



KORI HOLDINGS LIMITED



INNOVATION | SUSTAINABILITY | SUCCESS

ANNUAL REPORT 2024

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This annual report 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, Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

CORPORATE PROFILE

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



CHAIRMAN'S STATEMENT



MR. HOOI YU KOH

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDERS

The Building and Construction Industry (“BCA”) announced that the preliminary total construction demand for 2024 reached S\$44.2 billion in nominal terms. This has exceeded BCA’s mid-year revised forecast of between S\$35 billion and S\$41 billion. The increase was mainly attributed to the rolling out of more public institutional projects as well as public and private housing projects. This augurs well for the construction industry and the Group has benefited from it.

I am pleased to report that for FY2024, revenue from structural steel works comprised income from the provision of structural steel construction services (“**Structural Steel Works Income**”) and income from leasing of steel beams (“**Lease Income**”) increased from S\$16.8 million (FY2023) to S\$17.3 million. The overall gross profit decreased by 3% from S\$5.2 million in FY2023 to S\$5.1 million in FY2024. Overall gross profit margin remained approximately the same at 29% in FY2024. The Group’s net profit for FY2024 increased by 37 per cent from S\$0.5 million in FY2023 to S\$0.7 million.

OUR EXPERTISE

We are a specialist builder in structural steel works, piling works, ground support and stabilisation works. In addition, we 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. Given our specialisation in the industry, there are few peer competitors in our area of expertise.

SUSTAINABILITY AND INNOVATION EFFORTS

The Group embraces sustainability as a cornerstone of its operations. As a construction company, we maintain our commitment to steel reuse and recycling to optimise our carbon footprint. We also ensure strict environmental standards across our supply chain. This encompasses adopting energy-efficient technologies, optimising waste management protocols, and integrating solar energy solutions. Through these concerted efforts, the Group endeavours to minimise its environmental impact and play an active role in combating the challenges posed by climate change on a broader scale.

In FY2024, our steel fabrication processes consumed approximately 37,500 tonnes of steel. We achieved an impressive 93.6% reuse rate of our steel inventory across all projects, resulting in significant cost and resource savings.

In FY2024, the Group implemented its highly productive Precast Traffic Diversion Decking System (PTDDS) in the new MRT Cross Island Line projects and successfully reutilised the precast deck panels within its existing projects. These green initiatives further enhanced the Group’s productivity and sustainable business practices.

On product innovation, the Group’s expertise in steel decking works has culminated in creating Kori Large Panelling Traffic Decking System. This system is a breakthrough in temporary traffic diversion platforms tailored to Singapore’s infrastructure needs. The system facilitates more efficient and stable decking works by employing rugged grid-pattern beam sections. Thus, offering significant improvements in efficiency when compared with conventional methods. The system’s modular design also resulted in cost savings, resource efficiency, and exemplifies the Group’s commitment to sustainable solutions.

CHAIRMAN'S STATEMENT

UPDATES TO THE BOARD COMPOSITION/REFRESHED BOARD

Three independent directors reached their maximum term of office and stepped down on 29 April 2024. They are Messrs Lim Yeok Hua, Nicholas Philip Lazarus and Kuan Cheng Tuck. I would like to place on record our appreciation for their contributions and guidance to the Group over the past eleven years. To ensure gender diversity in the composition of our Board of Directors, I would like to extend my warm welcome to Ms Elizabeth Toh Guek Li who is our first female Director. I would also like to welcome Messrs Chua Ser Miang and Lye Thiam Fatt Joseph Victor as our two new independent directors.

All Board members have completed the mandated sustainability training course as required under the enhanced SGX sustainability reporting rules. The Board shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders.

LOOKING AHEAD

The outlook for the Singapore construction industry for 2025 remains strong. The Building and Construction Authority ("BCA") projected the total construction demand, i.e. the value of construction contracts to be awarded, to range between S\$47 billion and S\$53 billion in nominal terms in 2025¹. Normalised to real values, BCA states that 2025's demand is projected to range between S\$35 billion and S\$39 billion, which is between 0.3% and 11.7% higher than pre-COVID levels in 2019.

The strong demand is underpinned by the expected award of contracts for several large-scale developments, such as Changi Airport Terminal 5 (T5) and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works. Other contributors include MRT network extensions, and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port.

The Group expects construction activities for the secured North-South Corridor (NSC) projects and Cross Island Line ("CRL") projects to be ramped up and is gearing resources from other near completing projects to meet such demand. Given our established track record and strong technical expertise in infrastructure projects, we remain confident of benefitting from the upcoming public sector projects.

It is to be noted that labour costs and other related expenses such as accommodation for foreign workers have stabilised. Nevertheless, the Group remains vigilant in monitoring operational constraints and is committed to implementing the necessary measures to mitigate their impact on our performance. It is important that the Group maintains close collaboration with its stakeholders, including customers, suppliers, financiers and others, to manage operational costs effectively. This is to ensure sufficient cash flows to sustain our operations as a going concern.

We are proud that our highly productive precast traffic diversion decking system has been adopted in the new CRL projects. We have also reused the precast deck panels within our existing projects. These initiatives have been fully integrated into our enhanced productivity and green initiative reuse policy.

DIVIDEND

No dividend has been recommended for FY2024 after taking into consideration the Group's cash flow requirements in the foreseeable future.

APPRECIATION

On behalf of the Board, I would like to express my appreciation to our customers, suppliers, business associates and bankers for their continued support. Most of all, thanks must go to the management and staff who are key to our success, for their exceptional work and unwavering commitment. My appreciation also goes to my fellow directors on the board for their invaluable counsel and guidance during the past year.

Last but not least, I would like to thank our shareholders and investors for their continued support and confidence in the Group. As a construction company, we are "Building on Innovation and Sustainability" to set us apart from our competitors.

HOOI YU KOH

Executive Chairman and Chief Executive Officer

¹ Building and Construction Authority
<https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>

FINANCIAL AND OPERATIONS REVIEW

The Group's financial statements for the year ended 31 December 2024 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). There are no new or amended Standards (effective from annual period beginning or on after 1 January 2024) which will result in any significant impact on the Group's financial statements.

The Group's revenue is organised into two (2) main business segments:-

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

STRUCTURAL STEEL WORKS

Revenue from this segment comprises income from the provision of structural steel construction services ("**Structural Steel Works Income**") and income from leasing of steel beams ("**Lease Income**"). Revenue arising from the Structural Steel Works segment for FY2024 amounting to S\$17.3 million (FY2023: S\$16.8 million) comprises (i) Lease Income of S\$9.5 million (FY2023: S\$10.2 million); and (ii) Structural Steel Works Income of S\$7.8 million (FY2023: S\$6.6 million). The S\$0.5 million increase in the segment's revenue stemmed from a S\$1.2 million rise in service revenue arising from Structural Steel Works Income. This growth in service revenue from Structural Steel Works Income was attributable to the positive progress of ongoing projects and the commencement of new projects. However, this upward trend was partially offset by a S\$0.7 million decline in Lease Income. The decrease in Lease Income was caused by an average of a one-year delay in some projects, which led to a lower amount of recognised Lease Income compared to the previous year.

