. 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.

<table>
<tr><th colspan="3">TABLE I – COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle/Provisions of the Code</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>Training attended in FY2021</td><td>Courses, conferences and seminars attended by some of the existing Directors include:
<table>
<tr><th colspan="3">Table 1.2 – Training attended by Directors in FY2021</th></tr>
<tr><th>Course Name</th><th>Course Organiser</th><th>Attendees</th></tr>
<tr><td>ACRA-SGX-SID Audit Committee Seminar 2021</td><td>Accounting and Corporate Regulatory Authorities, Singapore Exchange and Singapore Institute of Directors</td><td>Kuan Cheng Tuck</td></tr>
<tr><td>Corporate Governance Roundup 2021</td><td>Singapore Institute of Directors</td><td>Lim Yeok Hua</td></tr>
</table></td></tr>
<tr><td>1.3</td><td>Matters requiring Board's approval</td><td>The Board continues to approve matters within its statutory responsibilities. Specifically, the Board has direct responsibility for decision-making in, amongst others, the following:
• 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.</td></tr>
<tr><td>1.4</td><td>Delegation to Board Committees</td><td>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 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.</td></tr>
</table>

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<table>
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<tr><th>Principle/Provisions of the Code</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>1.5</td><td><u>Attendance of Board and Board Committees</u></td><td>The Board meets on a half-yearly basis, and as and when circumstances require. In FY2021, the number of Board and Board Committee meetings held, and the attendance of each Board member are shown below.
<table>
<tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th></tr>
<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>
</table>
* By invitation.

The Company’s Constitution allows for meetings to be held through telephone and/or videoconference.</td></tr>
<tr><td>1.6</td><td><u>Access to information</u>

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?</td><td>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.

Management provides the Board with key information that is complete, adequate and timely prior to meetings and whenever required.

Management provides the Board with half yearly unaudited financial information, 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.

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.</td></tr>
</table>

TABLE I – COMPLIANCE WITH THE CODE		
Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
1.7	*Change of company secretary* *Access to Management and company secretary and access to professional advice*	The appointment and removal of the company secretary is a matter for the Board as a whole. Directors have separate and independent access to the Management and company secretary at all times. Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice, where required, at the Company's expense.
BOARD COMPOSITION AND GUIDANCE		
2.1 2.2 2.3 3.3	*Board composition* 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. *Lead Independent Director*	Given that the Chairman is not independent, the Independent Directors make up a majority of the Board of the Company pursuant to Provision 2.2. In doing so, the Company has also 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. 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. 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.
2.1 2.4 4.4	*Independence assessment of Directors*	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. 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 have also confirmed their independence in accordance with the Code, PG and Catalist Rules.

CORPORATE **GOVERNANCE REPORT**

TABLE I – COMPLIANCE WITH THE CODE		
Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
		Please refer to the section titled "*Independent Directors serving beyond nine years*" for further details of the independence assessment of Independent Directors who have served beyond nine years. 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.
	(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. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	The incumbent independent directors have been in office for more than nine years. Please see the NC's and Board's assessments below.
	Independent Directors serving beyond nine years 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 and set out the Board's reasons for considering him independent.	In assessing the independence of the incumbent independent directors, the NC adopts the definition of "independent director" as set out in Provision 2.1 of the Code as well as considers the circumstances which generally deem a director not independent as stipulated in Catalist Rule 406(3)(d). The NC has conducted a rigorous review of their contributions to the Board to determine if they have maintained their independence.

TABLE I – COMPLIANCE WITH THE CODE		
Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
		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 scrutinized 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 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 directors concerned abstained from deliberating), is satisfied that Mr Kuan Cheng Tuck, Mr Nicholas Philip Lazarus- and Mr Lim Yeok Hua 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. Catalist Rule 406(3)(d)(iii), requires a director who has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an independent director to seek approval in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officer. Mr Kuan Cheng Tuck, Mr Nicholas Philip Lazarus and Mr Lim Yeok Hua received shareholders' approval via the two-tier voting mechanism at the previous AGM held on 27 April 2021 of the Company. The approval will remain in force up till the earlier of (i) the retirement or resignation of the respective Independent Directors; or (ii) the conclusion of the third AGM following the passing of the resolution.

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<table>
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<tr><th>Principle/Provisions of the Code</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td><u>Board diversity</u>

(a) What is the Board's policy with regard to diversity in identifying director nominees?</td><td>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.

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 as stipulated in Catalist Rule 710A.

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 by which it believes is in the best interest of the Company.

The Board endeavours to review its existing board diversity policy to better fulfil its compliance with the requirements of Catalist Rule 710A, having regard to especially whether the combination of skills, talents, experience and diversity of its directors is able to serve the Company's needs and plans, and will provide the appropriate disclosures in the annual report for the financial year ending 31 December 2022.</td></tr>
<tr><td></td><td>(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.</td><td>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

<table>
<tr><th colspan="3">Table 2.4 – Diversity of the Board</th></tr>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td>Core Competencies</td><td></td><td></td></tr>
<tr><td>– Accounting or finance</td><td>3</td><td>60%</td></tr>
<tr><td>– Business management</td><td>3</td><td>60%</td></tr>
<tr><td>– Legal or corporate governance</td><td>3</td><td>60%</td></tr>
<tr><td>– Relevant industry knowledge or experience</td><td>2</td><td>40%</td></tr>
<tr><td>– Strategic planning experience</td><td>2</td><td>40%</td></tr>
<tr><td>– Customer based experience or knowledge</td><td>2</td><td>40%</td></tr>
</table></td></tr>
</table>

<table>
<tr><th colspan="3">TABLE I – COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle/Provisions of the Code</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The Board took the following steps to maintain or enhance its balance and diversity:
• 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
• 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.

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.</td></tr>
<tr><td>2.5</td><td>Meeting in the absence of the Management</td><td>The Independent Directors, led by the Lead Independent Director, would meet in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management.

For FY2021, the Independent Directors met once in the absence of key management personnel.</td></tr>
<tr><td colspan="3">CHAIRMAN AND CHIEF EXECUTIVE OFFICER</td></tr>
<tr><td>3.1
3.2</td><td>Role of Chairman and CEO</td><td>Mr Hooi Yu Koh is the Executive Chairman and CEO of the Company.

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.

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.</td></tr>
</table>

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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**
	Relationship between Chairman and CEO	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: • 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.
BOARD MEMBERSHIP		
4	*Steps taken to progressively renew the Board composition*	The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required. 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.

TABLE I – COMPLIANCE WITH THE CODE		
Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
4.1	*Role of NC*	The NC is guided by key terms of reference as follows: (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; (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; (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 and the reasons for considering him as independent; (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 commitments[1]; (g) Based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members; (h) Reviewing training and professional development programmes for the Board and its Directors; and (i) Making recommendations to the Board on matters relating to the appointment and re-appointment of Directors (including alternate directors, if any). *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.*

CORPORATE **GOVERNANCE REPORT**

<table>
<tr><th colspan="3">TABLE I – COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle/Provisions of the Code</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>4.3</td><td>Selecting, Appointment and Re-appointment of Directors

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.</td><td>
<table>
<tr><th colspan="3">Table 4.3(a) – Selection and Appointment of New Directors</th></tr>
<tr><td colspan="3">The NC:–</td></tr>
<tr><td>1.</td><td>Determine selection criteria</td><td>• 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>2.</td><td>Candidate search</td><td>• Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assess shortlisted candidates</td><td>• 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>4.</td><td>Propose recommendations</td><td>• Makes recommendations for Board's consideration and approval.</td></tr>
</table>

Having regard to the needs and plans as well as the operating conditions of the Company, there was no selection and appointment of new directors during the last financial year ended 31 December 2021.

<table>
<tr><th colspan="3">Table 4.3(b) – Re-election of Incumbent Directors</th></tr>
<tr><td colspan="3">The NC:–</td></tr>
<tr><td>1.</td><td>Assess incumbent director</td><td>• 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>2.</td><td>Propose re-election of director</td><td>• Recommends the re-election of the director to the Board for its consideration and approval, subject to its satisfactory assessment.</td></tr>
</table>
</td></tr>
</table>

TABLE I – COMPLIANCE WITH THE CODE		
Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
		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 Code 2018 and Catalist Rules. 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. Pursuant to Regulation 93 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 Catalist 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. The NC, with the respective member interested in the discussion having abstained from the deliberations, recommended Mr. Ng Wai Kit and Mr. Lim Yeok Hua be nominated for re-election at the forthcoming Annual General Meeting ("**AGM**"). Mr. Ng Wai Kit, will, upon re-election as a Director of the Company, remain as an Executive Director, of the Company. Mr Lim Yeok Hua will, upon re-election as a Director of the Company, remain as an Independent Director, Chairman of the NC, and a member of the AC and RC. Mr Lim Yeok Hua will be considered independent for the purposes of the Rule 704(7) of the Catalist Rules.
4.5	*Assessment of Directors' duties*	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:– • Declarations by each Director of his 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.

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<tr><td rowspan="3"></td><td><u>Other listed company directorships and principal commitments of Directors</u></td><td>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 FY2021.

<table>
<tr><th colspan="3">Table 4.5 – Other listed company directorships and principal commitments of Directors</th></tr>
<tr><th>Name of Director</th><th>Listed Company Directorships</th><th>Principal Commitments</th></tr>
<tr><td>Mr. Hooi Yu Koh</td><td>Nil</td><td>Kori Construction (S) Pte. Ltd.</td></tr>
<tr><td>Mr. Ng Wai Kit</td><td>Nil</td><td>Kori Construction (S) Pte. Ltd.</td></tr>
<tr><td>Mr. Kuan Cheng Tuck</td><td>• CNMC Goldmine Holdings Limited
• Karin Technology Holdings Limited</td><td>KCT Consulting Pte. Ltd.</td></tr>
<tr><td>Mr. Nicholas Philip Lazarus</td><td>Nil</td><td>Justicius Law Corporation</td></tr>
<tr><td>Mr. Lim Yeok Hua</td><td>Nil</td><td>Radiant Management Services Pte Ltd</td></tr>
</table>
</td></tr>
<tr><td><u>Multiple Directorships</u>

(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?</td><td>The Board has set the maximum number of listed company board representations as 6.

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.</td></tr>
<tr><td>(b) If a maximum has not been determined, what are the reasons?</td><td>Not Applicable.</td></tr>
</table>

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	(c) What are the specific considerations in deciding on the capacity of directors?	The specific considerations in assessing the capacity of Directors include: • 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 principle commitments held.
PG 4	<u>*Alternate Directors*</u>	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. The Company currently does not have any alternate directors.
BOARD PERFORMANCE		
5.1	<u>*Performance Criteria*</u>	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 control, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of financial performance indicators (such as profitability achieved, number of contracts secured, amount of billings rendered). The NC assesses the individual Directors' performance by completing a Directors' Assessment Checklist, 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. 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. The NC did not propose any significant changes to the performance criteria for FY2021.

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Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
5.2	*Performance Review* (a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	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. For FY2021, the review process was as follows: 1. All Directors individually completed the Board Performance Evaluation Forms and the Directors' Assessment Checklist 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. 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. No external facilitator was used in the evaluation process.
	(b) Has the Board met its performance objectives?	The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs for FY2021, 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 FY2021.

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Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
REMUNERATION MATTERS		
DEVELOPING REMUNERATION POLICIES		
6.1 6.3	*Composition and Role of the RC*	The RC is guided by key terms of reference which includes: (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). The RC's review and recommendations cover all aspects including fees, salaries, allowance, bonuses, options, share-based incentives, awards and benefits-in-kind. 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.
6.4	*Engagement of Remuneration Consultants*	No remuneration consultants were engaged by the Company in FY2021. If necessary, the RC may seek expert advice inside and/or outside the Company on remuneration of all Directors.

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Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
LEVEL AND MIX OF REMUNERATION		
DISCLOSURE ON REMUNERATION		
7.1 7.2 7.3 8.1	*Remuneration Policy*	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.
	"Claw-back" Provisions	There are no contractual provisions which allows 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.

TABLE I – COMPLIANCE WITH THE CODE		
Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
	Remuneration Structure for Executive Directors and key management personnel (a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	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 FY2021. 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. The remuneration structure is generally linked by incorporating key performance indicators, selected conditions in the share plans and performance conditions as briefly described below. 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. In FY2021, the remuneration of the Executive Directors and key management personnel remained largely fixed compensations in the light of unprecedented financial and economic uncertainties brought about by the pandemic.
	Performance Criteria (b) What were the performance conditions used to determine their entitlement under the short term and long-term incentive schemes?	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).

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<table>
<tr><th colspan="3">TABLE I – COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle/Provisions of the Code</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>7.2</td><td>Remuneration Structure of Non-Executive Directors</td><td>The Independent Non-Executive Directors do not have any service contracts and are paid directors' fees in cash.

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 (with the concerned directors abstained from deliberations) for review and thereafter recommended for endorsement by the Board and subjected to of shareholders at the annual general meeting.

The RC (with the concerned directors abstained from deliberations) has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2021 is appropriate, considering, among others, the effort, time spent and responsibilities.</td></tr>
<tr><td>8.1(a)
8.1(b)</td><td>(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?</td><td>The breakdown for the remuneration of the Directors and the CEO for FY2021 is as follows:

<table>
<tr><th colspan="7">Table 8.1(a) – Directors' and CEO's Remuneration</th></tr>
<tr><th>Name</th><th>Remuneration (S$)</th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr>
<tr><td>Mr. Hooi Yu Koh</td><td>403,821</td><td>90</td><td>–</td><td>NA</td><td>10</td><td>100</td></tr>
<tr><td>Mr. Ng Wai Kit</td><td>163,708</td><td>100</td><td>–</td><td>NA</td><td>–</td><td>100</td></tr>
<tr><td>Mr. Kuan Cheng Tuck</td><td>48,000</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Mr. Nicholas Philip Lazarus</td><td>43,000</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Mr. Lim Yeok Hua</td><td>40,000</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
</table>

NA – Not applicable

There were no termination, retirement, post-employment benefits that may be granted to the Directors, the CEO and top 4 key management personnel in FY2021 save for the mandatory contributions to the Central Provident Fund (CPF) in respect of their remuneration, where applicable.</td></tr>
</table>

<table>
<tr><th colspan="3">TABLE I – COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle/Provisions of the Code</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(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?</td><td>Given the size and nature of the Company's business, the Company has only identified 4 top key management personnel in FY2021.

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2021 is as follows

<table>
<tr><th colspan="5">Table 8.1(b) – Remuneration of Key Management Personnel</th></tr>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr>
<tr><td colspan="5">Below S$250,000</td></tr>
<tr><td>Xu Hong[1]</td><td>100</td><td>–</td><td>–</td><td>100</td></tr>
<tr><td>Jia Hong Yan[2]</td><td>100</td><td>–</td><td>–</td><td>100</td></tr>
<tr><td>Lee Yeng Tat</td><td>100</td><td>–</td><td>–</td><td>100</td></tr>
<tr><td>Chookul Charun</td><td>100</td><td>–</td><td>–</td><td>100</td></tr>
</table>

Notes:
1. Ms. Xu Hong resigned as financial controller with effect from 22 October 2021.
2. Ms. Jia Hong Yan was appointed as financial controller with effect from 22 October 2021.</td></tr>
<tr><td></td><td>(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The Group has four (4) key management personnel (who are not directors or CEO) for FY2021. The total remuneration paid to these four (4) key management personnel for FY2021 was S$300,804.</td></tr>
<tr><td>8.2</td><td><u>Related Employees</u>

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.</td><td>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 FY2021.</td></tr>
<tr><td>8.3</td><td><u>Employee Share Schemes</u></td><td>Information on the Company's performance share plan ("Share Plan") and employee share option scheme ("ESOS") is set out on pages 56 to 58 of this Annual Report.</td></tr>
</table>

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ACCOUNTABILITY AND AUDIT		
RISK MANAGEMENT AND INTERNAL CONTROLS		
9 9.1	*Risk Governance by the Board*	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.
	Identification of the Group's risks *Management of risks*	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 FY2021, the Board and AC has reviewed and is satisfied that the controls are adequate. 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. For FY2021, the Board and AC has reviewed that the Group's key risks largely lies in the area of project management, interested party transactions ("**IPT**"), cashflow and treasury management and human resources. These risks have been mitigated by way of strengthening the process to reconcile and rectify discrepancies, periodic updating of the Group's internal IPT policy, ensuring timely declaration by interested person and reviewing of existing Finance Policy.

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9.2	*Confirmation of Internal Controls* (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.	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 FY2021. The bases for the Board's view are as follows: 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. 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.

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	(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?	Yes, the Board has obtained such assurance from the CEO and FC in respect of FY2021. The Board had additionally relied on IA reports in respect of, amongst others, project management, cashflow and treasury management, human resource, risk management services and IPT issued to the Company as assurances that the Company's risk management and internal control systems are reasonably effective.
AUDIT COMMITTEE		
10.1 10.3	*Role of the AC*	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. The AC is guided by its key terms of reference, which includes: (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; (d) Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions;

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		(e) Reviewing the scope and results of the external audit, and the independence and objectivity of the EA; (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; (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; (h) Review and approve transactions falling within the scope of Chapters 9 and 10 of the Catalist Rules (if any); (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 (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).
	Whistle Blowing Policy	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. 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 for FY2021. 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.