TUNNELLING WORKS

The revenue from Tunnelling Works has decreased significantly. This is mainly due to the completion of a major tunnelling project in FY2023. However, this significant decline has been partially offset by a small-scale tunnelling works which commenced in FY2024.

COST OF SALES

The main portion of cost of sales is the provision of structural steel construction service which comprises labour and installation costs. The rise in costs within the Structural Steel Works segment is in line with the increase in revenue. This increase in revenue also leads to higher costs as the scale of operations expands.

GROSS PROFIT MARGIN

The gross profit margin remained largely the same for FY2023 and FY2024, at 29%.

OTHER INCOME

The S\$62,000 increase in other income in FY2024 compared to FY2023 can be attributed to higher government grants. Specifically, a Productivity and Innovation Project (PIP) grant of approximately S\$60,000 was received from the Building and Construction Authority (BCA) in FY2024.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by 7% in FY2024 compared to FY2023. This rise is primarily attributable to more steel beams purchased in FY2024, which led to corresponding increase in depreciation costs, rental of storage of steel beams and administrative charges associated with the steel beam acquisitions.

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

A total loss allowance of S\$90,000 was recognised in FY2024. This consists of a S\$133,000 non-credit impaired allowance (FY2023: S\$784,000) against trade receivables and contract assets arising from ongoing projects for FY2024. This was offset by a reversal of credit-impaired allowance of S\$42,000 (FY2023: S\$42,000) related to retention sums. The said retention sums were released by the main contractor upon the completion of project in FY2024. The loss allowance was higher in FY2023 as the Group also took inflation into consideration for the first time when determining the general provision rate. Consequently, more loss allowances were recognised in FY2023 compared to FY2024.

OTHER EXPENSES

The increase of S\$215,000 in other expenses was mainly attributable to an increase in steel beams being written off during FY2024.



FINANCIAL AND OPERATIONS REVIEW

INCOME TAX EXPENSE

Income tax expense amounting to S\$253,000 relates mainly to the estimated deferred tax arising from the temporary differences between the tax bases and the carrying amounts of the relevant assets and liabilities of the Group.

REVIEW OF THE FINANCIAL POSITION OF THE GROUP

ASSETS

Trade and other receivables increased by S\$2.5 million in FY2024. This was mainly attributed to an increase in retention sums and trade receivables stemming from ongoing projects.

Contract assets decreased by S\$1.2 million as a result of the transfer of contract assets to trade receivables account, following an increase in progress billings certified in structural steel works during FY2024.

Capitalised contract costs increased by S\$190,000 due to new capitalised cost of S\$290,000 from new projects which commenced in FY2024. This was slightly offset by continuous amortisation for ongoing projects cost.

PROPERTY, PLANT AND EQUIPMENT

The decrease of S\$316,000 in property, plant and equipment was largely attributable to S\$1.7 million in depreciation as well as the disposal and write-off of steel beams and motor vehicle with an aggregated net book value of S\$1.5 million in FY2024. This was offset by additional purchases of steel beams and an increase in right-of-use assets amounting to S\$2.9 million in anticipation of ongoing project requirements for FY2024.

LIABILITIES

Trade and other payables increased by approximately S\$2.0 million due mainly to increase in trade suppliers and advance billings made to customers due to the excess of progress billings rendered over the revenue recognised in respect of Lease Income during FY2024.

Contract liabilities decreased by S\$700,000 due to the excess of progress billings over the revenue recognised in respect of Structural Steel works Income during FY2024.

Bank borrowings decreased by S\$765,000 compared with FY2023. This was largely due to the repayment of a bridging loan. Meanwhile, the remaining balance in current liabilities for bank borrowings results from the re-categorisation of non-current bank borrowings as current liabilities.

REVIEW OF THE CASH FLOW STATEMENT OF THE GROUP

Net cash generated from operating activities amounting to S\$1.0 million includes operating cash flows before working capital changes of S\$4.3 million which was, among others, augmented by the changes in contract assets but substantially reduced by the changes in contract liabilities, trade and other receivables and payables.

Net cash generated in investing activities amounted to S\$285,000 largely due to proceeds from disposal of steel beams and other fixed assets amounted to S\$263,000 and partially offset by payment for additions of steel beams and other fixed assets in FY2024.

Net cash used in financing activities amounted to S\$1.2 million was largely attributed to repayment of bank borrowings of S\$765,000, the repayment of a loan from director of S\$262,000 and lease liabilities of S\$205,000 which was partially offset by a new director loan of S\$104,000 in FY2024.

In view of the above, there was a cash inflow of S\$142,000 for FY2024.



BOARD OF DIRECTORS



MR. HOOI YU KOH

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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



MR. NG WAI KIT

EXECUTIVE DIRECTOR

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

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

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

BOARD OF DIRECTORS



MR. XU QUANQIANG

NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

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

Mr. Xu is a director of LJHB Capital (S) Pte. Ltd., ("**LJHB CAPITAL**"), who is the controlling shareholder of Keong Hong Holdings Limited ("**KHHL**"), and KHHL is a controlling shareholder of the Company. He is the Executive Director of KHHL. Mr. Xu also holds directorships in Forevertrust International (S) Pte. Ltd., Innotrust Pte. Ltd., PT Forevertrust International Indonesia, Wisestone Pte. Ltd. and two subsidiaries of KHHL. Apart from his directorship, he is the Chief Executive Officer of LJHB Holdings (S) Pte Ltd ("**LJHB Holdings**") and Continental Hope Singapore Industrial Development Pte. Ltd. From 2013 to 2016, he was a Director of BSI Group Singapore Pte Ltd ("**BSI**").

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

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



MR. LYE THIAM FATT JOSEPH VICTOR

LEAD INDEPENDENT DIRECTOR

MR. LYE THIAM FATT JOSEPH VICTOR is our Lead Independent Director and was appointed to the Board on 29 April 2024. He has more than 30 years of experience in public policy and financial services. Mr. Lye began his career with the Singapore Administrative Service, serving in the Ministry of Trade and Industry. He later joined the private sector where he held leadership positions in stockbroking, corporate finance, private banking, asset management and insurance. An AI and fintech advocate, he founded an AI-driven investment management firm in 2019.