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		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. 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.
10.2	*Qualification of the AC members*	Yes. The Board considers Mr. Kuan Cheng Tuck, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Mr. Lim Yeok Hua and Mr. Nicholas Philip Lazarus are also trained in accounting and financial management.
10.4	*Internal Audit Function*	The AC is responsible for ensuring the internal audit function of the Company is independent, effective and adequately resourced. In this regard, the Company's internal audit function is outsourced to RSM Risk Advisory Pte Ltd ("**RSM**") which reports directly to the AC and administratively to the Management. 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. The AC is satisfied that RSM is able to discharge its duties effectively as: • 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 members assigned to the Company's internal audit, led by the engagement partner, with extensive audit experience in the construction industry; and • It has unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC (including its attendance at the most recent AC meeting).

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Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
10.5	*Met Auditors in Management's Absence*	The AC has met with the IA and the EA once in the absence of key management personnel in FY2021.
SHAREHOLDER RIGHTS AND ENGAGEMENT		
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
11.1	*Shareholders' Participation at General Meetings*	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.
	Appointment of Proxies	The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings. Pursuant to the multiple proxies regime introduced by the Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank may attend and vote at general meetings. Specified intermediaries, such as banks and capital markets services licence holders which provide custodial services, may appoint more than two proxies. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (amended on 29 September 2020) (the "**Order**"), and the joint statement issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation on 1 October 2020 providing additional guidance on the conduct of general meetings of listed and non-listed entities during elevated safe distancing period (the "**Guidance**"), the Company's AGM will be held by way of electronic means and shareholders and members are unable to physically attend the AGM. Accordingly, shareholders and members (including those attending the meeting physically (e.g. management shareholders or members)) must vote by proxy only, and only the chairman of the AGM may be appointed as proxy. Shareholders and members should specifically indicate how they wish to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the forthcoming AGM.

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Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
11.2	*Bundling of Resolutions*	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	*Directors' Attendance*	The Company generally 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. 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.
11.4	*Absentia Voting*	The Company's Constitution allows for abstentia voting (including but not limited to the voting by mail, electronic mail or facsimile).
11.5	*Publication of Minutes*	All minutes of general meetings, including the substantial and relevant comments or queries raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management, will be made available to shareholders upon their request within one month after the general meeting. Pursuant to the Order and the Guidance, the minutes to the Company's upcoming AGM will be published on SGXNET and the Company's corporate website within one month after the AGM.
11.6	*Dividend Policy* (a) Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. Nonetheless, management 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.
	(b) Is the Company paying dividends for the financial year? If not, please explain why.	No dividend has been declared or recommended for FY2021 after taking into consideration the Group's future cash flow requirements.

<table>
<tr><th colspan="3">TABLE I – COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle/Provisions of the Code</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>ENGAGEMENT WITH SHAREHOLDERS</u></td></tr>
<tr><td rowspan="2">12.1
12.2
12.3
13.3</td><td><u>Communication with Shareholders</u>

(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?</td><td>The Company solicits feedback from and addresses the concerns of shareholders (including institutional and retail investors) via:

• 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.

The Company held an investor briefing in FY2021 to meet with its institutional and retail investors. In FY2021, the management has also updated shareholders on the Company’s performance via its announcements and press releases.

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.</td></tr>
<tr><td>(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?</td><td>Apart from the SGXNET announcements and its annual report, the Company updates shareholders on any significant corporate developments through its corporate website at www.kori.com.sg and its “investor relations” webpage at www.kori.com.sg/ir.html and www.kori.com.sg/od.html. All materials presented in general meetings are uploaded on the SGXNET. 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.</td></tr>
</table>

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Principle/Provisions of the Code	**Code and/or Guide Description**	**Company's Compliance or Explanation**
MANAGING STAKEHOLDERS RELATIONSHIP		
ENGAGEMENT WITH STAKEHOLDERS		
13.1 13.2	*Stakeholders Management*	The Company undertakes an annual review in identifying its material stakeholders. It assesses the material environmental, social and governance factors that affects the Group. The Company will publish its standalone FY2021 Sustainability Report no later than 31 May 2022 and the same will be uploaded on the Company's website as well as on SGXNET. 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. The 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 2021 to 31 December 2021.

TABLE II – COMPLIANCE WITH CATALIST RULES		
Rule	**Rule Description**	**Company's Compliance or Explanation**
1204(6)(A)	*Non-audit fees* *(a)* Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	See Note 8 to the Audited Financial Statements for the financial year ended 31 December 2021 on page 89.
1204(6)(B)	*Confirmation by AC* *(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.	The non-audit services rendered during FY2021 were not substantial.
1204(6)(C)	*Appointment of Auditors*	The Company confirms its compliance to Rules 712 and 715 of the Catalist Rules.
1204(8)	*Material Contracts*	Save for the service agreements entered into between the Company and the Executive Directors, there were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	*Adequacy of Internal Controls*	Please refer to the confirmation provided by the Board in Section 9.2 of Table I.
1204(10B)	*Adequacy of Internal Audit Function*	The AC is of the opinion that the internal audit function is independent, effective and adequately resourced. See also section 10.4 of Table I.
1204(11)	*Properties held for development/ sale/investment*	Not applicable, as the Group does not hold any land or building for development, sale or investment. The leasehold land held by the Group is for operational purposes.
1204(17)	*Interested Person Transactions ("**IPT**")*	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. There were no IPTs with value more than S$100,000 transacted in FY2021.

CORPORATE **GOVERNANCE REPORT**

TABLE II – COMPLIANCE WITH CATALIST RULES		
Rule	**Rule Description**	**Company's Compliance or Explanation**
1204(19)	*Dealing in Securities*	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. 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.
1204(21)	*Non-sponsor Fees*	The total amount of non-sponsor fees paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd for FY2021 was S$5,500.
1204(22)	*Use of IPO Proceeds*	There are no outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalist Rules.

Please refer to the table below for additional information on Directors seeking re-election and/or continued appointment as independent director at the forthcoming AGM (Please see Notice of AGM for more details):

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Director seeking re-election, and continued appointment as executive director	**Director seeking re-election and continued appointment as independent director**
	Mr. Ng Wai Kit	Mr. Lim Yeok Hua
Date of appointment announcement ("**Previous Announcement**")	1 March 2018	16 November 2012
Any changes to the Previous Announcement?	Yes, please refer to details below.	Yes, please refer to details below.
Changes to the Previous Announcement, if applicable		
Designation	Executive Director	Independent Director, Chairman of NC, RC Member and AC Member
Date of appointment	2 March 2018	16 November 2012
Date of last re-appointment	29 June 2020	30 April 2019
Age	51	73
Country of principal residence	Singapore	Singapore
Academic qualifications	• National University of Singapore – Masters Degree in Science (Civil Engineering) • University of Malaya – Bachelor Degree in Engineering (Civil)	• Fellow Member of Association of Chartered Certified Accountants
Professional memberships/qualifications	NIL	• Fellow member of the Association of Chartered Certified Accountants • Member of the Institute of Singapore Chartered Accountants • Member of the Singapore Institute of Director • Accredited Tax Advisor under Singapore Institute of Accredited Tax Professionals
Principal Commitments	*Present*	
Directorships – Public companies	• Kori Holdings Limited	• Kori Holdings Limited
Directorships – Private companies	NIL	• Radiant Management Services Pte Ltd
Other Principal commitments[1]	NIL	• Director of Radiant Management Services Pte Ltd

1 *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 should not normally be considered principal commitments.*

CORPORATE **GOVERNANCE REPORT**

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Director seeking re-election, and continued appointment as executive director	**Director seeking re-election and continued appointment as independent director**
	Mr. Ng Wai Kit	Mr. Lim Yeok Hua
Principal Commitments	*Past (for the last 5 years)*	
Directorships – Public companies	NIL	• JLogo Holdings Limited • Alpha DX Group Limited (formerly known as Alpha Energy Holdings Limited) • Tritech Group Limited
Directorships – Private companies	• Kori Construction (S) Pte. Ltd. • Ming Shin Construction (S) Pte. Ltd.	Nil
Shareholding interest in the Company and its subsidiaries	Direct interest of 10,000 shares representing 0.01% in the total number of shares in the Company.	Nil
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Ng as Executive Director of the Company was recommended by the NC, and the Board has accepted the recommendation, after the assessment of his performance, past experiences and overall contribution since his appointment as a Director of the Company.	The re-election of Mr. Lim as Independent Director of the Company was recommended by the NC, and the Board has accepted the recommendation, after the assessment of his performance, past experiences and overall contribution since his appointment as a Director of the Company.
Whether the appointment has changed from non-executive to executive. If so, please state the area of responsibility	N.A.	N.A.
Working experience and occupation(s) during the past 10 years	• Executive Director of Kori Holdings Limited • Executive Director of Ming Shin Construction (S) Pte. Ltd. • Executive Director of Kori Construction (S) Pte. Ltd.	• Independent Director of JLogo Holdings Limited • Director of Radiant Management Services Pte Ltd
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Director seeking re-election, and continued appointment as executive director	**Director seeking re-election and continued appointment as independent director**
	Mr. Ng Wai Kit	Mr. Lim Yeok Hua
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes
The general statutory disclosures of the Directors are as follows:		
(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
(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
(c) Whether there is any unsatisfied judgment against him?	No	No

CORPORATE **GOVERNANCE REPORT**

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Director seeking re-election, and continued appointment as executive director	**Director seeking re-election and continued appointment as independent director**
	Mr. Ng Wai Kit	Mr. Lim Yeok Hua
(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
(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
(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

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION			
		Director seeking re-election, and continued appointment as executive director	**Director seeking re-election and continued appointment as independent director**
		Mr. Ng Wai Kit	Mr. Lim Yeok Hua
(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
(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
(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
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: –	No	No
(k)	any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(l)	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	No

CORPORATE **GOVERNANCE REPORT**

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Director seeking re-election, and continued appointment as executive director	**Director seeking re-election and continued appointment as independent director**
	Mr. Ng Wai Kit	Mr. Lim Yeok Hua
(m) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(n) 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 in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(o) 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
Prior Experience as a Director of a Listed Company on the Exchange		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This relates to the re-election of a director and the continued appointment of an independent director.	Not applicable. This relates to the continued appointment of an independent director.
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	N.A	N.A
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).	N.A	N.A

N.A – Not Applicable

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 2021 and the statement of financial position of the Company as at 31 December 2021.

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 2021 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

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, except as disclosed in paragraphs 5 and 6 in this statement below.

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	
	Balance as at 1 January 2021	Balance as at 31 December 2021
	Number of ordinary shares	
Company		
Hooi Yu Koh	33,863,100	33,863,100
Ng Wai Kit	10,000	10,000

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures (Continued)

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 2022 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2021.

5. Share options

The Company's shareholders adopted the Kori Employee Share Option Scheme (the "Share Option Scheme") on 21 November 2012 for granting of options to confirmed employees and directors of the Group. Controlling shareholders and their associates are not eligible to participate in the Share Option Scheme. The total number of ordinary shares over which the Company may grant under the Share Option Scheme shall not exceed 15% of the issued share capital of the Company on the day preceding the date of grant.

The Share Option Scheme is administered by the Administration Committee. A member of the Administration Committee who is also a participant of the Share Option Scheme must not be involved in its deliberation in respect of options granted or to be granted to him.

The options that are granted under the Share Option Scheme may have exercise prices that are, at the discretion of the Administration Committee:

(a) set at a discount to a price equal to the average of the last dealt prices for the shares on the SGX-ST for the five consecutive market days (the "Market Price") immediately preceding the relevant date of grant of the relevant option, provided that:

(i) the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be determined by the Administration Committee and permitted by the SGX-ST); and

(ii) the shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of options under the scheme at a discount not exceeding the maximum discount as aforesaid, in which event, such options may be exercised after the second anniversary of the date of grant and expiring on the tenth anniversary of such date of grant; or

(b) fixed at the Market Price (the "Market Price Option"). Market Price Options may be exercised after the first anniversary of the date of grant and expiring on the tenth anniversary of such date of grant.

Under the rules of the Share Option Scheme, there are no fixed periods for the grant of options. As such, offers for the grant of options may be made at any time from time to time at the discretion of the Administration Committee. However, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

Options may lapse or be exercised earlier in circumstances which include the termination of the employment of the participant, bankruptcy of the participant, death of the participant, a take-over of the Company and the winding-up of the Company.

5. Share options (Continued)

The Share Option Scheme shall continue in operation for a maximum period of ten (10) years commencing on the date on which the Share Option Scheme is adopted, provided that the Share Option Scheme may continue for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Since the commencement of the Share Option Scheme till the end of the financial year, no options has been granted under the Share Option Scheme.

No shares have been 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.

6. Performance share plan

The Kori Performance Share Plan (the "Share Plan") was adopted by the shareholders of the Company on 21 November 2012. Unlike the options granted under the Share Option Scheme, the Share Plan contemplates the award of fully-paid shares (the "Award") to participants after certain pre-determined benchmarks have been met. The Directors believe that the Share Plan will be more effective than pure cash bonuses in motivating employees of the Group to work towards pre-determined goals.

The Share Plan allows for participation by full-time employees of the Group (including the Executive Directors) and Non-executive Directors (including Independent Directors) who have attained the age of 18 years and above on or before the relevant date of grant of the Award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

The Share Plan is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate employees of the Group to achieve superior performance. The purpose of adopting the Share Plan in addition to the Share Option Scheme is to give the Directors greater flexibility to align the interests of employees of the Group, especially key executives, with the interests of Shareholders.

The objectives of the Share Plan are as follows:

(a) to provide an opportunity for participants of the Share Plan to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of participants towards the Group;

(b) to motivate participants to strive towards performance excellence and to maintain a high level of contribution to the Group;

(c) to give recognition to contributions made or to be made by participants by introducing a variable component into their remuneration package; and

(d) to make employee remuneration sufficiently competitive to recruit new participants and/or to retain existing participants whose contributions are important to the long-term growth and profitability of the Group.

The Share Plan shall be managed by the Administration Committee which has the absolute discretion to determine persons who will be eligible to participate in the Share Plan. A participant who is a member of the Administration Committee shall not be involved in any deliberation or decision in respect of awards (as the case may be) to be granted to or held by that participant.

DIRECTORS' **STATEMENT**

6. Performance share plan (Continued)

The Share Plan shall continue in operation at the discretion of the Administration Committee for a maximum period of ten (10) years commencing on the date on which the Share Plan is adopted, provided that the Share Plan may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Share Plan may be terminated at any time by the Administration Committee and by resolution of the shareholders in general meeting, subject to all relevant approvals which may be required to be obtained. The termination of the Share Plan shall not affect the awards which have been granted in accordance with the Share Plan.

The Company will have flexibility to deliver the award shares to participants upon the vesting of their awards by way of:

(i) an issue of new shares; and/or

(ii) the purchase of existing shares on behalf of the participants.

The total number of new shares which may be issued pursuant to awards granted on any date; and total number of existing shares which may be purchased from the market for delivery pursuant to awards granted under the Share Plan, when added to the number of new shares issued and issuable in respect of all awards granted under the Share Plan (including the Share Option Scheme and any other share option schemes of the Company), shall not exceed 15% of the number of issued shares (including treasury shares, as defined in the Act) on the day preceding that date of grant of the relevant awards.

Since the commencement of the Share Plan, the Company has not granted any Award under the Share Plan.

7. 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

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 2021 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.

8. 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	**Ng Wai Kit**
Director	Director

Singapore
7 April 2022

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 60 to 120, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021;
- 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 a summary of significant accounting policies.

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 2021 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.

KEY AUDIT MATTER	AUDIT RESPONSE
1 Revenue recognition	
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 tunneling works ("Construction Services"). The Group is also required to supply steel beams, by way of sale and buyback arrangement to the customer as part of the contracts with its customers. During the financial year ended 31 December 2021, the Group's revenue from Construction Services and rental of steel beams amounted to $5,839,882 and $12,460,592 respectively. The Group has identified that the supply of steel beams as an operating lease and revenue is measured separately from those of Construction Services. 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. We have determined revenue recognition as a key audit matter due to the significant management judgement and estimates involved in the determining of percentage-of-completion of the Constructions Services and accounting for arrangements of sale and buyback of the supply of steel beams. Refer to Notes 2.8, 3.1, 3.2, 5 and 14 to the accompanying financial statements.	We performed the following audit procedures, amongst others: • 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 internal costing and revenue recognition process to estimate contract revenues, contract costs and profit margins; • Evaluated management's revised budgeted contract costs due to impact of Covid-19 and assessed the reasonableness of such revisions; • 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 estimated labour hours, estimated labour rates and overhead expenses; • 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.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF KORI HOLDINGS LIMITED

Key Audit Matters (Continued)

KEY AUDIT MATTER	AUDIT RESPONSE
2 Loss allowance for trade receivables, unbilled receivables, retention receivables and contract assets	
As at 31 December 2021, the carrying amounts of trade receivables, unbilled receivables, retention receivables and contract assets aggregated to $32,803,301 and represented 88% of the Group's total current assets. During the financial year, the loss allowance of $1,590,261 comprised mainly a credit impaired balance of $1,097,000 caused by delayed payment from a customer. In addition, the Group is exposed to significant concentration of credit risk in relation to its top 3 customers which contributed approximately 80% of the total trade receivables, unbilled receivables, retention receivables and contract assets as at 31 December 2021. Management estimates the lifetime expected credit losses by taking into account the historical payment trends, default payment information, the 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. 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. Taking into account the economic impact of COVID-19, credit risk poses a significant risk to the Group. Refer to Notes 2.6, 3.2, 13, 14 and 28.1 to the accompanying financial statements.	We performed the following audit procedures, amongst others: • Tested the aging report used by management in its recoverability assessment; • Reviewed collectability of long outstanding debts by obtaining evidence of receipts from the debtors on a sampling basis subsequent to the year-end; • 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 • Assessed the adequacy of the related disclosures in the financial statements.