Mr. Lye was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 2009 and the Public Service Star (Bintang Bakti Masyarakat) in 2016 by the President of the Republic of Singapore.

A Colombo Plan Scholar, Mr. Lye graduated with a Bachelor of Economics (First Class Honours) from the University of Adelaide in 1986. He is a Certified Financial Planner and Chartered Financial Analyst.

BOARD OF DIRECTORS



MR. CHUA SER MIANG
INDEPENDENT DIRECTOR

MR. CHUA SER MIANG is our Independent Director and was appointed to the Board on 29 April 2024. Mr. Chua is a finance professional with over 25 years of experience in corporate finance advisory. He currently holds the position of Director with Crowe Horwath Capital Pte. Ltd., where he oversees business development and merger and acquisition activities. He started his career with the Monetary Authority of Singapore before moving into equity research and investment banking where he was involved in advising local and foreign corporates on financial and equity capital market transactions including public listings, fund raising, and mergers and acquisitions.

Mr. Chua is also the non-executive chairman and independent director of Aoxin Q&M Dental Group Limited, as well as an independent director of several other companies listed on the Singapore and Hong Kong stock exchanges.

Mr. Chua holds a Master of Science in Global Finance & Banking by King's College London and a Bachelor of Business Administration degree by the National University of Singapore. He is also a Chartered Financial Analyst (CFA) charter holder and a Chartered Valuer and Appraiser (CVA) accredited by the Institute of Valuers and Appraisers, Singapore.



MS. ELIZABETH TOH GUEK LI
INDEPENDENT DIRECTOR

MS. ELIZABETH TOH GUEK LI is our Independent Director and was appointed to the Board on 1 April 2024 and was last re-elected on 29 April 2024. She has a number of years of experience in the legal industry, specialising in the area of building, construction and engineering disputes, commercial disputes and family disputes. She first started her legal career as a trainee at Justicius Law Corporation in 2015. In 2017, she joined thyssenkrupp, Asia Pacific Regional Headquarters (RHQ) as a Legal Counsel till 2019. She returned to Justicius Law Corporation as a senior associate in 2019 and she is currently a director of Justicius Law Corporation.