Key Audit Matters (Continued)

KEY AUDIT MATTER	AUDIT RESPONSE
3 Liquidity of the Group	
As of 31 December 2021, the Group had cash and cash equivalents of $756,050 and current bank borrowings of $5,223,442. The Group's net current assets of $20,122,657, included unbilled receivables of $23,515,812 and contract assets of $7,024,259 respectively. The Group actively manages their operating cash flows and availability of funds so as to ensure that its repayment and funding needs are met. Based on the cash flow forecast prepared and the availability of funds through banking facilities, management has determined that the Group will have sufficient liquidity for its working capital and financial obligations as and when they fall due. We have determined the liquidity of the Group to be a key audit matter due to the significant judgement and estimates made by management in the timing of cash flows for unbilled receivables and contracts assets, as this may affect the level of available funds for to the Group to meet its working capital requirements. Refer to Note 4 to the accompanying financial statements.	We performed the following audit procedures, amongst others: • Evaluated management's cash flows projections prepared based on approved budget on the Group's ability to collect its outstanding balances and to settle its short term debt obligations; • Obtained an understanding of the progress of the existing significant contracts; • Performed sensitivity analysis to assess changes in key assumptions such as the timing of cash flow; • Checked the Group's availability of unutilised banking facilities, including the compliance with debt covenants; and • Assessed the adequacy of the related disclosures in the financial statements.

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.

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.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF KORI HOLDINGS LIMITED

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.

- 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
7 April 2022

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
Revenue	5	**18,300,474**	14,739,657
Cost of sales		**(11,742,073)**	(8,690,254)
Gross profit		**6,558,401**	6,049,403
Other items of income			
Interest income	6	**1,625**	18,462
Other income	6	**823,399**	1,571,322
Other items of expense			
Administrative and other expenses		**(4,339,666)**	(3,726,216)
Contract assets written off		**–**	(3,110,081)
Loss allowance reversed/(made)			
– trade receivables		**19,395**	118,848
– unbilled receivables		**(100,656)**	–
– retention receivables		**(57,467)**	(59,284)
– contract assets		**(1,451,533)**	–
Finance costs	7	**(177,899)**	(129,366)
Profit before income tax	8	**1,275,599**	733,088
Income tax expense	9	**(99,475)**	(293,150)
Profit for the financial year, attributable to owners of the parent		**1,176,124**	439,938
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency differences on translation of foreign operations		**(26,059)**	854
Other comprehensive income, net of tax		**(26,059)**	854
Total comprehensive income for the financial year, attributable to owners of the parent		**1,150,065**	440,792
Earnings per share			
Basic and diluted	10	**1.19 cents**	0.44 cents

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

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021	2020	2021	2020
		$	$	$	$
Non-current assets					
Property, plant and equipment	11	**35,444,523**	30,730,620	**–**	–
Investments in subsidiaries	12	**–**	–	**27,069,780**	27,069,780
Total non-current assets		**35,444,523**	30,730,620	**27,069,780**	27,069,780
Current assets					
Trade and other receivables	13	**25,986,500**	19,114,759	**1,143,877**	1,139,280
Contract assets	14	**7,024,259**	11,745,697	**–**	–
Capitalised contract costs	14	**460,830**	483,360	**–**	–
Prepayments		**270,350**	87,395	**657**	100
Current income tax recoverable		**643,094**	643,094	**–**	–
Cash and bank balances	15	**756,050**	830,106	**9,153**	9,362
Fixed deposit pledged	15	**2,065,920**	2,064,295	**–**	–
Total current assets		**37,207,003**	34,968,706	**1,153,687**	1,148,742
Less:					
Current liabilities					
Trade and other payables	16	**7,864,314**	4,204,646	**146,389**	172,261
Contract liabilities	14	**3,786,363**	4,036,416	**–**	–
Lease liabilities	17	**207,754**	224,434	**–**	–
Bank borrowings	18	**5,223,442**	2,292,743	**–**	–
Current income tax payable		**2,473**	6,777	**2,473**	2,457
Total current liabilities		**17,084,346**	10,765,016	**148,862**	174,718
Net current assets		**20,122,657**	24,203,690	**1,004,825**	974,024
Less:					
Non-current liabilities					
Lease liabilities	17	**103,929**	53,708	**–**	–
Bank borrowings	18	**1,902,923**	2,562,500	**–**	–
Deferred tax liabilities	19	**776,393**	684,232	**–**	–
Total non-current liabilities		**2,783,245**	3,300,440	**–**	–
Net assets		**52,783,935**	51,633,870	**28,074,605**	28,043,804
Equity					
Share capital	20	**32,290,650**	32,290,650	**32,290,650**	32,290,650
Merger reserve	21	**(25,627,521)**	(25,627,521)	**–**	–
Foreign currency translation (account)/reserve	22	**(18,961)**	7,098	**–**	–
Retained earnings/(Accumulated losses)	23	**46,139,767**	44,963,643	**(4,216,045)**	(4,246,846)
Total equity attributable to owners of the parent		**52,783,935**	51,633,870	**28,074,605**	28,043,804

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		← Attributable to owners of the parent →				
	Note	**Share capital $**	**Merger reserve $**	**Foreign currency translation (account)/ reserve $**	**Retained earnings $**	**Total equity $**
Balance at 1 January 2021		**32,290,650**	**(25,627,521)**	**7,098**	**44,963,643**	**51,633,870**
Profit for the financial year		**–**	**–**	**–**	**1,176,124**	**1,176,124**
Other comprehensive income for the financial year:						
Exchange differences on translation of foreign operations		**–**	**–**	**(26,059)**	**–**	**(26,059)**
Total comprehensive income for the financial year		**–**	**–**	**(26,059)**	**1,176,124**	**1,150,065**
Balance at 31 December 2021		**32,290,650**	**(25,627,521)**	**(18,961)**	**46,139,767**	**52,783,935**
Balance at 1 January 2020		32,290,650	(25,627,521)	6,244	44,573,305	51,242,678
Profit for the financial year		–	–	–	439,938	439,938
Other comprehensive income for the financial year:						
Exchange differences on translation of foreign operations		–	–	854	–	854
Total comprehensive income for he financial year		–	–	854	439,938	440,792
Distribution to owners of the parent:						
Dividends	24	–	–	–	(49,600)	(49,600)
Balance at 31 December 2020		32,290,650	(25,627,521)	7,098	44,963,643	51,633,870

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
Operating activities			
Profit before income tax		**1,275,599**	733,088
Adjustments for:			
Amortisation of capitalised contract costs	14	**160,109**	294,879
Contract assets written off		**–**	3,110,081
Depreciation of property, plant and equipment	11	**2,124,691**	1,908,770
(Gain)/Loss on disposals of property, plant and equipment		**(559)**	8,439
Property, plant and equipment written off		**1,610,004**	973,553
Interest expense		**179,839**	132,073
Interest income		**(1,625)**	(18,462)
Loss allowance made/(reversed)			
– trade receivables		**(19,395)**	(118,848)
– unbilled receivables		**100,656**	–
– retention receivables		**57,467**	59,284
– contract assets		**1,451,533**	–
Rent concession		**–**	(16,000)
Unrealised exchange difference		**2,419**	(604)
Operating cash flows before working capital changes		**6,940,738**	7,066,253
Working capital changes:			
Trade and other receivables		**(7,010,469)**	(10,061,573)
Contract assets		**3,269,905**	1,619,816
Capitalised contract costs		**(137,579)**	(59,331)
Trade and other payables		**224,344**	213,994
Contract liabilities		**(250,053)**	796,681
Prepayments		**(183,295)**	(52,643)
Cash generated from/(used in) operations		**2,853,591**	(476,803)
Income tax paid		**(8,550)**	(2,098)
Net cash from/(used in) operating activities		**2,845,041**	(478,901)
Investing activities			
Interest received		**1,625**	18,462
Proceeds from disposal of property, plant and equipment		**7,460**	57,299
Purchase of property, plant and equipment	11	**(340,334)**	(448,362)
Net cash used in investing activities		**(331,249)**	(372,601)
Financing activities			
Fixed deposit pledged with a financial institution		**(1,625)**	(18,462)
Repayments of principal portion of lease liabilities	A	**(306,032)**	(402,142)
Repayments of interest portion of lease liabilities	A	**(5,200)**	(12,297)
Proceeds from bank borrowings	A	**2,111,728**	4,333,487
Repayments of bank borrowings	A	**(4,213,208)**	(3,298,393)
Dividends paid to shareholders of the Company		**–**	(49,600)
Interest paid		**(174,639)**	(119,776)
Net cash (used in)/from financing activities		**(2,588,976)**	432,817
Net change in cash and cash equivalents		**(75,184)**	(418,685)
Cash and cash equivalents at beginning of financial year		**830,106**	1,248,870
Effects of exchange rate changes on cash and cash equivalents		**1,128**	(79)
Cash and cash equivalents at end of financial year	15	**756,050**	830,106

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Note A: Reconciliation of liabilities arising from financing activities

			Non-cash changes			
	1.1.2021	**Financing cash flows**	**Additions of property, plant and equipment under bank borrowings**	**Accretion of interest**	**Additions of property, plant and equipment under lease liabilities**	**31.12.2021**
	$	**$**	**$**	**$**	**$**	**$**
Lease liabilities	**278,142**	**(311,232)**	**–**	**5,200**	**339,573**	**311,683**
Bank borrowings	**4,855,243**	**(2,101,480)**	**4,372,602**	**–**	**–**	**7,126,365**

			Non-cash changes			
	1.1.2020	**Financing cash flows**	**Rent concession**	**Accretion of interest**	**Additions of property, plant and equipment under lease liabilities**	**31.12.2020**
	$	**$**	**$**	**$**	**$**	**$**
Lease liabilities	603,410	(414,439)	(16,000)	12,297	92,874	278,142
Bank borrowings	3,820,149	1,035,094	–	–	–	4,855,243

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 Catalist 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 principal activities of the subsidiaries are set out in Note 12 to the 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 2021 were authorised for issue in accordance with a Directors' resolution dated 7 April 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 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 accounting policies below and on a going concern basis as set out in Note 4 to the financial statements.

Items included in the individual financial statements of each entity in the Group are measured and presented in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("$") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

The preparation of financial statements in conformity with SFRS(I) requires the management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting periods and the reported amounts of the revenue and expenses throughout the financial years. Although these estimates are based on management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future years if the revision affects both current and future financial years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2021

The standards, amendments to standards and interpretations, issued by Accounting Standards Council Singapore ("ASC") that will apply for the first time by the Group and the Company are not expected to impact the Group and the Company as they are either not relevant to the Group's and the Company's business activities or require accounting which is consistent with the Group's and the Company's current accounting policies.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards and interpretations, which have been issued by the ASC 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.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group, up to the effective date on which that control ceases.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Investments in subsidiaries are carried at cost, less any impairment loss, in the Company's statement of financial position.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration transferred also includes any contingent consideration measured at the fair value at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

Acquisition under common control

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. Any difference between the consideration paid for the acquisition and share capital of acquiree is recognised directly to equity as merger reserve.

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation on items of property, plant and equipment 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

No depreciation is charged on construction-in-progress as they are not yet ready for their intended use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed and adjusted as appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company review the carrying amounts of their non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.6 Financial instruments

The Group and the Company recognise a financial asset or a financial liability in their statements of financial position when and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets

The Group and the Company classify their financial assets as measured at amortised cost. The classification depends on the Group and the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group and the Company shall reclassify their affected financial assets when and only when the Group and the Company change their business model for managing these financial assets.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade and retention receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

The Group and the Company's financial assets measured at amortised cost comprise trade and other receivables (excluding unbilled receivables and grant receivables), cash and bank balances and fixed deposit pledged in the statements of financial position.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group and the Company apply the simplified approach to provide for expected credit loss (the "ECLs") for trade receivables, retention receivables, unbilled receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments (including receivables from subsidiaries and other receivables due from third parties). Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition. At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and the Company's historical experience and informed credit assessment that includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group and the Company consider a financial asset such as contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held).

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred (i.e. significant financial difficulty of debtor, possible bankruptcy or liquidation of debtor, default of payments, etc.).

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Company's procedures for recovery of amounts due.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group and the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group and the Company classify ordinary shares as equity instruments.

Financial liabilities

The Group and the Company classify all financial liabilities as subsequently measured at amortised cost.

Trade and other payables

Trade and other payables (excluding advance billings to customers, goods and services tax payables and deferred government grant income) are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Bank borrowings

Interest-bearing bank loans are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.12).

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.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.7 Cash and bank balances

Cash and bank balances comprise of cash on hand, cash and deposits with banks and financial institutions. Cash and bank balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, cash at bank and fixed deposit, net of fixed deposit pledged.

2.8 Revenue recognition

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. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Revenue recognition (Continued)

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.

Incremental costs of obtaining a construction contract are capitalised if these costs are recoverable. Costs incurred to fulfil a construction contract are capitalised only if the costs relate directly to the contract, generate or enhance resources used in satisfying future performance obligations and are expected to be recovered. These costs would be amortised over the duration of the construction contract. Other costs are expensed as incurred. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relate less the costs that relate directly to providing the goods and that have not been recognised as expenses.

Rental income from supply of steel beams are recognised on a time-proportion basis.

Interest income

Interest income is recognised on a time-proportion basis in profit or loss using the effective interest method.

2.9 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures. Grants which are receivables in relation to expenses to be incurred in a subsequent financial period, are included as deferred government grants and classified as current assets and current liabilities in the statements of financial position.

When the grant relates to an asset, the fair value is recognised as a deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset.

2.10 Employee benefits

Defined contribution plans

Payments to defined contribution plans are charged as an expense in the period in which the related service is performed. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and has no legal and constructive obligation to pay further once the payments are made.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the reporting period.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Leases

Group as lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Initial measurement

Leases are recognised as right-of-use assets and corresponding lease liabilities at the date of which the leased assets are available for use by the Group. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on their remaining balance of the liability for each period.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets in "Property, plant and equipment" and lease liabilities separately from other liabilities in the consolidated statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Leases (Continued)

Group as lessee (Continued)

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model 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

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use assets may be impaired. The accounting policy on impairment is as described in Note 2.5 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Leases (Continued)

Group as lessee (Continued)

Subsequent measurement (Continued)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use being adjusted by the same amount.

- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the negotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to and account separately for, any services provided by the lessor as part of the contract.

Short-term leases assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as lessor

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which user benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as an expense in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2.13 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

Current income tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to income tax payable in respect of previous financial years. Taxable income differs from profit reported as profit or loss because it excluded items of income or expenses that are taxable or deductible in other years and it further excludes items of income or expenses that are not taxable or tax deductible.

Deferred tax is provided, using the balance sheet liability method, for temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and where there is intention to settle the current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.14 Foreign currencies transactions and translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the financial year, unless exchange rates fluctuated significantly during that financial year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign exchange translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign exchange translation reserve.

On disposal of a foreign operation, the accumulated foreign exchange translation reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.15 Segment reporting

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

2.16 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared for payment. Final dividends are recorded in the financial year in which the dividends are approved by shareholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Company; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Company.

Contingencies are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair value can be reliably determined.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 Critical judgements made in applying the accounting policies

In the process of applying the Group's and the Company's accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

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 those of provision of civil/structural engineering and infrastructural construction services ("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 Constructions 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.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty as at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below.

Expected credit loss allowance

Loss allowance for trade receivables, unbilled receivables, retention receivables and contract assets

As at 31 December 2021, the net carrying amount of Group's trade receivables, unbilled receivables, retention receivables and contract assets were $887,832, $23,515,812, $1,375,398 and $7,024,259 (2020: $801,631, $16,279,171, $1,595,045 and $11,745,697) respectively (Note 13).

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 calibrates 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 who has 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.

The total loss allowance of $1,590,261 (2020: net reversal of $59,564) comprised mainly a credit impaired balance of $1,097,000 caused by delayed payment from a customer as at 31 December 2021. The Group's credit risk exposure is set out in Note 28.1 to the financial statements.

Loans due from subsidiaries

Management determines whether there is significant increase in credit risk of on loans due from subsidiaries since initial recognition. Management reviews the financial performance and results of these subsidiaries. There is no significant increase in credit risk as at 31 December 2021.

Revenue recognition – Estimation of total contract costs

The Group uses the contract costs incurred to date in proportion to the total estimated contract costs of each contract ("input method") to account for its contract revenue.

Where the outcome of the total contract costs are different from the original estimates, such differences will impact revenue and contract balances in the period in which such estimate has been changed. The carrying amounts of contract balances are disclosed in Note 14 to the financial statements.

Significant assumptions are used to estimate the total contract costs which will affect the revenue recognised to 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 2021, the Group's contract assets amounted to $7,024,259 (2020: $11,745,697). If total contract costs of ongoing contracts to be incurred had been higher or lower by 5% from management's estimates, the Group's profit would have been lower and higher by approximately $1,527,000 and $1,688,000 (2020: $1,111,000 and $1,228,000) respectively.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Depreciation of steel beams

The costs of steel beams are depreciated on a straight-line basis over their estimate useful economic lives. Management estimates the useful lives of these steel beams to be 15 years.

Changes in the expected level of usage could impact the estimated economic useful lives and the residual values of these assets, therefore estimates of future depreciation charges could be revised if expectations differ from previous estimates. As at 31 December 2021, the Group's carrying amount of steel beams amounted to $33,217,414 (2020: $28,376,148).

If expected useful lives 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 $553,000 and $923,000 (2020: $280,000 and $315,000) respectively.

4. GOING CONCERN

During the financial year, the Group recorded profit before tax of $1,275,599 and generated positive cash flows from operating activities of $2,845,041. As at 31 December 2021, although the Group had cash and cash equivalents of $756,050, the Group had net current assets of $20,122,657 which included unbilled receivables and contract assets of $23,515,812 and $7,024,259 respectively.

Despite 2021 being the year of recovery from the COVID-19 disruption, the operating conditions for the construction industry remained challenging. The escalation of construction costs such as labour cost due to border restrictions, material costs due to supply chain disruption and implementation of safe distancing and mandatory regular testing, inevitably led to disruption on the progress of the construction projects.

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

(i) The Group has adequate funds to meet its debt obligations and working capital requirements based on a 15-months projected cash flows for the Group from 1 January 2022;

(ii) The Group has ongoing projects of approximately $175 million. The management estimates that there will be adequate cash inflows generated from these projects in next 15 months; and

(iii) The Group has sufficient unutilised bank facilities which it can draw down for working capital requirement (Note 18).

The Group and the Company actively manages 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.

NOTES TO THE **FINANCIAL STATEMENTS**

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5. REVENUE

Disaggregation of revenue

The Group has disaggregated revenue into the following categories:

	Structural steel works segment		Tunnelling works segment		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**	**$**	**$**
Construction services						
– Over time	**1,311,010**	647,851	**4,528,872**	2,326,017	**5,839,882**	2,973,868
Rental of steel beams	**12,460,592**	11,765,789	**–**	–	**12,460,592**	11,765,789
	13,771,602	12,413,640	**4,528,872**	2,326,017	**18,300,474**	14,739,657

All revenues of the Group are generated within Singapore.

6. OTHER INCOME

	Group	
	2021	**2020**
	$	**$**
Interest income		
Financial assets measured at amortised cost		
– Bank deposits	**1,625**	18,462
Other income		
Government grants		
– Job support scheme	**410,145**	553,122
– Foreign worker levy waiver and rebate	**284,570**	829,784
– Others	**77,355**	112,992
	772,070	1,495,898
Rent concession	**–**	16,000
Secondment of workers	**37,662**	19,666
Others	**13,667**	39,758
	823,399	1,571,322

Government grants during the financial year refers to Job Support Scheme ("JSS") announced by the Singapore Government to provide wage support to employers to help them retain their local employees during the period of economic uncertainty. The scheme had been extended up to 2021 by the Government. For 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.

7. FINANCE COSTS

	Group	
	2021	2020
	$	$
Interest expenses:		
– Lease liabilities (Note 17)	**5,200**	12,297
– Bank borrowings	**174,639**	119,776
	179,839	132,073
Less: Interest expense allocated to cost of sales line item	**(1,940)**	(2,707)
	177,899	129,366

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/(crediting):

	Group	
	2021	2020
	$	$
Cost of sales		
Accommodation of construction workers	**504,971**	586,909
Amortisation of capitalised contract costs	**160,109**	294,879
Hiring of machinery	**668,902**	508,578
Lease expenses on short-term leases	**9,800**	–
Subcontractors charges	**287,245**	59,479
Worksite expenses	**1,610,758**	935,752
Administrative and other expenses		
Audit fees		
– auditors of the Company	**55,000**	54,000
– other auditors	**6,474**	6,894
Non-audit fees		
– auditors of the Company	**12,500**	12,500
– other auditors	**1,619**	1,641
Foreign exchange loss, net	**34,211**	31,720
Hiring of equipment	**9,205**	2,058
Professional fees	**235,960**	292,310
(Gain)/Loss on disposals of plant and equipment	**(559)**	8,439
Property, plant and equipment written-off	**1,610,004**	973,553

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	
	2021	2020
	$	$
Cost of sales	**1,620,389**	1,349,185
Administrative expenses	**504,302**	559,585
	2,124,691	1,908,770

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. **PROFIT BEFORE INCOME TAX** (CONTINUED)

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

	Group	
	2021	**2020**
	$	**$**
Cost of sales		
– salaries, wages, bonuses and other short-term benefits	**6,205,510**	4,663,263
– employer's contribution to defined contribution plans	**128,120**	124,923
Administrative expenses		
– salaries, wages, bonuses and other short-term benefits	**1,243,273**	1,161,287
– employer's contribution to defined contribution plans	**126,077**	117,679
	7,702,980	6,067,152

Employee benefits expense includes the remuneration of key management personnel as disclosed in Note 27 to the financial statements.

9. **INCOME TAX EXPENSE**

	Group	
	2021	**2020**
	$	**$**
Current income tax		
– current financial year	**2,473**	6,777
– under provision in prior financial years	**1,773**	51
	4,246	6,828
Deferred tax		
– current financial year	**155,000**	39,972
– (over)/under provision in prior financial years	**(59,771)**	246,350
	95,229	286,322
Total income tax expense recognised in profit or loss	**99,475**	293,150

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% (2020: 17%) to profit before income tax as a result of the following differences:

	Group	
	2021	**2020**
	$	**$**
Profit before income tax	**1,275,599**	733,088
Tax calculated at Singapore statutory income tax rate of 17% (2020: 17%)	**216,852**	124,625
Effects of:		
– Singapore statutory stepped income exemption	**(3,324)**	(10,919)
– Effect of different income tax rate in overseas operations	**(6,764)**	(901)
– Expenses not deductible for tax purposes	**9,066**	65,906
– Income not subject to tax	**(70,239)**	(97,169)
– Deferred tax assets not recognised	**10,594**	1,202
– Utilisation of previously unrecognised deferred tax assets	**(105)**	(7,715)
– Tax rebate	**–**	(819)
– Under provision of current income tax in prior financial years	**1,773**	51
– (Over)/Under provision of deferred tax liabilities in prior financial years	**(59,771)**	246,350
– Others	**1,393**	(27,461)
	99,475	293,150

Unrecognised deferred tax assets

	Group	
	2021	**2020**
	$	**$**
Balance at beginning of financial year	**51,683**	58,192
Amount not recognised during the financial year	**10,594**	1,202
Utilised during the financial year	**(105)**	(7,715)
Currency translation adjustment	**(892)**	4
Balance at end of financial year	**61,280**	51,683

Unrecognised deferred tax assets are attributable to:

	Group	
	2021	**2020**
	$	**$**
Unabsorbed capital allowances	**10,594**	105
Unutilised tax losses	**50,686**	51,578
	61,280	51,683

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. INCOME TAX EXPENSE (CONTINUED)

Unrecognised deferred tax assets (Continued)

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 7 years from the year incurred:

		Group	
Year incurred	**Year of expiry**	**2021**	**2020**
		$	**$**
2019	2026	**35,732**	36,624
2020	2027	**376**	376
2021	2028	**14,578**	14,578
		50,686	51,578

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 in accordance with the accounting policy in Note 2.13 to 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.

	Group	
	2021	**2020**
The calculation of basic earnings per share is based on the following data:		
Profit attributable to owners of the parent	**1,176,124**	$439,938
Weighted average number of ordinary shares outstanding for basic earnings per share	**99,200,000**	99,200,000
Basic and diluted earnings per share	**1.19 cents**	0.44 cents

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building $	Furniture and fittings $	Motor vehicles $	Office equipment $	Plant and machinery $	Office premises/ warehouse $	Steel beams $	Construction in progress $	Total $
Group									
Cost									
Balance at 1 January 2021	1,140,025	97,646	296,219	146,203	830,437	783,216	37,909,553	960,444	42,163,743
Additions	–	–	49,471	27,113	9,220	263,920	8,138,985	–	8,488,709
Disposals	–	(428)	–	(25,003)	(2,108)	(3,300)	(5,554)	–	(36,393)
Written-off	–	(13,811)	–	(39,446)	(250,000)	–	(2,647,465)	–	(2,950,722)
Currency translation adjustment	(19,727)	(83)	(257)	(469)	(37)	–	–	(16,620)	(37,193)
Balance at 31 December 2021	1,120,298	83,324	345,433	108,398	587,512	1,043,836	43,395,519	943,824	47,628,144
Accumulated depreciation									
Balance at 1 January 2021	179,097	74,762	275,015	110,974	727,037	532,833	9,533,405	–	11,433,123
Depreciation charged	22,449	8,054	37,695	9,623	104,155	259,270	1,683,445	–	2,124,691
Disposals	–	(428)	–	(25,000)	(2,108)	(908)	(1,048)	–	(29,492)
Written-off	–	(13,575)	–	(39,446)	(250,000)	–	(1,037,697)	–	(1,340,718)
Currency translation adjustment	(3,142)	(53)	(257)	(494)	(37)	–	–	–	(3,983)
Balance at 31 December 2021	198,404	68,760	312,453	55,657	579,047	791,195	10,178,105	–	12,183,621
Carrying amount									
Balance at 31 December 2021	921,894	14,564	32,980	52,741	8,465	252,641	33,217,414	943,824	35,444,523

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land and building $	Furniture and fittings $	Motor vehicles $	Office equipment $	Plant and machinery $	Office premises/ warehouse $	Steel beams $	Construction in progress $	Total $
Group									
Cost									
Balance at 1 January 2020	1,139,334	97,642	268,621	146,185	830,436	721,669	38,779,998	959,862	42,943,747
Additions	–	–	27,589	–	–	61,547	452,100	–	541,236
Disposals	–	–	–	–	–	–	(81,026)	–	(81,026)
Written-off	–	–	–	–	–	–	(1,241,519)	–	(1,241,519)
Currency translation adjustment	691	4	9	18	1	–	–	582	1,305
Balance at 31 December 2020	1,140,025	97,646	296,219	146,203	830,437	783,216	37,909,553	960,444	42,163,743
Accumulated depreciation									
Balance at 1 January 2020	156,201	66,190	243,730	104,193	623,636	265,414	8,348,037	–	9,807,401
Depreciation charged	22,722	8,568	31,276	6,763	103,400	267,419	1,468,622	–	1,908,770
Disposals	–	–	–	–	–	–	(15,288)	–	(15,288)
Written-off	–	–	–	–	–	–	(267,966)	–	(267,966)
Currency translation adjustment	174	4	9	18	1	–	–	–	206
Balance at 31 December 2020	179,097	74,762	275,015	110,974	727,037	532,833	9,533,405	–	11,433,123
Carrying amount									
Balance at 31 December 2020	960,928	22,884	21,204	35,229	103,400	250,383	28,376,148	960,444	30,730,620

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	2021 $	2020 $
Additions during the financial year	**8,488,709**	541,236
Additions through lease arrangements	**(339,573)**	(92,874)
Additions through bank borrowings	**(4,372,602)**	–
Additions through trade payables	**(3,436,200)**	–
Cash payment to acquire plant and equipment	**340,334**	448,362

Construction in progress

The approval of the application manufacturing license from the Malaysian government authorities is still pending as at 31 December 2021. Accordingly, the Group has determined that the building will only be capable of operating in the manner intended by the management upon obtaining the manufacturing license and depreciation will commence thereafter.

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.

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

	Leasehold land $	Office premises/ warehouse $	Machinery $	Motor vehicles $	Office equipment $	Total $
Group						
Cost						
Balance at 1 January 2021	**1,107,024**	**776,091**	**310,200**	**121,872**	**30,112**	**2,345,299**
Addition	**–**	**263,920**	**–**	**49,471**	**24,740**	**338,131**
Derecognition of right-of-use assets	**–**	**(145,855)**	**–**	**(44,121)**	**–**	**(189,976)**
Currency translation adjustment	**(19,156)**	**–**	**–**	**–**	**–**	**(19,156)**
Balance at 31 December 2021	**1,087,868**	**894,156**	**310,200**	**127,222**	**54,852**	**2,474,798**
Accumulated depreciation						
Balance at 1 January 2021	**164,628**	**530,345**	**206,800**	**100,668**	**7,770**	**1,010,211**
Depreciation charged	**21,799**	**259,052**	**103,400**	**37,695**	**4,504**	**426,450**
Derecognition of right-of-use assets	**–**	**(145,855)**	**–**	**(44,121)**	**–**	**(189,976)**
Currency translation adjustment	**(2,890)**	**–**	**–**	**–**	**–**	**(2,890)**
Balance at 31 December 2021	**183,537**	**643,542**	**310,200**	**94,242**	**12,274**	**1,243,795**
Carrying amount						
Balance at 31 December 2021	**904,331**	**250,614**	**–**	**32,980**	**42,578**	**1,230,503**

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Leasehold land $	Office premises/ warehouse $	Machinery $	Motor vehicles $	Office equipment $	Total $
Group						
Cost						
Balance at 1 January 2020	1,106,051	714,544	310,200	94,283	30,112	2,255,190
Addition	–	61,547	–	27,589	–	89,136
Currency translation adjustment	973	–	–	–	–	973
Balance at 31 December 2020	1,107,024	776,091	310,200	121,872	30,112	2,345,299
Accumulated depreciation						
Balance at 1 January 2020	142,362	263,280	103,400	69,392	3,885	582,319
Depreciation charged	22,060	267,065	103,400	31,276	3,885	427,686
Currency translation adjustment	206	–	–	–	–	206
Balance at 31 December 2020	164,628	530,345	206,800	100,668	7,770	1,010,211
Carrying amount						
Balance at 31 December 2020	942,396	245,746	103,400	21,204	22,342	1,335,088

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.

Included in the above are machinery, motor vehicles and office equipment with carrying amounts of Nil (2020: $103,400), $32,980 (2020: $21,204) and $42,578 (2020: $22,342) as at 31 December 2021 respectively which were acquired under hire purchase arrangements. The corresponding lease liabilities with carrying amounts of Nil (2020: Nil), $33,890 (2020: $21,831) and $25,148 (2020: $7,022) as at 31 December 2021 respectively are disclosed in Note 17 to the financial statements. These assets will be repossessed by the lessor (legal owner) in the event of default in repayment by the Group. During the financial year, lease liabilities of office premises/warehouse and motor vehicles with cost of $145,855 and $44,121 respectively and carrying amount nil were fully settled and derecognised.

12. INVESTMENTS IN SUBSIDIARIES

	Company 2021 $	Company 2020 $
Unquoted equity shares, at cost	**27,069,780**	27,069,780

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

Name	Country of business/ incorporation	Principal activities	Proportion of ownership interest held 2021 %	Proportion of ownership interest held 2020 %
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]	Malaysia	Contractors for construction works for all kind	**100**	100

Notes:
(1) Audited by BDO LLP, Singapore
(2) Audited by BDO PLT, Malaysia, a member firm of BDO International Limited

13. TRADE AND OTHER RECEIVABLES

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Trade receivables				
– Third parties	**888,261**	1,549,197	**–**	–
Loss allowance (Note 28)	**(429)**	(747,566)	**–**	–
	887,832	801,631	**–**	–
Unbilled receivables				
– Third parties	**23,616,468**	16,279,171	**–**	–
Loss allowance (Note 28)	**(100,656)**	–	**–**	–
	23,515,812	16,279,171	**–**	–
Retention receivables				
– Third parties	**1,524,972**	2,279,995	**–**	–
Loss allowance (Note 28)	**(149,574)**	(684,950)	**–**	–
	1,375,398	1,595,045	**–**	–
Other receivables				
– Subsidiaries	**–**	–	**1,143,877**	1,139,280
– Third parties	**20,609**	197,164	**–**	170,000
Loss allowance (Note 28)	**–**	(170,000)	**–**	(170,000)
Grant receivables	**–**	200,031	**–**	–
	20,609	227,195	**1,143,877**	1,139,280
Deposits	**186,849**	211,717	**–**	–
	25,986,500	19,114,759	**1,143,877**	1,139,280

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

Unbilled receivables are for rental of steel beams to customers to be billed, based on milestones achieved.

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 are unsecured and non-interest bearing and repayable on demand.

The grant receivables which are presented against deferred government grant income related to JSS announced by the Singapore Government to provide wage support to employers to help them retain their local employees during this period of economic uncertainty. In determining the timing of recognition of the JSS grant income, the management evaluated that the Group is impacted from April 2020 onwards following the circuit-breaker measure and grant income recognised during the financial year was recorded in other income.

The Group 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 28.1.