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

EXECUTIVE OFFICERS

MR. WONG CHI KONG

HEAD OF THE STEEL DIVISION

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

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

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

MR. CHOOKUL CHARUN

HEAD OF THE TUNNEL DIVISION

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

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

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

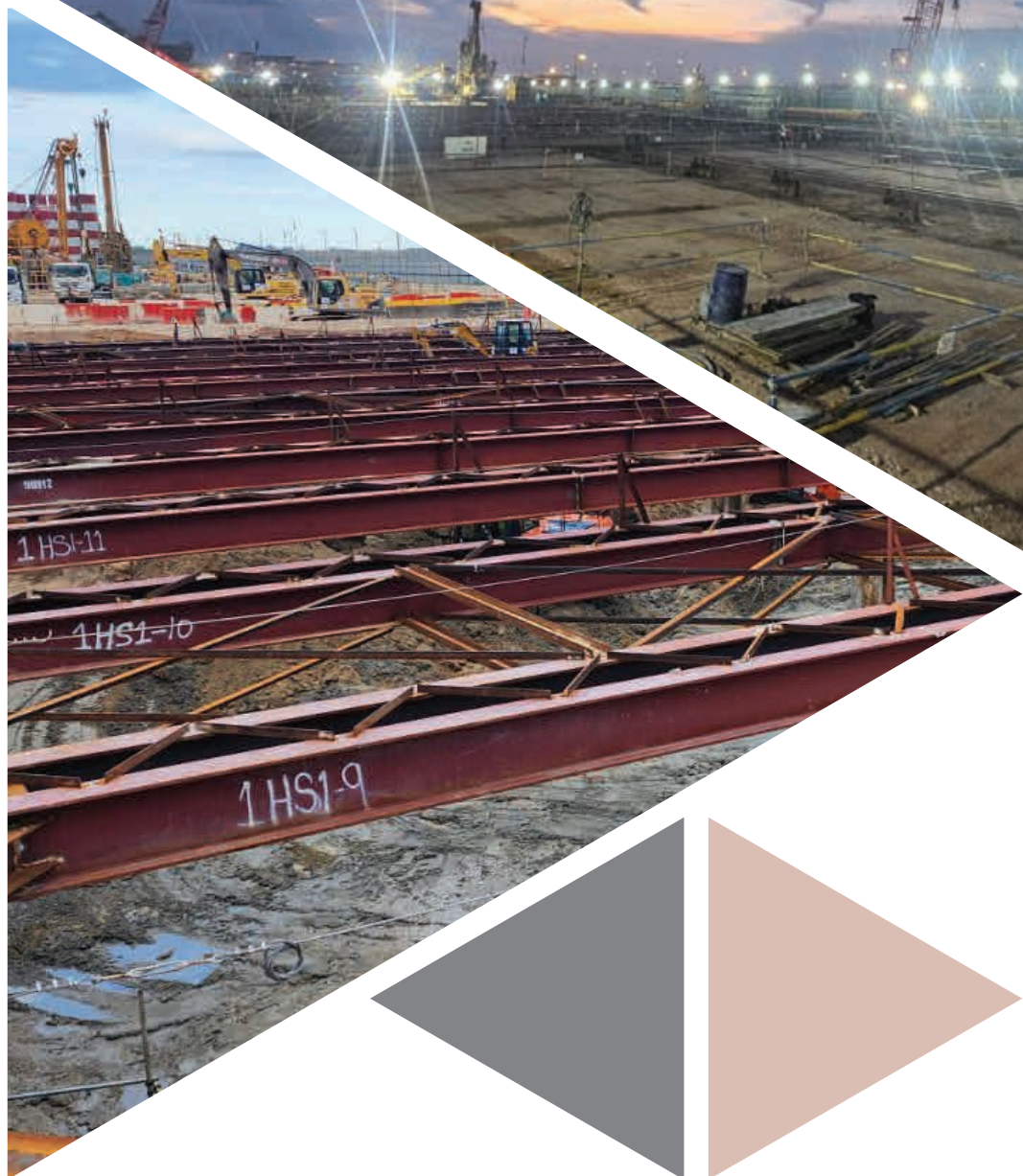
MS. JIA HONGYAN

FINANCIAL CONTROLLER

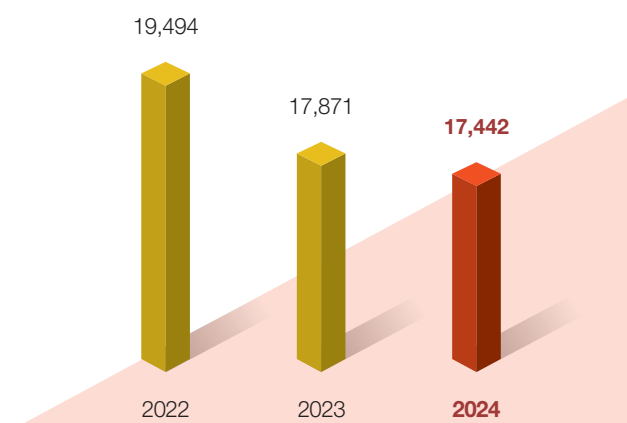
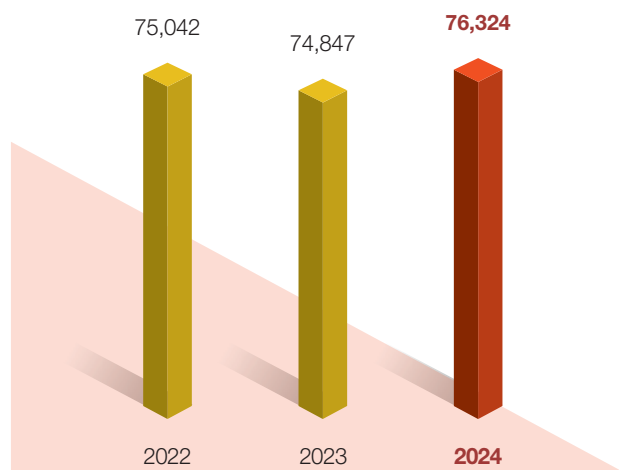
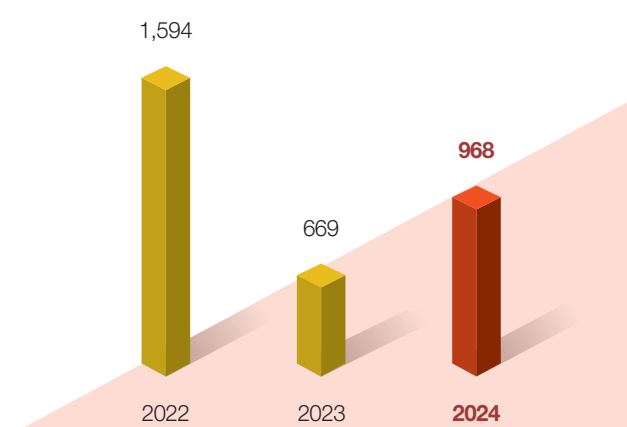
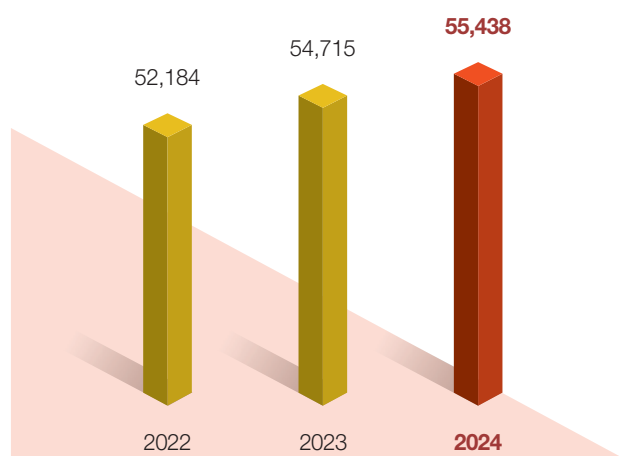
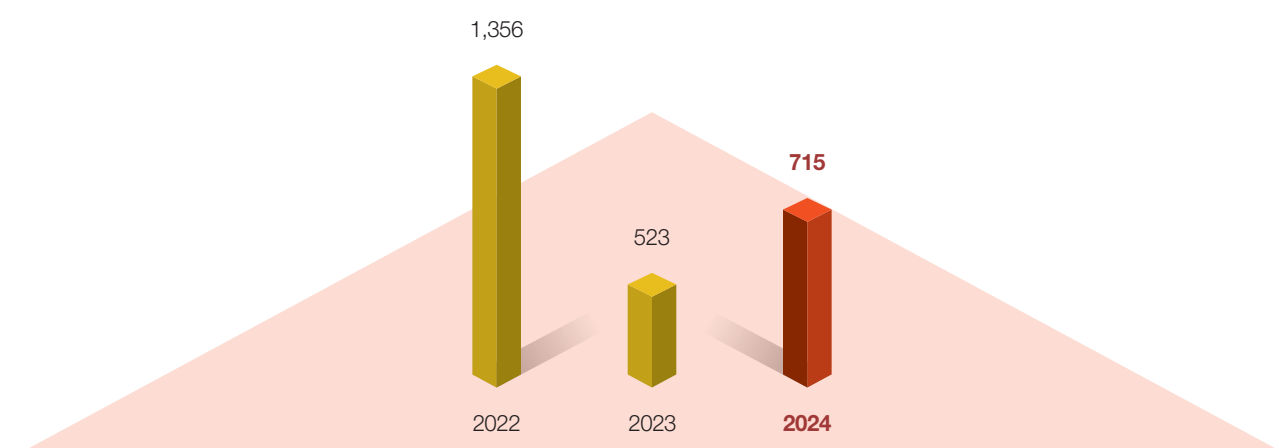
MS. JIA HONGYAN is our Financial Controller and was appointed on 22 October 2021. She is responsible for overseeing the accounting, treasury, budgeting and payroll matters of the Group. She has a number of years of working experience in the real estate industry as well as in an audit firm.

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.

2024



FINANCIAL HIGHLIGHTS

Revenue S\$'000**Total Assets S\$'000****Profit Before Tax S\$'000****Shareholder Equity S\$'000****Profit After Tax S\$'000**

GROUP STRUCTURE



GROUP INFORMATION

BOARD OF DIRECTORS

MR. HOOI YU KOH (Executive Chairman and Chief Executive Officer)
 MR. NG WAI KIT (Executive Director)
 MR. XU QUANQIANG (Non-Executive Non-Independent Director)
 MR. LYE THIAM FATT JOSEPH VICTOR (Lead Independent Director)
 MR. CHUA SER MIANG (Independent Director)
 MS. ELIZABETH TOH GUEK LI (Independent Director)

AUDIT COMMITTEE

MR. LYE THIAM FATT JOSEPH VICTOR (Chairman)
 MR. CHUA SER MIANG
 MS. ELIZABETH TOH GUEK LI

REMUNERATION COMMITTEE

MS. ELIZABETH TOH GUEK LI (Chairman)
 MR. LYE THIAM FATT JOSEPH VICTOR
 MR. CHUA SER MIANG

NOMINATING COMMITTEE

MR. CHUA SER MIANG (Chairman)
 MR. LYE THIAM FATT JOSEPH VICTOR
 MS. ELIZABETH TOH GUEK LI

COMPANY SECRETARY

MS. YANG LIN

REGISTERED OFFICE

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 Tel: 68443445 | Fax: 67499150
 Investor Relations: admin@kori.com.sg

SPONSOR

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 16 Collyer Quay | #10-00 Collyer Quay Centre
 Singapore 049318

INDEPENDENT AUDITOR

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

Partner-in-charge:
 MR. LEE KUANG HON
 (Appointed since the financial year ended 31 December 2021)

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
 9 Raffles Place | #26-01 Republic Plaza |
 Singapore 048619

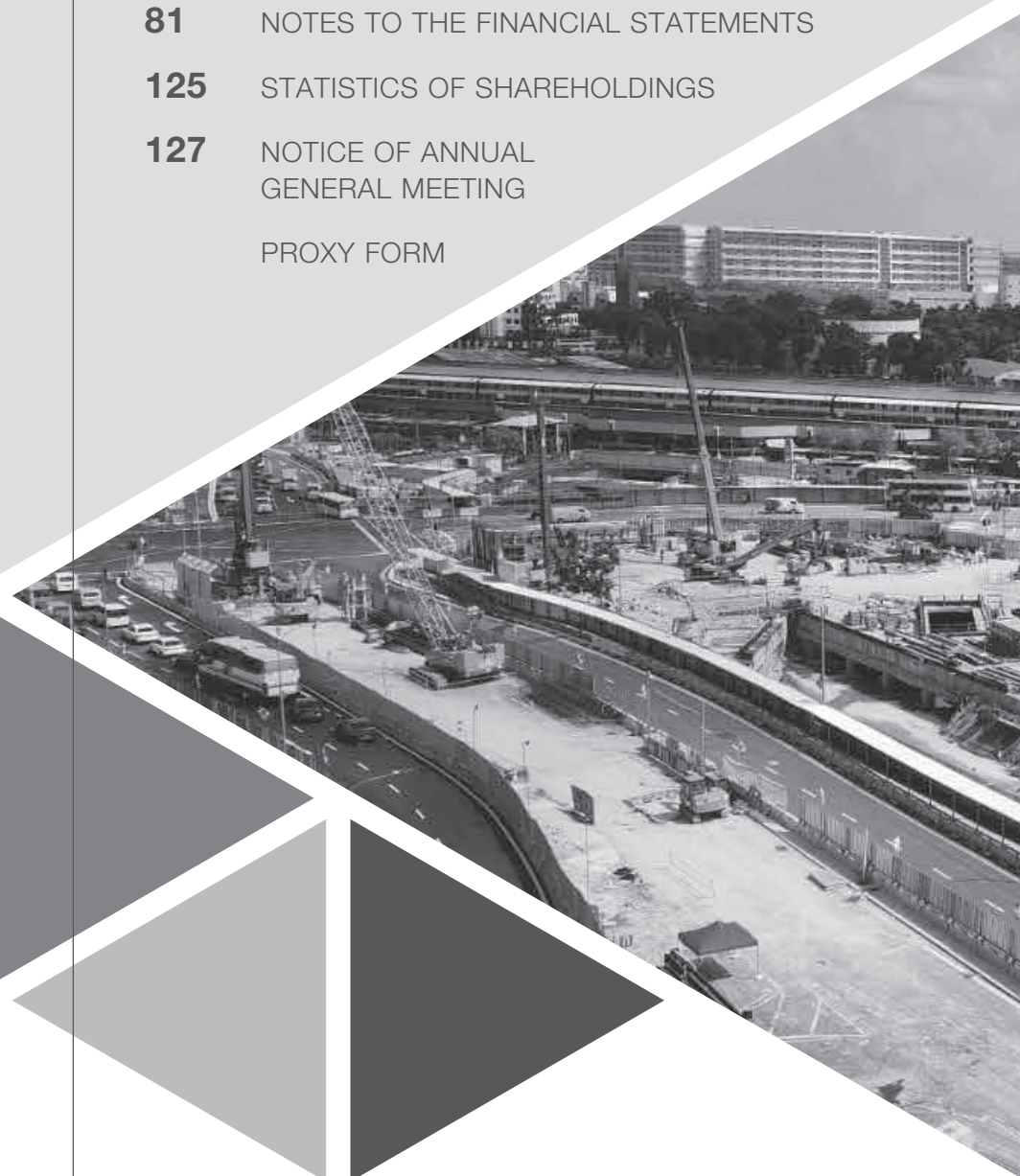
PRINCIPAL BANKERS SINGAPORE

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

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

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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 2024 (“**FY2024**”), with specific reference made to the provisions of the Code of Corporate Governance 2018 (last Amended 11 January 2023) (the “**Code**”), its related practice guidance (“**PG**”), the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”), as well as the disclosure guide developed by the SGX-ST in January 2015 (the “**Guide**”), where appropriate.

The Board is pleased to confirm that the Company has adhered to the Code and the Catalist Rules except where otherwise stated and explained herein. Where there has been a variation from the provisions of the Code, the reason(s) for the variation and an explanation of how the Company’s alternative corporate governance practices are consistent with the aim and philosophy of the relevant principle and/or provision of the Code have been included. The Board considers that the alternative corporate governance practices are sufficient in meeting the underlying objective of the Code.

TABLE I – COMPLIANCE WITH THE CODE

Principle/Provisions of the Code	Code and/or Guide Description	Company’s Compliance or Explanation
General	(a) Has the Company complied with all the principles and provisions of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles, provisions as set out in the Code, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2024.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE

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Principle/Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation																																										
BOARD MATTERS																																												
THE BOARD'S CONDUCT OF AFFAIRS																																												
1.1 4.2 6.2 10.2	<u>Board composition</u>	<p>As at date of this report, the Board has six (6) members and comprises the following:</p> <table><tr><th colspan="2">Composition of the Board</th><th colspan="3">Composition of the Board Committees</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. Lye Thiam Fatt Joseph Victor⁽⁴⁾</td><td>Lead Independent Director</td><td>Chairman</td><td>Member</td><td>Member</td></tr><tr><td>Mr. Chua Ser Miang⁽⁴⁾</td><td>Independent Director</td><td>Member</td><td>Chairman</td><td>Member</td></tr><tr><td>Ms. Elizabeth Toh Guek Li⁽⁵⁾</td><td>Independent Director</td><td>Member</td><td>Member</td><td>Chairman</td></tr><tr><td>Mr. Xu Quanqiang</td><td>Non-Executive Non-Independent Director</td><td>–</td><td>–</td><td>–</td></tr></table> <p>Notes:</p> <p>1. The AC comprises 3 non-executive directors, all of whom including the Chairman, are independent.</p> <p>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.</p> <p>3. The RC comprises 3 non-executive directors, all of whom including the Chairman, are independent.</p> <p>4. Mr. Lye Thiam Fatt Joseph Victor ("Mr. Lye") and Mr. Chua Ser Miang ("Mr. Chua") were appointed as Directors of the Company by the shareholders at the Company's last annual general meeting on 29 April 2024.</p> <p>5. Ms. Elizabeth Toh Guek Li ("Ms. Toh") was appointed as a Director of the Company on 1 April 2024 and was re-elected as a Director of the Company by the shareholders at the Company's last annual general meeting on 29 April 2024.</p>			Composition of the Board		Composition of the Board Committees			Name of Director	Designation	AC ⁽¹⁾	NC ⁽²⁾	RC ⁽³⁾	Mr. Hooi Yu Koh	Executive Chairman and CEO	–	–	–	Mr. Ng Wai Kit	Executive Director	–	–	–	Mr. Lye Thiam Fatt Joseph Victor ⁽⁴⁾	Lead Independent Director	Chairman	Member	Member	Mr. Chua Ser Miang ⁽⁴⁾	Independent Director	Member	Chairman	Member	Ms. Elizabeth Toh Guek Li ⁽⁵⁾	Independent Director	Member	Member	Chairman	Mr. Xu Quanqiang	Non-Executive Non-Independent Director	–	–	–
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	<u>Role of Board</u>	<p>Entrusted to lead and oversee the Group, the Board acts in the best interests of the Group. In addition to its statutory duties, the Board's principal functions are to:</p> <ul style="list-style-type: none"> (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) Review key management personnel's performance; (d) Ensure good corporate governance practices to protect the interests of shareholders; (e) Oversee, through the NC, the appointments, re-election and resignation of Directors and key management personnel; (f) Oversee, through the RC, the design and operation of an appropriate remuneration framework; (g) Align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders; (h) Oversee, through the AC, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls; and (i) Ensure compliance with all laws and regulations as may be relevant to the business.
	<u>Practices relating to conflict of interest</u>	<p>The Company has in place practices to address potential conflicts of interests. All Directors are required to notify the Company promptly of all conflicts of interest as soon as practicable as well as when required and refresh the required declarations annually. Directors are required to recuse themselves from all deliberations and decisions in relation to the matters in which he or she has a conflict of interest.</p>

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Principle/Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
1.2	<p><u>Directors' training and orientation</u></p> <p>(a) Are new Directors given formal training? If not, please explain why.</p>	<p>The following new appointments were made to the Board in FY2024:</p> <p>(i) Appointment of Ms. Toh as an Independent Director of the Company on 1 April 2024;</p> <p>(ii) Appointment of Mr. Lye as the Lead Independent Director on 29 April 2024; and</p> <p>(iii) Appointment of Mr. Chua as an Independent Director on 29 April 2024.</p> <p>Each of the above Directors were given their respective letters of appointment, setting out their duties, obligations and the terms of appointment, and were briefed on the Group's structure, business, operations and policies.</p> <p>It is the Company's practice that any newly appointed Director will undergo an orientation programme where the Director would be briefed on the Group's history, strategic direction, governance practices, business and organisation structure as well as the expected duties and obligations of a director of a listed company, details of which are set out in a formal appointment letter provided to such newly appointed Director. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities, principal locations of operations and meet with key management personnel.</p> <p>In addition, as required under the Catalist Rules, a new Director who has no prior experience as a director of a company listed on the SGX-ST ("First-time Director") must undergo training as prescribed by the SGX-ST. Such training will be completed within one year of the appointment. The Company will also provide training for first-time directors in areas such as accounting, legal and industry-specific knowledge as appropriate.</p> <p>Ms. Toh, being a First-Time Director, has attended and completed the requisite training organised by the Institute of Singapore Chartered Accountants and SAC Capital ("ISCA-SAC") on the roles and responsibilities of a director of a listed company to meet the mandatory training requirements under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules.</p>

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	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	<p>The Board values on-going professional development and recognises that it is important that all Directors receive regular training to serve effectively on and contribute to the Board. The Board has therefore established a policy on continuous professional development for Directors.</p> <p>To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continuous professional development. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, provided by accredited training providers. Directors are encouraged to consult the Chairman and Chief Executive Officer ("CEO") if they consider that they personally, or the Board as a whole, would benefit from specific education or training on matters that fall within the responsibility of the Board or relate to the Company's business. Such training costs are borne by the Company. The Company would also arrange for the senior management to brief the Directors on the Group's business periodically. The Board is also kept informed of any relevant changes to legislation and regulatory requirements.</p>

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Principle/Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation																		
	<u>Training attended in FY2024</u>	<p>Courses, conferences and seminars attended by some of the existing Directors include:</p> <table> <tr> <th colspan="3">Table 1.2 – Training attended by Directors in FY2024</th></tr> <tr> <th>Course Name</th><th>Course Organiser</th><th>Attendees</th></tr> <tr> <td>Listed Company Fundamentals Corporate Actions Financial Statement Analysis for Directors Risk Management & Audit Regulatory Framework – Directors of Singapore Companies Director's Role in Change Management Corporate Governance Director's Role in Sustainability Board of Directors Plenary Masterclass Audit Committee Masterclass Nominating and Remuneration Committee Masterclass Board Risk Committee Masterclass</td><td>ISCA-SAC</td><td>Elizabeth Toh Guek Li</td></tr> <tr> <td>LED 9 – Environmental, Social and Governance Essentials</td><td>SID</td><td>Lye Thiam Fatt Joseph Victor</td></tr> <tr> <td>Accountability and Professional Conduct AML Regulations Cybersecurity Awareness for Financial Services Ethics and Conflicts of Interests Fair Dealing Technology Risk</td><td>Salmon Thrust</td><td>Chua Ser Miang</td></tr> <tr> <td>Top Executive WSH Programme</td><td>AKC Academy</td><td>Hooi Yu Koh</td></tr> </table>	Table 1.2 – Training attended by Directors in FY2024			Course Name	Course Organiser	Attendees	Listed Company Fundamentals Corporate Actions Financial Statement Analysis for Directors Risk Management & Audit Regulatory Framework – Directors of Singapore Companies Director's Role in Change Management Corporate Governance Director's Role in Sustainability Board of Directors Plenary Masterclass Audit Committee Masterclass Nominating and Remuneration Committee Masterclass Board Risk Committee Masterclass	ISCA-SAC	Elizabeth Toh Guek Li	LED 9 – Environmental, Social and Governance Essentials	SID	Lye Thiam Fatt Joseph Victor	Accountability and Professional Conduct AML Regulations Cybersecurity Awareness for Financial Services Ethics and Conflicts of Interests Fair Dealing Technology Risk	Salmon Thrust	Chua Ser Miang	Top Executive WSH Programme	AKC Academy	Hooi Yu Koh
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1.3	<u>Matters requiring Board's approval</u>	<p>The Board continues to approve matters within its statutory responsibilities. Specifically, the Board has direct responsibility for decision-making in, amongst others, the following:</p> <ul style="list-style-type: none"> • corporate strategies and business plans; • material acquisitions and disposals; • investments exceeding S\$2,000,000; • major financing requiring corporate guarantees; • 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.
1.4	<u>Delegation to Board Committees</u>	<p>The Board delegated certain responsibilities to the Audit Committee (the “AC”), the Remuneration Committee (the “RC”) and the Nominating Committee (the “NC”) (collectively, the “Board Committees”). Each of these Board Committees is formed with clear written defined terms of reference (setting out its composition, authority and duties). The composition of the Board Committees is set out in section 1.1 of Table I.</p>