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Singapore dollar	**25,943,136**	19,107,305	**1,107,838**	1,103,241
Ringgit Malaysia	**43,364**	7,454	**36,039**	36,039
	25,986,500	19,114,759	**1,143,877**	1,139,280

14. CONTRACT ASSETS, CONTRACT LIABILITIES AND CAPITALISED CONTRACT COSTS

	Group	
	2021	**2020**
	$	**$**
Contract assets		
Structural steel works	**5,348,786**	10,215,513
Tunnelling works	**3,127,006**	1,530,184
	8,475,792	11,745,697
Loss allowance (Note 28)	**(1,451,533)**	–
	7,024,259	11,745,697
Contract liabilities		
Structural steel works	**3,786,363**	4,036,416
Capitalised contract costs	**460,830**	483,360

14. CONTRACT ASSETS, CONTRACT LIABILITIES AND CAPITALISED CONTRACT COSTS (CONTINUED)

a) Significant changes in contract assets and contract liabilities

	Group			
	Contract assets		Contract liabilities	
	2021	2020	2021	2020
	$	$	$	$
Balance at beginning of financial year	**11,745,697**	16,475,594	**4,036,416**	3,239,735
Contract assets reclassified to trade receivables	**(9,824,120)**	(3,388,076)	**–**	–
Excess of revenue recognised over cash (or rights to cash)	**6,554,215**	1,768,260	**–**	–
Revenue recognised that was included in the contract liabilities balance at the beginning of financial year	**–**	–	**(668,458)**	(56,021)
Cash received in advance of performance and not recognised as revenue	**–**	–	**418,405**	852,702
Loss allowance (Note 28)	**(1,451,533)**	–	**–**	–
Contract assets written-off	**–**	(3,110,081)	**–**	–
Balance at end of financial year	**7,024,259**	11,745,697	**3,786,363**	4,036,416

Contract assets arises from structural steel works and tunnelling works mainly due to the Group's rights to consideration for work completed and transferred to customer are conditioned upon future performance. These contract assets arise as the customer is invoiced based on payment certification as stated in Note 2.8 to the financial statements. Contract assets are transferred to receivables when the rights become unconditional.

At each reporting date, the Group carried out a review of the recoverable amounts of its contract assets. During the financial year, the Group has recognised a loss allowance on contract assets arising from contracts with customers amounting to $1,451,533 (2020: Nil) (Note 28.1). In the previous financial year, contract assets of $3,110,081 was written off and recognised in the Group's profit or loss upon the final settlement of the relevant contracts.

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 generally would be utilised within 12 months.

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 5 (2020: 1 to 6) years. This amortisation charged for the financial year had been included in "cost of sales" line item of the consolidated statement of comprehensive income.

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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	
	2021	**2020**
	$	**$**
Structural steel works		
Within one financial year	**35,042,038**	12,152,007
After one financial year but within five financial years	**140,031,076**	75,363,963
	175,073,114	87,515,970

c) Capitalised contract costs

	Group	
Capitalised contract costs to fulfil contracts	**2021**	**2020**
	$	**$**
Balance at beginning of financial year	**483,360**	718,908
Additions	**137,579**	59,331
Amortisation	**(160,109)**	(294,879)
Balance at end of financial year	**460,830**	483,360

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.

15. CASH AND BANK BALANCES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Cash and bank balances	**756,050**	830,106	**9,153**	9,362
Fixed deposit pledged	**2,065,920**	2,064,295	**–**	–
	2,821,970	2,894,401	**9,153**	9,362

15. CASH AND BANK BALANCES (CONTINUED)

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

	Group	
	2021	2020
	$	$
Cash and bank balances (as above)	**2,821,970**	2,894,401
Less: Fixed deposit pledged (Note 18)	**(2,065,920)**	(2,064,295)
Cash and cash equivalents per consolidated statement of cash flows	**756,050**	830,106

Fixed deposits mature on varying periods between 8 to 12 months (2020: 8 to 12 months) from the end of the financial year. The effective interest rate on the fixed deposits ranged from 0.01% to 1.34% (2020: 0.01% to 0.25%) per annum.

As at 31 December 2021, 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 are as follows:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Singapore dollar	**2,819,693**	2,891,760	**9,153**	9,362
Ringgit Malaysia	**2,277**	2,641	**–**	–
	2,821,970	2,894,401	**9,153**	9,362

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Trade payables				
– Third parties	**5,346,792**	1,373,999	**–**	–
– Retention sums	**20,737**	21,102	**–**	–
	5,367,529	1,395,101	**–**	–
Other payables				
– Third parties	**537,765**	549,592	**73,399**	108,050
– Amount due to a Director	**130,000**	100,000	**–**	–
	667,765	649,592	**73,399**	108,050
Goods and services tax payables, net	**63,842**	77,203	**3,339**	3,861
Advance billings to customers	**854,174**	1,002,224	**–**	–
Accrued operating expenses	**911,004**	827,004	**69,651**	60,350
Deferred government grant income	**–**	253,522	**–**	–
	7,864,314	4,204,646	**146,389**	172,261

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. TRADE AND OTHER PAYABLES (CONTINUED)

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, amount due to a director and a subsidiary are unsecured, non-interest bearing and repayable on demand.

Deferred government grant income is in respect of JSS, details of which are disclosed in Note 13 to the financial statements.

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

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Singapore dollar	**5,616,787**	3,975,012	**146,389**	172,261
United States dollar	**2,007,148**	–	**–**	–
Ringgit Malaysia	**240,379**	229,634	**–**	–
	7,864,314	4,204,646	**146,389**	172,261

17. LEASE LIABILITIES

	Office premises/ warehouse	Machinery	Motor vehicles	Office equipment	Total
	$	$	$	$	$
Group					
Balance at 1 January 2021	**249,289**	**–**	**21,831**	**7,022**	**278,142**
Additions	**263,920**	**–**	**49,471**	**26,182**	**339,573**
Interest expense (Note 7)	**3,296**	**–**	**1,397**	**507**	**5,200**
Lease payments					
– Principal portion	**(260,564)**	**–**	**(37,412)**	**(8,056)**	**(306,032)**
– Interest portion	**(3,296)**	**–**	**(1,397)**	**(507)**	**(5,200)**
Balance at 31 December 2021	**252,645**	**–**	**33,890**	**25,148**	**311,683**
Balance at 1 January 2020	454,133	108,836	25,197	15,244	603,410
Additions	63,878	–	28,996	–	92,874
Interest expense (Note 7)	6,946	1,975	2,254	1,122	12,297
Lease payments					
– Principal portion	(252,722)	(108,836)	(32,362)	(8,222)	(402,142)
– Interest portion	(6,946)	(1,975)	(2,254)	(1,122)	(12,297)
Rent concession	(16,000)	–	–	–	(16,000)
Balance at 31 December 2020	249,289	–	21,831	7,022	278,142

17. LEASE LIABILITIES (CONTINUED)

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

	Group	
	2021	**2020**
	$	**$**
Contractual undiscounted cash flows		
– Not later than one financial year	**211,709**	228,125
– Between one and five financial years	**107,300**	53,900
	319,009	282,025
Less: Future finance charges	**(7,326)**	(3,883)
Present value of lease liabilities	**311,683**	278,142
Presented in statement of financial position		
– Current	**207,754**	224,434
– Non-current	**103,929**	53,708
	311,683	278,142

As at 31 December 2021, the weighted average incremental borrowing rate applied was 2.42% (2020: 2.16%).

The Group's lease liabilities of $59,038 (2020: $28,853) 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 in respect of leases amounted to $321,032 (2020: $414,439) during the current financial year.

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

18. BANK BORROWINGS

	Group	
	2021	**2020**
	$	**$**
Current		
Secured		
– Trade facilities	**4,488,306**	1,855,243
Unsecured		
– Bridging loan	**735,136**	437,500
	5,223,442	2,292,743
Non-current		
Unsecured		
– Bridging loan	**1,902,923**	2,562,500
	7,126,365	4,855,243

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18. BANK BORROWINGS (CONTINUED)

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

	Group	
	2021	2020
	$	$
Facilities unutilised	**3,900,228**	8,053,291

(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, outstanding borrowings amounted to $4,488,306 (2020: $1,855,243). Fixed advance facility is repayable on demand to the bank and bears interest at 2.66% to 4.75% (2020: 4.25%) per annum which is the bank's prevailing prime rate. Bills receivable purchase which are bills payable in nature, are repayable on demand with maximum tenure up to 150 days inclusive of suppliers' credit and bears interest of 0.5% over the bank's prevailing prime rate of 4.25% per annum.

The weighted average effective interest rate for trade facilities is 3.66% (2020: 2.95%) per annum.

The trade facilities are secured by a corporate guarantee from the Company and fixed deposit 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% (2020: 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 27 June 2021 to 27 May 2025.

Management estimates that the carrying amounts of the Group's borrowings approximate their fair values as their fair value measurements adjusted using 12 months Singapore Interbank Offered Rate ("SIBOR") market rates are not significantly different from their carrying amount.

The currency profiles of bank borrowings as at the end of the reporting period are as follows:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Singapore dollar	**6,012,027**	4,855,243	**–**	–
United States dollar	**1,114,338**	–	**–**	–
	7,126,365	4,855,243	**–**	–

19. DEFERRED TAX LIABILITIES

	Group	
	2021	2020
	$	$
Deferred tax liabilities	**776,393**	684,232

Movements in deferred tax liabilities are as follows:

	Group	
	2021	2020
	$	$
Balance at beginning of financial year	**684,232**	397,723
Charged to profit or loss (Note 9)	**95,229**	286,322
Currency translation adjustment	**(3,068)**	187
Balance at end of financial year	**776,393**	684,232

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

20. SHARE CAPITAL

	Group and Company			
	2021	2020	2021	2020
	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.

21. MERGER RESERVE

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.

22. FOREIGN CURRENCY TRANSLATION (ACCOUNT)/RESERVE

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.

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23. ACCUMULATED LOSSES

	Company	
	2021	**2020**
	$	**$**
Accumulated losses	**(4,216,045)**	(4,246,846)

Movements of accumulated losses of the Company are as follows:

	Company	
	2021	**2020**
	$	**$**
Balance at beginning of financial year	**(4,246,846)**	(4,211,619)
Total comprehensive income for the financial year	**30,801**	14,373
Dividends (Note 24)	**–**	(49,600)
Balance at end of financial year	**(4,216,045)**	(4,246,846)

24. DIVIDENDS

	Group and Company	
	2021	**2020**
	$	**$**
First and final tax-exempt dividends paid of Nil (2020: 0.05) cents per ordinary share in respect of financial year ended 31 December 2019	**–**	49,600

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

25. COMMITMENTS AND CONTINGENT LIABILITIES

25.1 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 at the end of the reporting period are as follows:

	Group	
	2021	**2020**
	$	**$**
Within one financial year	**17,105,279**	11,627,194
After one year but within five financial years	**55,748,929**	17,768,736
	72,854,208	29,395,930

25. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

25.2 Contingent liabilities

Corporate guarantees

As at 31 December 2021, the Company had given guarantees amounting to $7,126,365 (2020: $4,855,243) 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 borrowing subsidiary is in a favourable net equity position and profitable, with no history of default in the repayment of such financing facilities.

26. SEGMENT INFORMATION

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

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Singapore and Malaysia.

The Group has two reportable segments being structural steel works and tunneling 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 tunneling segment supplies skilled personnel with the required technical expertise to provide macro-tunneling 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 on a Group basis.

The accounting policies of the operating segments are the same of those described in the summary of significant 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.

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26. SEGMENT INFORMATION (CONTINUED)

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.

	Structural steel $	Tunneling $	Unallocated $	Total $
2021				
External revenue	**13,771,602**	**4,528,872**	**–**	**18,300,474**
Depreciation of property, plant and equipment	**(1,620,389)**	**–**	**(504,302)**	**(2,124,691)**
Loss allowance reversed/(made)				
– trade receivables	**19,395**	**–**	**–**	**19,395**
– unbilled receivables	**(100,656)**	**–**	**–**	**(100,656)**
– retention receivables	**(57,467)**	**–**	**–**	**(57,467)**
– contract assets	**(1,408,125)**	**(43,408)**	**–**	**(1,451,533)**
Property, plant and equipment written off	**(1,610,004)**	**–**	**–**	**(1,610,004)**
Segment profit/(loss)	**2,299,225**	**1,887,429**	**(2,734,781)**	**1,451,873**
Interest income				**1,625**
Interest expenses				**(177,899)**
Income tax expense				**(99,475)**
Profit for the financial year				**1,176,124**
Reportable segment assets	**62,729,842**	**3,751,616**	**6,170,068**	**72,651,526**
Included in the segment assets:				
Additions to property, plant and equipment	**8,138,985**	**–**	**349,724**	**8,488,709**
Reportable segment liabilities	**8,154,965**	**–**	**10,933,760**	**19,088,725**
Current income tax payables				**2,473**
Deferred tax liabilities				**776,393**
Total Group's liabilities				**19,867,591**

26. SEGMENT INFORMATION (CONTINUED)

	Structural steel $	Tunneling $	Unallocated $	Total $
2020				
External revenue	12,413,640	2,326,017	–	14,739,657
Contract assets written off	(3,110,081)	–	–	(3,110,081)
Depreciation of property, plant and equipment	(1,349,185)	–	(559,585)	(1,908,770)
Loss allowance reversed/(made)				
– trade receivables	118,848	–	–	118,848
– retention receivables	(59,284)	–	–	(59,284)
Property, plant and equipment written off	(973,553)	–	–	(973,553)
Segment profit/(loss)	2,795,998	792,207	(2,744,213)	843,992
Interest income				18,462
Interest expenses				(129,366)
Income tax expense				(293,150)
Profit for the financial year				439,938
Reportable segment assets	46,070,809	1,789,042	17,839,475	65,699,326
Included in the segment assets:				
Additions to property, plant and equipment	452,100	–	89,136	541,236
Reportable segment liabilities	5,151,977	–	8,222,470	13,374,447
Current income tax payables				6,777
Deferred tax liabilities				684,232
Total Group's liabilities				14,065,456

Geographical information

The Group's two business segments operate in two main geographical areas:

- Singapore – the operations are headquartered and operates in Singapore. The operations in this area are principally building constructions and civil engineering works and investment holding.
- Malaysia – the operations in this area are principally contracting for all kinds of construction works.

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26. SEGMENT INFORMATION (CONTINUED)

Revenue from external customers

	Singapore $	Malaysia $	Group $
2021			
Revenue from external customers	**18,300,474**	**–**	**18,300,474**
2020			
Revenue from external customers	14,739,657	–	14,739,657

Location of non-current assets

	Singapore $	Malaysia $	Group $
2021			
Non-current assets	**33,576,464**	**1,868,059**	**35,444,523**
2020			
Non-current assets	28,806,560	1,924,060	30,730,620

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 (2020: 2 customers) of the Group's structural steel and tunneling 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		Tunneling	
	2021 $	2020 $	2021 $	2020 $
Customer A	**6,695,985**	11,262,514	**–**	–
Customer B	**–**	–	**4,528,873**	2,326,017
Customer C	**3,469,847**	–	**–**	–
Customer D	**1,882,570**	–	**–**	–
	12,048,402	11,262,514	**4,528,873**	2,326,017

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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:

	Company	
	2021	**2020**
	$	**$**
With subsidiaries		
Management and admin fees charged to a subsidiary	**375,032**	384,745
Repayment from a subsidiary	**218,514**	83,000
Expenses paid on behalf by a subsidiary	**178,174**	184,316

At the end of the reporting period, the outstanding balances in respect of the above transactions are disclosed in Note 13 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	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Salaries and other short-term benefits (other than fees)	**1,186,014**	969,494	**–**	–
Employer's contribution to defined contribution plans	**80,854**	77,233	**–**	–
Directors' fees	**131,000**	131,000	**131,000**	131,000
Other benefits	**38,400**	38,400	**–**	–
	1,436,268	1,216,127	**131,000**	131,000

NOTES TO THE **FINANCIAL STATEMENTS**

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28. 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.

28.1 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 cash and cash equivalents 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

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.

The expected loss rates are based on the Group's historical observed default rates. The Group uses the historical default rate, checked the profile of its customers and calibrates 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.

As at the end of the reporting period, the Group and the Company do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except the Group has outstanding from 3 (2020: 3) counterparties which represent 79% (2020: 79%) of total trade receivables, unbilled receivables, retention receivables and contracts assets.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

28.1 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 are as follows:

	Group			
	Gross carrying amount $	Non-credit impaired $	Credit Impaired $	Carrying amount $
31 December 2021				
Trade receivables				
Not past due	**884,002**	**(427)**	**–**	**883,575**
Past due but not impaired				
– less than 1 month	**218**	**–**	**–**	**218**
– 1 to 3 months	**160**	**–**	**–**	**160**
– 3 to 6 months	**595**	**–**	**–**	**595**
– over 6 months	**3,286**	**(2)**	**–**	**3,284**
	888,261	**(429)**	**–**	**887,832**
Unbilled receivables	**23,616,468**	**(100,656)**	**–**	**23,515,812**
Retention receivables	**1,524,972**	**(80,252)**	**(69,322)**	**1,375,398**
Contract assets	**8,475,792**	**(423,855)**	**(1,027,678)**	**7,024,259**

	Group			
	Gross carrying amount $	Non-credit impaired $	Credit Impaired $	Carrying amount $
31 December 2020				
Trade receivables				
Not past due	775,052	(18,704)	–	756,348
Past due but not impaired				
– less than 1 month	44,971	(1,085)	–	43,886
– 1 to 3 months	207	(5)	–	202
– 3 to 6 months	487	(12)	–	475
– over 6 months	728,480	(18)	(727,742)	720
	1,549,197	(19,824)	(727,742)	801,631
Retention receivables	2,279,995	(92,107)	(592,843)	1,595,045

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28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

28.1 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:

	Group		
	Non-credit impaired	**Credit impaired**	**Total**
	$	**$**	**$**
31 December 2021			
Balance at beginning of financial year	**111,931**	**1,320,585**	**1,432,516**
Reversal of loss allowance	**(56,831)**	**–**	**(56,831)**
Receivable written off as uncollectible	**–**	**(1,320,585)**	**(1,320,585)**
Loss allowance recognised during the year	**550,092**	**1,097,000**	**1,647,092**
Balance at end of financial year	**605,192**	**1,097,000**	**1,702,192**
31 December 2020			
Balance at beginning of financial year	303,553	1,188,527	1,492,080
Reversal of loss allowance	(191,622)	–	(191,622)
Loss allowance recognised during the year	–	132,058	132,058
Balance at end of financial year	111,931	1,320,585	1,432,516

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". As at 31 December 2021, trade receivables and retention receivables of $727,742 and $592,843 (2020: Nil) were written off respectively as the debtor has entered into bankruptcy proceedings during the financial year. There is no impact to in the current year as the Group had made full impairment in the previous financial year.

Credit-impaired balances during the financial year was mainly contributed by a customer that 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. Therefore, amount due from subsidiaries are subject to immaterial credit loss.

For other receivables, the management adopts a policy of dealing with high credit quality counterparties. 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 2021, 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. In the previous financial year, there is indication that credit risk of an other receivable amounting to $170,000 increased significantly, hence a lifetime loss allowance was recognised. The loss allowance of $170,000 is written off during the current financial year as the debtors have significant financial difficulty.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

28.1 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 2021, subsidiaries borrowings of approximately $7,126,365 (2020: $4,855,243) was guaranteed by the Company. For the financial guarantee issued, the Company has assessed that these subsidiaries have 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 are held with the financial institutions with the following credit ratings:

		Group		Company	
	Rating	Bank balance $	Short-term deposits $	Rating	Bank balance $
31 December 2021					
International banks	AA/A	**753,773**	**2,065,920**	AA/A	**9,143**
International banks	BAA/BBB	**2,277**	**–**		**–**
		756,050	**2,065,920**		**9,143**
31 December 2020					
International banks	AA/A	827,465	2,064,295	AA/A	9,362
International banks	BAA/BBB	2,641	–		–
		830,106	2,064,295		9,362

The credit ratings above are derived from Moody's and Fitch'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.

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28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

28.2 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 are as follows:

	Assets		Liabilities	
	2021	2020	2021	2020
	$	$	$	$
United States dollar	**–**	–	**3,121,486**	–

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 Company'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.

Foreign currency sensitivity analysis

The following table details the sensitivity to a 3% (2020: Nil) increase and decrease in the relevant foreign currencies against the functional currency of the entities within the Group. The 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 3% (2020: Nil) change in foreign currency rates.

If the relevant foreign currency strengthens or weakens by 3% against the functional currency of each group entity, profit or loss will (decrease)/increase by:

	Profit or loss	
	2021	2020
	$	$
Group		
United States dollar		
Strengthens against functional currencies*	**(93,645)**	–
Weakens against functional currencies*	**93,645**	–

* Primary functional currency – Singapore dollar

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

28.2 Market risk (Continued)

(ii) Interest rate risk management

The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to bank borrowings as shown in Note 18 to the financial statements.

The Group's and the Company's financial performance are affected by changes in interest rates due to the impact of such changes on interest expenses from bank borrowings which are at floating interest rates. It is the Group's and the Company's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group and the Company.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 100 (2020: 200) basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 100 (2020: 200) basis points higher or lower and all other variables were held constant, the Group's profit for the financial year ended 31 December 2021 would decrease/increase by $44,883 (2020: decrease/increase by $37,105). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Company's profit or loss and equity are not significantly affected by the changes in interest rates as the Company has no significant variable interest-bearing financial instruments.

28.3 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 2021, the Group has available undrawn committed borrowing facilities of $3,900,228 (2020: $8,053,291) in respect of which all conditions precedent had been met.

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28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

28.3 Liquidity risk (Continued)

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 2021			
Non-interest bearing			
– Trade and other payables[(1)]	**6,946,298**	**–**	**6,946,298**
Interest bearing			
– Bank borrowings	**5,398,447**	**1,937,047**	**7,335,494**
– Lease liabilities	**211,709**	**107,300**	**319,009**
	12,556,454	**2,044,347**	**14,600,801**
31 December 2020			
Non-interest bearing			
– Trade and other payables[(1)]	2,871,697	–	2,871,697
Interest bearing			
– Bank borrowings	2,396,478	2,651,967	5,048,445
– Lease liabilities	228,125	53,900	282,025
	5,496,300	2,705,867	8,202,167
Company			
31 December 2021			
Non-interest bearing			
– Trade and other payables[(1)]	**143,050**	**–**	**143,050**
Financial corporate guarantee	**7,126,365**	**–**	**7,126,365**
31 December 2020			
Non-interest bearing			
– Trade and other payables[(1)]	168,400	–	168,400
Financial corporate guarantee	4,855,243	–	4,855,243

(1) Excludes goods and services tax, advance billings to customers and deferred government income.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

28.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

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 and lease arrangements. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

28.4 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 2020.

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 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.

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 2021 and 2020.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Trade and other payables	**7,864,314**	4,204,646	**146,389**	172,261
Lease liabilities	**311,683**	278,142	**–**	–
Bank borrowings	**7,126,365**	4,855,243	**–**	–
Less:				
Cash and bank balances	**(756,050)**	(830,106)	**(9,153)**	(9,362)
Fixed deposits pledged	**(2,065,920)**	(2,064,295)	**–**	–
Net debt	**12,480,392**	6,443,630	**137,236**	162,899
Equity attributable to owners of the parent	**52,783,935**	51,633,870	**28,074,605**	28,043,804
Total capital	**65,264,327**	58,077,500	**28,211,841**	28,206,703
Gearing ratio (%)	**19**	11	*****	*

* Less than 1%

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

28.5 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	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Financial assets, at amortised cost				
Trade and other receivables[1]	**2,470,688**	2,635,557	**1,143,877**	1,139,280
Cash and bank balances	**756,050**	830,106	**9,153**	9,362
Fixed deposits pledged	**2,065,920**	2,064,295	**–**	–
	5,292,658	5,529,958	**1,153,030**	1,148,642
Financial liabilities, at amortised cost				
Trade and other payables[2]	**6,946,298**	2,871,697	**143,050**	168,400
Bank borrowings	**7,126,365**	4,855,243	**–**	–
Lease liabilities	**311,683**	278,142	**–**	–
	14,384,346	8,005,082	**143,050**	168,400

(1) Excludes unbilled receivables and grant receivables.
(2) Excludes goods and services tax, advance billings to customers and deferred government income.

29. IMPACT OF NOVEL CORONAVIRUS ("COVID-19")

The global outbreak of the novel coronavirus ("COVID-19") since early February 2020 has continued unabated into 2022, especially with the highly transmissible Omicron variant. However, the established control measures coupled with high vaccination rates as well as the modified health protocols have allowed for a gradual return to normalcy in Singapore in general and the construction industry in particular.

STATISTICS OF **SHAREHOLDINGS**

AS AT 31 MARCH 2022

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 31 MARCH 2022

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	10	8.00	4,000	0.01
1,001 – 10,000	32	25.60	202,200	0.20
10,001 – 1,000,000	69	55.20	8,124,000	8.19
1,000,001 and above	14	11.20	90,869,800	91.60
Total	125	100.00	99,200,000	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2022

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	18,000	0.02	13,854,500[(2)]	13.96	13,872,500	13.98
4	Kori Nobuaki	6,592,000	6.65	–	–	6,592,000	6.65

Notes:

(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) 4,150,300 shares are through Hong Leong Finance Nominees Pte Ltd; (ii) 3,115,800 shares are through Philip Securities Singapore Pte Ltd; (iii) 1,730,000 shares are through CGS-CIMB Securities (Singapore) Pte Ltd; and (iv) 4,858,400 shares are through KGI Securities (Singapore) Pte. Ltd.

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 31 March 2022, approximately 30.11% 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 31 MARCH 2022

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS
AS AT 31 MARCH 2022

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	HONG LEONG FINANCE NOMINEES PTE LTD	9,387,000	9.46
5	PHILLIP SECURITIES PTE LTD	7,131,500	7.19
6	KORI NOBUAKI	6,592,000	6.65
7	KGI SECURITIES (SINGAPORE) PTE LTD	4,858,400	4.90
8	UOB KAY HIAN PTE LTD	3,661,800	3.69
9	TAN TIN NAM	2,442,000	2.46
10	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,079,000	2.10
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	1,148,400	1.16
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:	**93,918,800**	**94.67**

APPENDIX DATED 13 APRIL 2022

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt in relation to the contents of this Appendix or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix is circulated to shareholders of Kori Holdings Limited (the "**Company**") together with the Company's annual report for the financial year ended 31 December 2021. Its purpose is to provide Shareholders with the relevant information relating to the Proposed Renewal of the Share Purchase Mandate to be tabled at the forthcoming Annual General Meeting of the Company to be held on 28 April 2022 at 10.00 a.m.

Capitalised terms appearing on this cover of the Appendix have the same meanings defined herein.

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares represented by physical share certificate(s), you should immediately forward this Appendix and the Annual Report to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been made available on SGXNet (www.sgx.com). A printed copy of this Appendix will NOT be despatched to Shareholders.

This Appendix has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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

KORI HOLDINGS LIMITED
(Company Registration Number: 201212407R)
(Incorporated in the Republic of Singapore on 18 May 2012)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

APPENDIX

TABLE OF CONTENTS

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**Act**" or "**Companies Act**"	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"**AGM**"	:	The annual general meeting of the Company to be held for FY2021 on 28 April 2022 at 10.00 a.m.
"**Annual Report**"	:	The Company's annual report for the financial year ended 31 December 2021
"**Appendix**"	:	This appendix to Shareholders dated 13 April 2022
"**Associate**"	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediately family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"**Awards**"	:	Awards to subscribe for ordinary shares of the Company issued pursuant to the Kori Performance Share Plan
"**Board**"	:	The board of Directors of the Company as at the date of this Appendix
"**Catalist**"	:	Catalist of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**"	:	Kori Holdings Limited
"**Constitution**"	:	The Constitution of the Company, as amended from time to time

APPENDIX

"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company
"**Directors**"	:	The directors of the Company as at the date of this Appendix
"**EPS**"	:	Earnings per Share
"**FY**"	:	The financial year ended or ending 31 December, as the case may be
"**Group**"	:	The Company and its subsidiaries, collectively
"**Latest Practicable Date**"	:	31 March 2022, being the latest practicable date prior to the printing of this Appendix
"**Notice of AGM**"	:	The notice of the AGM to be despatched to Shareholders at a later date
"**NTA**"	:	Net tangible assets
"**Options**"	:	Options to subscribe for ordinary shares of the Company issued pursuant to the Kori Employee Share Option Scheme
"**Proposed Renewal of Share Purchase Mandate**"	:	The proposed renewal of the Share Purchase Mandate
"**Relevant Period**"	:	The period commencing from the date on which the ordinary resolution relating to the renewal of the Share Purchase Mandate is passed at the AGM and expiring on the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, the date on which the Share buy-backs are carried out to the full extent of the renewed Share Purchase Mandate, or the date the said mandate is revoked or varied by the Company in a general meeting
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or re-enacted from time to time
"**SGX-ST**"	:	The Singapore Exchange Securities Trading Limited
"**Shares**"	:	Ordinary shares in the share capital of the Company
"**Share Purchase Mandate**"	:	The proposed general and unconditional mandate given by Shareholders at the AGM to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire the issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Act and the Catalist Rules

"**Shareholders**"	:	The registered holders of Shares in the register of members of the Company, except where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context so admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
"**SIC**"	:	The Securities Industry Council of Singapore
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Sponsor**"	:	PrimePartners Corporate Finance Pte. Ltd.
"**Substantial Shareholder**"	:	A person who has an interest, directly or indirectly, in five per cent. (5%) or more of the total number of Shares
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"**Treasury Shares**"	:	Shares purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate and held by the Company in accordance with Section 76H of the Act

Currencies, Units and Others

"**S$**", or "**cents**"	:	Singapore dollars and cents, respectively
"**%**" or "**per cent**"	:	Per centum or percentage

The term "**subsidiary**" shall have the meaning ascribed to it in the Companies Act.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and not otherwise defined in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Appendix shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them. Where applicable, figures and percentages are rounded to the nearest two decimal places.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

APPENDIX

LETTER TO SHAREHOLDERS

KORI HOLDINGS LIMITED

(Company Registration Number: 201212407R)
(Incorporated in the Republic of Singapore on 18 May 2012)

Board of Directors		**Registered Office**
Hooi Yu Koh	Executive Chairman and Chief Executive Officer	11 Sims Drive
Ng Wai Kit	Executive Director	#06-01 SCN Centre
Kuan Cheng Tuck	Lead Independent Director	Singapore 387385
Nicholas Philip Lazarus	Independent Director	
Lim Yeok Hua	Independent Director	

13 April 2022

To: The Shareholders of Kori Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Annual General Meeting

This Appendix is circulated together with the Annual Report to provide Shareholders with information relating to the Proposed Renewal of Share Purchase Mandate and to seek their approval for the same as set out in the Notice of AGM.

The SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements made or opinions expressed or reports contained in this Appendix.

2 THE RENEWAL OF SHARE PURCHASE MANDATE

2.1 Background of the Proposed Renewal of Share Purchase Mandate

The Company's existing Share Purchase Mandate was first approved by Shareholders at the annual general meeting of the Company held on 25 April 2014 and renewed at each subsequent annual general meeting of the Company. The Share Purchase Mandate will, unless renewed again, expire on the date of the forthcoming AGM. Accordingly, the Directors are proposing to seek Shareholders' approval at the forthcoming AGM for the proposed renewal of the Share Purchase Mandate.

The Act allows a company incorporated in Singapore to purchase or otherwise acquire its issued shares, stocks and preference shares if the purchase or acquisition is permitted under the Constitution. Any purchase of Shares by the Company will have to be made in accordance with, and in the manner prescribed by the Act, the Constitution and the Catalist Rules and such other laws and regulations as may for the time being, be applicable.

It is a requirement under the Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain the approval of its shareholders to do so at a general meeting. In this regard, approval is being sought from Shareholders at the AGM for the proposed renewal of the Share Purchase Mandate. An ordinary resolution will be proposed, pursuant to which authority will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of the Share Purchase Mandate.

2.2 Rationale for the Proposed Renewal of the Share Purchase Mandate

The Share Purchase Mandate would give the Company the flexibility to undertake the purchase or acquisition of its Shares as and when appropriate to:

(a) manage the share capital structure of the Company, with a view to enhancing the EPS, NTA per Share and/or return on equity;

(b) manage surplus capital, such that surplus capital and funds which are in excess of the Company's requirements may be returned to Shareholders in an expedient and cost-efficient manner;

(c) Share buy-backs by the Company will help mitigate short term market volatility, offset the effects of short-term share price speculation and bolster shareholder confidence; and

(d) manage and minimise the dilution impact (if any) associated with any share-based incentive scheme as may be implemented by the Company from time to time by delivering existing Shares instead of issuing new Shares.

The Share Purchase Mandate will be exercised by the Directors in circumstances where it is considered to be in the best interests of the Company, after taking into account factors such as the amount of surplus cash available and working capital requirements of the Company, the prevailing market conditions, liquidity and orderly trading of the Shares. The Directors are committed to ensuring that any Share buy-backs by the Company will not have any material adverse impact on the float, liquidity and/or orderly trading of the Shares and/or the financial position of the Group.

2.3 Authority and Limits

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if approved at the AGM, are summarised below.

2.4 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate during the Relevant Period, is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the AGM at which the Share Purchase Mandate is approved (unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Act approving the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the Company or the order of the court, as the case may be).

For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as Treasury Shares will be disregarded. There are no Treasury Shares as at the Latest Practicable Date.

For illustrative purposes only, on the basis of 99,200,000 Shares in issue (excluding Treasury Shares) as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the AGM and that no Shares are allotted or issued pursuant to the exercise of Options or vesting of Awards, not more than 9,920,000 Shares representing 10% of the issued Shares (excluding Treasury Shares) as at the date of the AGM may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

APPENDIX

2.4.1 Duration of Authority

Purchases or acquisitions of Shares may be made during the Relevant Period, at any time and from time to time, on and from the date of the AGM at which the Share Purchase Mandate is approved, up to:

(a) the date on which the next annual general meeting of the Company is held or required by law to be held;

(b) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or otherwise acquire Shares may be renewed by the Shareholders in any general meeting of the Company. When seeking the approval of the Shareholders for the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.4.2 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by the Company by way of:

(a) on-market purchases (the "**Market Purchase**"), transacted on the SGX-ST through the SGX-ST's trading system, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases (the "**Off-Market Purchase**") effected pursuant to an equal access scheme as defined in Section 76C of the Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Catalist Rules, the Act and the Constitution, as they consider fit in the interests of the Company and/or Shareholders in connection with or in relation to any equal access scheme.