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1.5	<u>Attendance of Board and Board Committees</u>	<p>The Board meets on a half-yearly basis, and as and when circumstances require. In FY2024, the number of Board and Board Committee meetings held, and the attendance of each Board member are shown below.</p> <table><tr><td></td><td>Board</td><td>AC</td><td>NC</td><td>RC</td></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. Lye Thiam Fatt Joseph Victor⁽¹⁾</td><td>1</td><td>1</td><td>–</td><td>–</td></tr><tr><td>Mr. Chua Ser Miang⁽¹⁾</td><td>1</td><td>1</td><td>–</td><td>–</td></tr><tr><td>Ms. Elizabeth Toh Guek Li⁽¹⁾</td><td>1</td><td>1</td><td>–</td><td>–</td></tr><tr><td>Mr. Kuan Cheng Tuck⁽²⁾</td><td>1</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Mr. Nicholas Philip Lazarus⁽²⁾</td><td>1</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Mr. Lim Yeok Hua⁽²⁾</td><td>1</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Mr. Xu Quanqiang</td><td>2</td><td>2*</td><td>1*</td><td>1*</td></tr></table> <p>* By invitation.</p> <p>(1) Ms. Toh, Mr. Lye and Mr. Chua were appointed as Directors of the Company on 1 April 2024, 29 April 2024 and 29 April 2024, respectively.</p> <p>(2) Mr Kuan resigned as a Director of the Company on 29 April 2024 while Mr. Lazarus and Mr. Lim retired as Directors of the Company on 29 April 2024.</p> <p>The Company’s Constitution allows for meetings to be held through telephone and/or videoconference. Notwithstanding, the Company, in accordance with Practice Note 7E of the Catalist Rules, will continue to convene its meetings in either a wholly physical or hybrid format.</p>				Board	AC	NC	RC	Number of Meetings Held	2	2	1	1	Name of Director	Number of Meetings Attended				Mr. Hooi Yu Koh	2	2*	1*	1*	Mr. Ng Wai Kit	2	2*	1*	1*	Mr. Lye Thiam Fatt Joseph Victor ⁽¹⁾	1	1	–	–	Mr. Chua Ser Miang ⁽¹⁾	1	1	–	–	Ms. Elizabeth Toh Guek Li ⁽¹⁾	1	1	–	–	Mr. Kuan Cheng Tuck ⁽²⁾	1	1	1	1	Mr. Nicholas Philip Lazarus ⁽²⁾	1	1	1	1	Mr. Lim Yeok Hua ⁽²⁾	1	1	1	1	Mr. Xu Quanqiang	2	2*	1*	1*
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1.6	<p><u>Access to information</u></p> <p>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</p>	<p>Directors are provided with complete and adequate information related to agenda items in a timely manner for them to make informed decisions and discharge their duties and responsibilities.</p> <p>Management provides the Board with key information that is complete, adequate and timely prior to meetings and whenever required.</p> <p>Management provides the Board with half yearly management accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary. Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information at least one week prior to the meetings to allow sufficient time for review by the Directors.</p> <p>Management will also provide any additional material information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p>
1.7	<p><u>Change of company secretary</u></p> <p><u>Access to Management and company secretary and access to professional advice</u></p>	<p>The appointment and removal of the Company Secretary is a matter for the Board as a whole.</p> <p>Directors have separate and independent access to the Management and Company Secretary at all times.</p> <p>Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice, where required, at the Company's expense.</p>

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Principle/Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
BOARD COMPOSITION AND GUIDANCE		
2.1 2.2 2.3 3.3	<p><u>Board composition</u></p> <p>Does the Company comply with the Code on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.</p>	<p>As at the date of this report, the Board comprises six (6) Directors, three (3) of whom are independent. The Company's Independent Directors make up 50% of the Board.</p> <p>Notwithstanding that Provision 2.2 of the Code is not met, as Independent Directors did not make up a majority of the Board, where the Chairman is not independent, the Board have assessed and are satisfied that the current composition of the Board has a sufficiently strong independent element so as to facilitate effective decision making.</p> <p>The Board is of the view, taking into consideration of the size of the Board, the past performance of the Directors, and the nature of the business of the Company, there are sufficient safeguards and checks in place against an imbalanced concentration of power and authority within the Board after considering:</p> <ul style="list-style-type: none"> • The presence of a Lead Independent Director; • Three Independent Directors represents half of the Board; • All major decisions are made in consultation with the Board in accordance to Provision 1.3 above; • A collective decision-making process that ensures no individual or group holds disproportionate influence or power; and • Grievances of a shareholder may be directed to the Chairman of the AC who is also the Lead Independent Director. <p>These measures collectively ensure that governance remains balanced and the Board can make decisions independently, fostering effective oversight and accountability.</p>

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	<u>Lead Independent Director</u>	<p>The Board has diversity of thought and background in its composition with Independent Directors exercising oversight function and leading discussions to form decisions in the best interests of the Company. The Board believes the current Board composition drives performance, create shareholder value and maintain a proper tone at the top.</p> <p>Non-executive Directors, who forms majority of the Board, are working to protect and enhance the best interests of shareholders with returns or benefits for shareholders while Independent Directors with diversity of skills set ensures diversity in decision-making. The Company has complied with Provision 2.3 of the Code.</p> <p>Mr. Lye had been appointed as the Lead Independent Director of the Company and he is 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 or inadequate.</p> <p>The Lead Independent Director makes himself available to shareholders at the Company's general meetings and could be contacted at ac@kori.com.sg. The Lead Independent Director is also responsible for leading the meetings of independent directors and providing feedback to the Chairman on matters discussed at such meetings.</p>