An Off-Market Purchase must, however, satisfy all of the following conditions:

I. offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;

II. all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

III. the terms of all the offers are the same, except that there shall be disregarded:

i. differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

ii. differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

iii. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, pursuant to Rule 870 of the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed purchase or acquisition of Shares;

(d) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(f) details of any purchase or acquisition of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchase or Off-Market Purchase pursuant to an equal access scheme), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and

(g) whether the Shares purchased will be cancelled or kept as Treasury Shares.

2.4.3 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) (the "**related expenses**") to be paid for a Share will be determined by the Directors.

However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 110% of the Average Closing Price,

(the "**Maximum Price**") in either case, excluding related expenses.

APPENDIX

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of the Shares were made, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days and the day on which the purchases are made.

"**date of the making of the offer**" means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4.4 Status of Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as Treasury Shares to the extent permitted under the Act. At the time of each purchase or acquisition of the Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time and as the Directors deem fit in the interests of the Company at that time. The total number of Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) will be automatically de-listed by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.5 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provision on Treasury Shares under the Act are summarised below:

2.5.1 Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months or such further periods as ACRA may allow.

2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision of any Treasury Shares into Treasury Shares of a larger amount, or a consolidation of any Treasury Shares into Treasury Shares of a smaller amount, is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:

(a) sell the Treasury Shares for cash;

(b) transfer the Treasury Shares for the purposes of or pursuant to an employee share scheme of the Company;

(c) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the Treasury Shares; or

(e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance of Singapore.

The Company, upon undertaking any sale, transfer, cancellation and/or use of Treasury Shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

(a) date of the sale, transfer, cancellation and/or use;

(b) purpose of such sale, transfer, cancellation and/or use;

(c) number of treasury shares sold, transferred, cancelled and/or used;

(d) number of treasury shares before and after such sale, transfer, cancellation and/or use;

(e) percentage of the number of treasury shares against the total number of shares outstanding before and after such sale, transfer, cancellation and/or use; and

(f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Reporting Requirements

2.6.1 ACRA

Within thirty (30) days of the passing of a Shareholders' ordinary resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of purchases or acquisitions including the date of the purchases or acquisitions, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled and the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchases or acquisitions of Shares, the amount of consideration paid by the Company for the purchases or acquisitions, whether the shares were purchased or acquired out of profits or the capital of the Company and such other information as required by the Act.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

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2.6.2 Catalist Rules

Rule 871 of the Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.7 Source of Funds

The Company may only apply funds legally available for the purchase or acquisition of Shares in accordance with the Constitution and the applicable laws in Singapore. The Company may not purchase or acquire its Shares pursuant to the Share Purchase Mandate for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST. As stated in the Act, the Share buy-back may be made out of the Company's profits or capital so long as the Company is solvent (as defined in Section 76F(4) of the Act).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Purchase Mandate. The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or the gearing of the Group.

2.8 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, inter alia, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, the amount (if any) borrowed by the Group to fund the purchases or acquisitions, whether the Shares are purchased out of capital or profits of the Company and whether the Shares purchased or acquired are held in treasury or cancelled. It is therefore not possible to accurately calculate or quantify the impact at this point of time.

However, purely for illustrative purposes only, the financial effects on the Company and the Group based on the audited consolidated financial statements of the Company and the Group for FY2021 are set out below.

2.8.1 Purchase or Acquisition out of Capital or Profits

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits of the Company and hence the amount available for the distribution of dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced. The NTA of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

2.8.2 Maximum Price Paid for Shares Acquired or Purchased

Assuming that the Company purchases or otherwise acquires the maximum number of 9,920,000 Shares at the Maximum Price, the maximum amount of funds required is approximately:

(a) in the case of Market Purchase of Shares, approximately S$1.65 million based on the Maximum Price of S$0.166 for one Share (being the price equivalent to approximately 5% above the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding as well as on the Latest Practicable Date); and

(b) in the case of Off-Market Purchase of Shares, approximately S$1.73 million based on the Maximum Price of S$0.174 for one Share (being the price equivalent to approximately 10% above the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding as well as on the Latest Practicable Date).

2.8.3 Whether the Shares are Cancelled or Held in Treasury

Where the Company purchases the Shares out of capital and elects to hold the purchased Shares in treasury, the total amount of the purchase price paid would be recorded as "treasury shares" and presented as a debit (or deduction) item within the total equity. There would be no change in the amount of its share capital. Additionally, if the purchase is made out of profits, the amount of the Company's profits will be reduced accordingly.

In the case where the Company chooses not to hold the purchased Shares in treasury, such Shares shall be cancelled. The Company shall:

(a) reduce the amount of its share capital by the total amount of the purchase price paid, where the Shares were purchased or acquired out of the capital of the Company;

(b) in addition to the financial effect in (a), reduce the amount of its profits by the total amount of the purchase price paid by transferring the same amount to a capital reserve account, where the Shares were purchased or acquired out of the profits of the Company; or

(c) reduce the amount of its share capital and profits proportionally to the extent of the Shares that were purchased or acquired out of both the capital and profits of the Company by the total amount of the purchase price paid by the Company for the Shares cancelled.

2.8.4 Illustrative Financial Effects

For illustrative purposes only, Table A below lists four (4) possible scenarios of purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, based on the following facts and assumptions:–

(a) the Company has 99,200,000 issued and paid-up Shares as at the Latest Practicable Date, and no additional Shares were issued after the Latest Practicable Date and that no Shares are allotted or issued pursuant to the exercise of Options, or vesting of Awards;

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(b) the Company has as at 31 December 2021:

(i) issued share capital of S$32,290,650;

(ii) cash and cash equivalents of S$9,153;

(c) cash of up to S$0.75 million had been disbursed from the Company's wholly-owned subsidiaries to the Company prior to the purchase or acquisition of Shares by the Company;

(d) assuming that the Company manages to obtain external borrowings of S$1.53 million prior to the Market Purchase of Shares or S$1.61 million for the Off-Market Purchase of Shares; and

(e) the consideration for the purchase or acquisition of the Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) is as follows,

(i) in the case of Market Purchase of Shares, approximately S$1.65 million via internal funds and external borrowings by the Company; and

(ii) in the case of Off-Market Purchase of Shares, approximately S$1.73 million via internal funds and external borrowings by the Company, and

(f) transaction costs are disregarded.

and based on the audited financial statements of the Group for FY2021, the effects of the purchase or acquisition of such Shares by the Company on the financial position of the Company and the Group are as follows:

Table A

Scenario of purchase or acquisition of Shares

The following four possible scenarios in Table A are purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, with the pro-forma financial effects shown in detail with (i) Table B illustrating purchasing shares out of capital; or (ii) Table C illustrating purchasing shares out of profits:

Scenario	Type	Held as Treasury Shares/Cancelled	Maximum Price per Share	Number of Shares Purchased		Total Purchase Consideration
			S$	('000)	%	S$
1(A)	Market	Held as Treasury Shares	0.166	9,920	10	1,646,720
1(B)	Market	Cancelled	0.166	9,920	10	1,646,720
1(C)	Off-Market	Held as Treasury Shares	0.174	9,920	10	1,726,080
1(D)	Off-Market	Cancelled	0.174	9,920	10	1,726,080

Table B

Pro-forma financial effects on the Group for scenarios of Share purchases or acquisitions by the Company out of capital

	Group As at 31 December 2021 (Audited)	Pro-forma Financial Effects as at 31 December 2021 for Scenarios in Table A			
		1(A)	1(B)	1(C)	1(D)
Share Capital (S$'000)	32,291	32,291	30,644	32,291	30,565
Retained earnings (S$'000)	46,140	46,140	46,140	46,140	46,140
Merger reserve (S$'000)	(25,628)	(25,628)	(25,628)	(25,628)	(25,628)
Foreign currency translation account (S$'000)	(19)	(19)	(19)	(19)	(19)
Treasury Shares (S$'000)	–	(1,647)	–	(1,726)	–
Total Equity (S$'000)	52,784	51,137	51,137	51,058	51,058
Net Tangible Assets (***NTA***) – (S$'000)	52,784	51,137	51,137	51,058	51,058
Current Assets (S$'000)	37,207	36,451	36,451	36,451	36,451
Current Liabilities (S$'000)	17,084	17,975	17,975	18,054	18,054
Working Capital (S$'000)	20,123	18,476	18,476	18,397	18,397
Borrowings (S$'000)	7,126	8,017	8,017	8,096	8,096
Number of Shares(1) ('000)	99,200	89,280	89,280	89,280	89,280
Weighted average number of Shares(2) ('000)	99,200	89,280	89,280	89,280	89,280
Net profit for the financial year (S$'000)	1,176	1,176	1,176	1,176	1,176
Financial Ratios					
NTA per Share(3) (S$)	0.53	0.57	0.57	0.57	0.57
Current Ratio (times)	2.18	2.03	2.03	2.02	2.02
Gearing (times)	0.14	0.16	0.16	0.16	0.16
EPS(4) (S$)	1.19	1.32	1.32	1.32	1.32

Notes: –

1. Excludes shares that are held in treasury or cancelled as stipulated.
2. Assumes Share buy-back was conducted on 1 January 2021.
3. NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2021.
4. Earnings per Share ("**EPS**") is calculated based on net profit for the financial year divided by weighted average number of Shares.

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Table C

Pro-forma financial effects on the Group for scenarios of Share purchases or acquisitions by the Company out of profits

	Group As at 31 December 2021 (Audited)	**Pro-forma Financial Effects as at 31 December 2021 for Scenarios in Table A**			
		1(A)	**1(B)**	**1(C)**	**1(D)**
Share Capital (S$'000)	32,291	32,291	30,644	32,291	30,565
Retained earnings (S$'000)	46,140	44,493	44,493	44,414	44,414
Merger reserve (S$'000)	(25,628)	(25,628)	(25,628)	(25,628)	(25,628)
Capital reserve[5] (S$'000)	–	1,647	1,647	1,726	1,726
Foreign currency translation account (S$'000)	(19)	(19)	(19)	(19)	(19)
Treasury Shares (S$'000)	–	(1,647)	–	(1,726)	–
Total Equity (S$'000)	52,784	51,137	51,137	51,058	51,058
Net Tangible Assets (***NTA***) – (S$'000)	52,784	51,137	51,137	51,058	51,058
Current Assets (S$'000)	37,207	36,451	36,451	36,451	36,451
Current Liabilities (S$'000)	17,084	17,975	17,975	18,054	18,054
Working Capital (S$'000)	20,123	18,476	18,476	18,397	18,397
Borrowings (S$'000)	7,126	8,017	8,017	8,096	8,096
Number of Shares[1] ('000)	99,200	89,280	89,280	89,280	89,280
Weighted average number of Shares[2] ('000)	99,200	89,280	89,280	89,280	89,280
Net profit for the financial year (S$'000)	1,176	1,176	1,176	1,176	1,176
Financial Ratios					
NTA per Share[3] (S$)	0.53	0.57	0.57	0.57	0.57
Current Ratio (times)	2.18	2.03	2.03	2.02	2.02
Gearing (times)	0.14	0.16	0.16	0.16	0.16
EPS[4] (S$)	1.19	1.32	1.32	1.32	1.32

Notes: –

1. Excludes shares that are held in treasury or cancelled as stipulated.
2. Assumes Share buy-back was conducted on 1 January 2021.
3. NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2021.
4. Earnings per Share ("**EPS**") is calculated based on net profit for the financial year divided by weighted average number of Shares.
5. Capital reserve represents the amount transferred or appropriated from retained earnings to reflect that the Share purchases or acquisitions are made out of profits.

The actual impact will depend on number of and price of the Shares brought back. As stated, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of Shares).

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited numbers as at 31 December 2021, save for the number of Shares, which is based on the number of Shares as at the Latest Practicable Date, and is not necessarily representative of future financial performance and position of the Group.

The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire any or all of the 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased as Treasury Shares at its discretion.

2.9 Appendix 2 of the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out in Sections 2.10 to 2.14 of this Appendix.

2.10 Obligation to make a Take-over Offer

Rule 14 of the Take-over Code requires, inter alia, that except with the consent of the SIC, where:

(a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or

(b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital of the company which carries votes and in which such person, or persons acting in concert with him, holds shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentages of voting rights of such person and their concert parties, Treasury Shares shall be excluded.

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2.11 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert under the Take-over Code, namely:

(a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employees' share schemes;

(d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

2.12 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

(a) the voting rights of such Directors and persons acting in concert with them would increase to 30% or more; or

(b) in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

(a) the voting rights of such Shareholder would increase to 30% or more; or

(b) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one (1)% in any period of six (6) months.

Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers and/or SIC and/or other relevant authorities at the earliest opportunity.

2.13 Application of the Take-over Code

As at the Latest Practicable Date, the details of the shareholdings of the Substantial Shareholders and Directors of the Company are set out in Section 3 of this Appendix.

2.13.1 Mr Hooi Yu Koh and parties acting in concert with him

As at the Latest Practicable Date, Mr Hooi Yu Koh, the Executive Chairman and Chief Executive Officer of the Company, holds 33,863,100 Shares in the Company representing 34.13% of the total number of issued Shares of the Company.

In the event that the Share Purchase Mandate is exercised to its maximum 10%, the interest of Mr Hooi Yu Koh in the Company could increase by more than 1% in any period of six (6) months. Accordingly, Mr Hooi Yu Koh and parties acting in concert with him will be required to make a general offer under Rule 14 of the Take-over Code.

As at the Latest Practicable Date, there are no parties acting in concert with Mr Hooi Yu Koh.

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Conditions for exemption from having to make a general offer under Rule 14 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, Mr Hooi Yu Koh and parties acting in concert with him (if any) (the "**Relevant Parties**") will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code if their respective shareholding in the Company increases by more than 1% in any six (6) months as a result of any Share buy-back carried out by the Company pursuant to the Share Purchase Mandate, subject to the following conditions:

(a) the circular to Shareholders seeking their approval for the Share Purchase Mandate will contain:

  (i) advice to the effect that by voting in favour of the resolution to approve the Share Purchase Mandate, Shareholders are waiving their rights to a general offer at the required price from the Relevant Parties; and

  (ii) the names and voting rights of the Relevant Parties as at the date of the resolution and after the Company exercises the power under the Share Purchase Mandate in full and purchases 10% of the issued Shares;

(b) the resolution to authorise the Share Purchase Mandate is approved by a majority of Shareholders who are present and voting at the AGM on a poll who could not become obliged to make an offer as a result of the Share buy-back by the Company pursuant to the Share Purchase Mandate;

(c) the Relevant Parties will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Purchase Mandate;

(d) within seven (7) days after the passing of the resolution to approve the Share Purchase Mandate, Mr Hooi Yu Koh submits to the SIC a duly signed form as prescribed by the SIC;

(e) the Relevant Parties have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposal for the renewal of the Share Purchase Mandate is imminent and the earlier of:

  (i) the date on which the authority of the Share Purchase Mandate expires; and

  (ii) the date on which the Company announces that it has brought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

  if any such acquisitions, taken together with the Share buy-back, would cause their aggregate voting rights to increase by more than 1% in the preceding six (6) months.

As such, if the aggregate voting rights held by the Relevant Parties increase by more than 1% solely as a result of the Company's buy-back of Shares under the Share Purchase Mandate, and none of them has acquired any Shares during the relevant six (6) month period, then the Relevant Parties would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buy-back Shares pursuant to the Share Purchase Mandate and the increase in the aggregate voting rights held by the Relevant Parties as a result of the relevant buy-back of Shares at such time is less than one (1) % in any six (6) month period, the Relevant Parties may acquire further voting rights in the Company. However, any increase in their percentage voting rights as a result of the buy-back of Shares pursuant to the Share Purchase Mandate will be taken into account together with any voting rights acquired by the Relevant Parties (by whatever means) in determining whether they have increased their aggregate voting rights by more than one (1) % in any six (6) month period.

2.13.2 Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption (please refer to paragraph (d) in Section 2.13.1 in this Appendix) from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its share purchase mandate.

As at the Latest Practicable Date, Mr Hooi Yu Koh has informed the Company that he will be submitting the Form 2 to the SIC within seven (7) days after the passing of the resolution relating to the renewal of the Share Purchase Mandate.

2.14 Advice to Shareholders

Shareholders should note that by voting for the renewal of the Share Purchase Mandate, they are waiving their rights to a take-over offer at the required price from Mr Hooi Yu Koh and parties acting in concert with him (if any) in the circumstances set out above. Such a take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.

Save as disclosed, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate Appendix 2 of the Take-over Code requires that the resolution to authorise the Share Purchase Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-over Code as a result of the Share buy-back. Accordingly, the said resolution is proposed to be taken on a poll and Mr Hooi Yu Koh shall abstain from voting on such resolution.

2.15 Catalist Rules

2.15.1 Dealing in Securities

While the Catalist Rules does not expressly prohibit purchase or acquisition of shares by a listed company during any particular time or times, the listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase or acquire any Shares pursuant to the Share Purchase Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such information has been publicly announced. Rule 1204(19) of the Catalist Rules provides, inter alia, that a listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two (2) weeks before the announcement of the company's financial statements for each of the first three (3) quarters of its financial year, and one (1) month before the announcement of the company's full year financial statements (if required to announce quarterly financial statements), or one (1) month before the announcement of the company's half year and full year financial statements (if not required to announce quarterly financial statements), as the case may be, and ending on the date of the announcement of the relevant financial statements.

The Company has adopted and implemented the best practices on dealings in securities in accordance with Rule 1204(19) of the Catalist Rules and the Directors and employees of the Group are not allowed to deal in the Company's shares during the period commencing one (1) month before the announcement of the Company's half year and full year results and ending on the date of the announcement of the relevant results. Pursuant to such best practices, the Company will also not purchase any Shares during such periods.

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2.15.2 Public Float

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its Shares are in the hands of the public. The "**public**", as defined under the Catalist Rules, are persons other than (i) the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, and (ii) the Associates of such persons in (i).

As at the Latest Practicable Date, approximately 29,862,400 Shares, representing approximately 30.11% of the issued Shares, are in the hands of the public. Assuming that the Company purchases or acquires its Shares through Market Purchase up to the full 10% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 19,942,400 Shares, representing 22.34% of the reduced issued share capital of the Company. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect the orderly trading of Shares.

In undertaking any purchases or acquisitions of Shares through Market Purchase, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.15.3 Maximum Price

Under the Catalist Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average of the closing market prices of the Shares over the last 5 market days, on which transactions in the Share were recorded, before the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.4.3 of this Appendix, conforms to this restriction.

2.16 Previous Share Buybacks

The Company has not purchased or acquired any Shares during the twelve (12) months immediately preceding the Latest Practicable Date.

2.17 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications arising from the purchase or acquisition of Shares by the Company, or who may be subject to tax in a jurisdiction, should consult their own professional advisers.

2.18 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company, Controlling Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

3 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date are set out below:

On the assumption that their voting rights will not change between the Latest Practicable Date and the date of the AGM, the interests of the Directors in Shares and interests of the Substantial Shareholders in Shares before and after the purchase of Shares pursuant to the Share Purchase Mandate.

Name	Before Share Purchase (as at the Latest Practicable Date)				After Share Purchase
	Direct Interest	Deemed Interest	Total Interest	%	%
Directors					
Hooi Yu Koh	18,939,100	14,924,000(3)	33,863,100	34.13%	37.93%
Ng Wai Kit	10,000	–	10,000	0.01%	0.01%
Kuan Cheng Tuck	–	–	–	–	–
Lim Yeok Hua	–	–	–	–	–
Nicholas Philip Lazarus	–	–	–	–	–
Substantial Shareholders (other than Directors)					
Keong Hong Holdings Limited	15,000,000	–	15,000,000	15.12%	16.80%
Foo Tiang Ann	18,000	13,854,500(4)	13,872,500	13.98%	15.54%
Kori Nobuaki	6,592,000	–	6,592,000	6.65%	7.38%

Notes:

(1) Based on 99,200,000 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Based on 89,280,000 (excluding treasury shares or Shares being cancelled), assuming (a) the Company purchases the maximum amount of 10% of the total number of issued Shares (excluding Treasury Shares or shares being cancelled) and (b) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in.

(3) The deemed interest in 14,924,000 shares is held through BNP Paribas Nominees Singapore Pte. Ltd.

(4) The deemed interest in shares are held as follows:– (i) 4,150,300 shares are through Hong Leong Finance Nominees Pte Ltd; (ii) 3,115,800 shares are through Philip Securities Singapore Pte Ltd; (iii) 1,730,000 shares are through CGS-CIMB Securities (Singapore) Pte Ltd; and (iv) 4,858,400 shares are through KGI Securities (Singapore) Pte. Ltd.

None of the Directors or Substantial Shareholders (other than in his/her capacity as a Director or Shareholder), as well as their respective associates, has any interest, direct or indirect, in the Proposed Renewal of Share Purchase Mandate.

APPENDIX

4 DIRECTORS' RECOMMENDATION

The Directors, save for Mr Hooi Yu Koh who has abstained from making any recommendation to Shareholders pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in paragraph (c) in Section 2.13.1 of this Appendix), having carefully considered the terms and rationale of the Proposed Renewal of the Share Purchase Mandate, are of the opinion that the Proposed Renewal of the Share Purchase Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of ordinary resolution in respect of the Proposed Renewal of the Share Purchase Mandate to be proposed at the AGM.

5 ANNUAL GENERAL MEETING

The AGM will be held on 28 April 2022 at 10.00 a.m., for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolution in respect of the Proposed Renewal of Share Purchase Mandate, which will also be set out in the Notice of AGM which will be despatched to Shareholders in due course.

6 ACTIONS TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be allowed to attend the AGM in person. Shareholders will not be able to vote online at the AGM. A member (whether individual or corporate) must appoint the chairman of the AGM ("**AGM Chairman**") as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Please note that a member may not vote at the AGM otherwise than by way of appointing the Chairman of the Meeting as the member's proxy.

The instrument appointing the AGM Chairman as proxy must:

(a) if sent personally or by post, be received at Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or

(b) if submitted by email, be received by Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, by email at sg.is.proxy@sg.tricorglobal.com.

In either case no later than 10.00 a.m. on 25 April 2022, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

SRS Investors are to approach their respective SRS Operators to submit their votes not later than Monday, 18 April 2022, 10.00 am, being at least seven (7) working days before the time appointed for the holding of the AGM.

Shareholders are encouraged to check regularly the SGX website or the Company's website for any updates on the AGM. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP pursuant to Part IIIAA of the SFA at least seventy-two (72) hours before the AGM.

7 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8 ABSENTION FROM VOTING

The Relevant Parties will abstain from voting at the AGM in respect of the resolution relating to the Proposed Renewal of the Share Purchase Mandate pursuant to the conditions under Appendix 2 of the Take-over Code as set out in paragraph (c) of Section 2.13.1 of this Appendix. Furthermore, such persons shall not act as proxies in relation to such resolution unless specific voting instructions have been given.

9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 11 Sims Drive, #06-01 SCN Centre, Singapore 387385 during normal business hours from the date of this Appendix up to and including the date of the AGM:

(a) the Constitution of the Company; and

(b) the annual report of the Company for the financial year ended 31 December 2021.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to admin@kori.com.sg to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

Yours faithfully
For and on behalf of the Board of Directors of
KOR HOLDINGS LIMITED

Hooi Yu Koh
Executive Chairman and Chief Executive Officer
Singapore

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Kori Holdings Limited (the "**Company**") will be held by way of electronic means on 28 April 2022 at 10.00 a.m. for the purposes set out below.

The Notice has been made available on SGXNet and the Company's Website at URL http://www.kori.com.sg. A printed copy of this Notice, the proxy form and other documents related to the AGM will NOT be despatched to members.

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 and the Directors' Statement together with the Auditors' Report.

(Resolution 1)

2. To re-elect Mr Lim Yeok Hua, who is retiring pursuant to Regulation 117 of the Company's Constitution, and who, being eligible, offered himself for re-election.
[See Explanatory Note (1)(a)]

(Resolution 2)

3. To re-elect Mr Ng Wai Kit, who is retiring pursuant to Regulation 117 of the Company's Constitution and who, being eligible, offered himself for re-election.
[See Explanatory Note (1)(b)]

(Resolution 3)

4. To approve the payment of Directors' fees of up to S$145,000.00 for the financial year ending 31 December 2022, payable quarterly in arrears. [FY2021: S$145,000.00]

(Resolution 4)

5. To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 5)

6. To transact any other ordinary business which may be properly transacted at an annual general meeting.

As Special Business

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

7. **Authority to Allot and Issue Shares**

THAT pursuant to Section 161 of the Companies Act 1967 (the "**Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

(I) (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(b) 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

(II) (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:

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed one hundred per cent (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (a) above, the percentage of the issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from the exercise of share options or vesting of share awards which are outstanding and/or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) 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;

Any adjustments made in accordance with sub-paragraphs (b)(i) or (b)(ii) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

(c) 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), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be 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 earlier.
[See Explanatory Note (2)]

(Resolution 6)

NOTICE OF **ANNUAL GENERAL MEETING**

8. **The Proposed Renewal of the Share Purchase Mandate**

(I) That for the purposes of Sections 76C and 76E of the Act, the Directors of the Company be and are hereby authorized to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined below), whether by way of:

(a) market purchase(s) (each a "**Market Purchase**") on the SGX-ST; and/or

(b) off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with an equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Catalist Rules and the Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the Constitution of the Company, the provisions of the Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(II) That unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the Relevant Period (as defined below) and expiring on the earliest of:

(a) the date on which the next annual general meeting of the Company is held or required by law to be held;

(b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by shareholders in a general meeting;

(III) For the purposes of this Resolution:

"**Maximum Limit**" means that number of issued Shares representing not more than 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered by such capital reduction (excluding any treasury shares that may be held by the Company from time to time). Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit;

"**Relevant Period**" means the period commencing from the date of the passing of this Resolution and expiring on the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, the date on which the share buy-backs are carried out to the full extent of the Share Purchase Mandate, or the date the said mandate is revoked or varied by the Company in a general meeting;

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of Market Purchase, 105% of the Average Closing Price; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 110% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of the Share over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days and the day on which the purchases are made;

"**day of the making of the offer**" means the day on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off- Market Purchase; and

(IV) That the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;

(V) That the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Purchase Mandate in any manner as they think fit, which is permitted under the Act; and

(VI) That the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.
[See Explanatory Note (3)]

(Resolution 7)

By Order of the Board

Lee Pih Peng
Company Secretary
Singapore
13 April 2022

NOTICE OF **ANNUAL GENERAL MEETING**

Explanatory Notes to the resolutions:

(1) Re-election of Directors:

(a) Mr Lim Yeok Hua will, upon re-election as a Director of the Company, remain the Independent Director of the Company, Chairman of the Nominating Committee and member of the Audit Committee and the Remuneration Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. Mr Lim Yeok Hua has received shareholders' approval via the two-tier voting mechanism with respect to his independence as required under the Catalist Rules 406(d)(iii) on 27 April 2021. Detailed information on Mr Lim Yeok Hua can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.

(b) Mr Ng Wai Kit will, upon re-election as a Director of the Company, remain the Executive Director of the Company. Detailed information on Mr Ng Wai Kit can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.

(2) The proposed Resolution 6 in item 7, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares and/or convertible securities in the Company, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution 6, for such purposes as the Directors may consider would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may allot and issue under this Resolution 6 would not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution 6. For issue of Shares and convertible securities other than on a *pro-rata* basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution 6.

(3) The proposed Resolution 7 in item 8, if passed, will empower the Directors of the Company, from the date of the AGM until the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to purchase or acquire up to ten per centum (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), at prices up to but not exceeding the Maximum Price (as defined above), as at the date of the passing of this Resolution 7. Details the proposed renewal of the Share Purchase Mandate are set out in the Appendix accompanying this annual report.

Additional Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation titled "Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period".

2. Due to the current COVID-19 situation, members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 am on 22 April 2022, at https://bit.ly/registerkori2022. Following authentication of their status as members, authenticated members will receive email verifying their status as a shareholder. Shareholders should use the log-on credential created during the registration process to access the webcast and audio feed of the proceedings of the AGM by 10.00 am on 27 April 2022. Members who do not receive an email by 10.00 am on 27 April 2022 should contact the Company, by email at admin@kori.com.sg.

   Persons holding shares through relevant intermediaries, including SRS investors, who wish to participate in the AGM via webcast should contact their relevant intermediaries (e.g. their respective SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM. The relevant intermediaries are required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport Number), via email to the Company at admin@kori.com.sg by 10.00 am on 22 April 2022.

3. Members who pre-register to watch the "live" webcast or listen to the "live" audio feed may also submit questions relating to the resolutions to be tabled for approval at the AGM. Please note that members will not be able to ask questions at the AGM "live" during the webcast and the audio feed.

   All questions must be submitted by 10.00 am on 21 April 2022 ("**Questions Cut-Off Date**") via the pre-registration website at https://bit.ly/registerkori2022.

   The Company will address substantial questions relevant to the resolutions to be tabled for approval at the AGM, as received from Shareholders before the Questions Cut-Off Date, on or prior to 23 April 2022, 10.00 am. The Company will, within one month after the date of the AGM, publish the minutes of the AGM, together with responses to subsequent clarifications sought or follow-up questions raised by shareholders in respect of substantial and relevant matters on SGXNet and the Company's website.

4. A member will not be able to attend the AGM in person. Members (whether individuals or corporates) who wish to exercise their voting rights at the AGM must appoint the chairman of the annual general meeting ("**Chairman of the AGM**") as their proxy to attend, speak and vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the AGM as proxy must:

   (a) if sent personally or by post, be received at Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) if submitted by email, be received by Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, by email at sg.is.proxy@sg.tricorglobal.com.

In either case no later than 10.00 am on 25 April 2022, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

SRS Investors are to approach their respective SRS Operators to submit their votes not later than Monday, 18 April 2022, 10.00 am, being at least seven (7) working days before the time appointed for the holding of the AGM.

7. The Annual Report for the financial year ended 31 December 2021 and the Letter to Shareholders in relation to the proposed renewal of the Share Buyback Mandate have been made available on SGXNET and may be accessed at the Company's website at http://www.kori.com.sg.

8. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

9. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

10. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy 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 the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

11. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Important Reminders

Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM. Further, in view of the current COVID-19 measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof);

(ii) processing of the pre-registration for purposes of granting access to members to the "live" webcast or "live" audio feed of the AGM proceedings and providing them with any technical assistance where necessary;

(iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

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KORI HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201212407R)

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL http://www.kori.com.sg A printed copy of this form of proxy will NOT be despatched to members.

Important:

1. Due to the current COVID-19 situation, members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 am on 22 April 2022, at https://bit.ly/registerkori2022. Following authentication of their status as members, authenticated members will receive email verifying their status as a shareholder. Shareholders should use the log-on credential created during the registration process to access the webcast and audio feed of the proceedings of the AGM by 10.00 am on 27 April 2022. Members who do not receive an email by 10.00 am on 27 April 2022 should contact the Company, by email at admin@kori.com.sg.
2. SRS Investors are to approach their respective SRS Operators to submit their votes not later than 10.00 am, 18 April 2022 being at least seven working (7) days before the time appointed for the holding of the AGM.
3. By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2022.

PROXY FORM

I/We, ________________________________ (name) of ____________________ (NRIC/Passport No./Company Registration No.) of ____ (address) being a *member/members of Kori Holdings Limited (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") (the "**Chairman of the AGM**") as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held by way of electronic means on 28 April 2022 at 10.00 a.m. and at any adjournment thereof. *I/We direct the Chairman of the AGM to vote for, against and/or to abstain from the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the Chairman may vote or abstain from voting at his discretion, as he may on any other matter arising at the AGM.

Ordinary Resolutions	ORDINARY BUSINESS	For#	Against#	Abstain#
Resolution 1	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 and the Directors' Statement together with the Auditor's Report			
Resolution 2	To re-elect Mr Lim Yeok Hua as a Director of the Company			
Resolution 3	To re-elect Mr Ng Wai Kit as a Director of the Company			
Resolution 4	To approve the payment of Directors' Fees of up to S$145,000 for the financial year ending 31 December 2022, payable quarterly in arrears			
Resolution 5	To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
	SPECIAL BUSINESS	**For#**	**Against#**	**Abstain#**
Resolution 6	To approve the authority to allot and issue shares			
Resolution 7	To approve the proposed renewal of the Share Purchase Mandate			

\# Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against"; or to "Abstain" from, the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes in a proportion of "For", "Against" or/and to "Abstain" from the relevant resolution, please indicate the number of shares in the boxes provided. In the absence of directions in respect of a specific resolution, the appointment of Chairman of the AGM as your proxy for that specific resolution will be treated as invalid.

* Delete where applicable

Date this ______ day of ________________ 2022

Total Number of Shares held in:	
CDP Register	
Register of Members	

____
Signature(s)/Common Seal of Member(s)

NOTES:

IMPORTANT

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he 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.

2. Due to the current COVID-19 situation, members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 am on 22 April 2022, at https://bit.ly/registerkori2022. Following authentication of their status as members, authenticated members will receive email verifying their status as a shareholder. Shareholders should use the log-on credential created during the registration process to access the webcast and audio feed of the proceedings of the AGM by 10.00 am on 27 April 2022. Members who do not receive an email by 10.00 am on 27 April 2022 should contact the Company, by email at admin@kori.com.sg.

   Persons holding shares through relevant intermediaries, including SRS investors, who wish to participate in the AGM via webcast should contact their relevant intermediaries (e.g. their respective SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM by 10.00 am, 22 April 2022.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The proxy form appointing the Chairman of the AGM as proxy must:

   (a) if sent personally or by post, be received at Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) if submitted by email, be received by Kori Holdings Limited c/o Tricor Barbinder Share Registration Services, by email at sg.is.proxy@sg.tricorglobal.com,

   In either case no later than 10.00 am on 25 April 2022, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   SRS Investors are to approach their respective SRS Operators to submit their votes not later than 10.00 am, 18 April 2022, being at least seven working (7) days before the time appointed for the holding of the AGM.

5. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

6. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

7. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy 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 the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

8. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Important Reminders

Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM. Further, in view of the current COVID-19 measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

KORI HOLDINGS LIMITED

(Company Registration No.: 201212407R)
(Incorporated in the Republic of Singapore on
18 May 2012)