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

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	<p><u>Board diversity</u></p> <p>(a) What is the Board's policy with regard to diversity in identifying director nominees?</p>	<p>The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the policy is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.</p> <p>While the NC is aware of the merits of gender diversity to the Board composition and due consideration would be given to female representation on the Board, the NC notes that it is only one of the many aspects of diversity and the NC will continue to make its selection of candidates based on objective criteria which it believes is in the best interest of the Company. The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.</p> <p>The Company has adopted a Board Diversity Policy which sets out its approach to achieve diversity of the Board. Pursuant to the Board Diversity Policy, the NC will review the structure, size and composition (including the gender, age, culture, skills, knowledge and experience of the Board) at least annually and to assist the Board to review the required mix of skills, experience and other qualities which Non-Executive Directors should bring to the Board on an annual basis.</p> <p>Under the Board Diversity Policy, the Board strives to have one member with relevant experience in the Group's businesses or industry; and one member with professional qualification in accounting or other professional background or discipline as may be determined by the Board to be necessary and/or beneficial to the Group. All appointments will be based on merit of candidates, in the context of the skills and having due regard for the benefits of diversity on the Board, its needs and core values.</p> <p>The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.</p>

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	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	<p>The current Board composition provides a diversity of core competence, skills, experience and knowledge to the Company as follows:</p> <table> <tr> <th colspan="3"><i>Table 2.4 – Diversity of the Board</i></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>50</td></tr> <tr> <td>– Business management</td><td>4</td><td>66.7</td></tr> <tr> <td>– Legal or corporate governance</td><td>2</td><td>33.3</td></tr> <tr> <td>– Relevant industry knowledge or experience</td><td>2</td><td>33.3</td></tr> <tr> <td>– Strategic planning experience</td><td>5</td><td>83.3</td></tr> <tr> <td>– Customer based experience or knowledge</td><td>3</td><td>50</td></tr> <tr> <td>Gender</td><td></td><td></td></tr> <tr> <td>– Male</td><td>5</td><td>83.3</td></tr> <tr> <td>– Female</td><td>1</td><td>16.7</td></tr> </table>	<i>Table 2.4 – Diversity of the Board</i>				Number of Directors	Proportion of Board (%)	Core Competencies			– Accounting or finance	3	50	– Business management	4	66.7	– Legal or corporate governance	2	33.3	– Relevant industry knowledge or experience	2	33.3	– Strategic planning experience	5	83.3	– Customer based experience or knowledge	3	50	Gender			– Male	5	83.3	– Female	1	16.7
<i>Table 2.4 – Diversity of the Board</i>																																						
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		<p>Table 2.4 – Diversity of the Board</p> <table> <tr> <th></th><th>Number of Directors</th><th>Proportion of Board (%)</th></tr> <tr> <td>Age Group</td><td></td><td></td></tr> <tr> <td>– 60 – 69</td><td>1</td><td>16.7</td></tr> <tr> <td>– 50 – 59</td><td>3</td><td>50</td></tr> <tr> <td>– 40 – 49</td><td>1</td><td>16.7</td></tr> <tr> <td>– 30 – 39</td><td>1</td><td>16.7</td></tr> <tr> <td>Independence</td><td></td><td></td></tr> <tr> <td>– Independent directors</td><td>3</td><td>50</td></tr> <tr> <td>– Non-Independent directors</td><td>3</td><td>50</td></tr> <tr> <td>Directors' Citizenship</td><td></td><td></td></tr> <tr> <td>– Singapore Citizen</td><td>6</td><td>100</td></tr> <tr> <td>– Non-Singapore Citizen</td><td>–</td><td>–</td></tr> </table> <p>Accordingly, the NC and Board are of the view that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.</p>		Number of Directors	Proportion of Board (%)	Age Group			– 60 – 69	1	16.7	– 50 – 59	3	50	– 40 – 49	1	16.7	– 30 – 39	1	16.7	Independence			– Independent directors	3	50	– Non-Independent directors	3	50	Directors' Citizenship			– Singapore Citizen	6	100	– Non-Singapore Citizen	–	–
	Number of Directors	Proportion of Board (%)																																				
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– Singapore Citizen	6	100																																				
– Non-Singapore Citizen	–	–																																				
	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	<p>The Board took the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> 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. 																																				

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		<p>Under the Board Diversity Policy targets set in the Company's FY2023 Annual Report ("FY2023 Targets"), the Board aims to enhance diversity by ensuring female representation, appointing at least one member with relevant experience in the Group's businesses or industry, and including at least one member with a professional qualification in accounting. The current Board composition meets these targets and reflects the Company's commitment to Board diversity.</p> <p>Accordingly, given that the FY2023 targets have been achieved, the Board will not be setting further targets for now as it is of the view that the Board is sufficiently diverse as it comprises individuals with a broad range of expertise, professional backgrounds, and industry knowledge as set out in Table 2.4. This includes Directors with extensive experience in the Group's core businesses, financial management, corporate governance, and risk management. Additionally, the presence of Independent Directors with diverse skills and perspectives ensures robust discussions, balanced decision-making, and strong oversight. The inclusion of members with accounting expertise strengthens the Board's financial acumen, while gender diversity fosters a wider range of viewpoints, contributing to more comprehensive and well-rounded strategic discussions.</p> <p>Notwithstanding, the NC and the Board recognize that improving Board diversity is an ongoing process. They will continue to maintain, monitor and adjust the diversity of skill sets and core competencies required by the Company to maintain a well-balanced Board that supports effective decision-making and facilitates the formation of strong Board Committees.</p> <p>The profiles of the Directors are set out in the "Board of Directors" section of this Annual Report.</p>
2.5	<u>Meeting in the absence of the Management</u>	<p>The Independent Directors, led by the Lead Independent Director, would communicate with each other from time to time and meet in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management. Feedback arising from such meetings or discussions is provided to the Board, as appropriate.</p> <p>For FY2024, the Independent Directors met once in the absence of key management personnel.</p>

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
3.1 3.2	<u>Role of Chairman and CEO</u>	<p>Mr. Hooi Yu Koh is the Executive Chairman and CEO of the Company.</p> <p>As the Chairman, Mr. Hooi leads the Board discussions, fostering constructive conditions that renders the Board effective. He facilitates effective contribution and promotes high standards of corporate governance. He also ensures that Board meetings are held, when necessary, sets the Board agenda and ensures that all Board members are provided with complete, adequate and timely information. The Chairman performs a significant leadership role by providing clear oversight and guidance to the management on strategy and the drive to transform the Group's businesses.</p> <p>As the CEO of the Company, Mr. Hooi takes a leading role in developing the businesses of the Group and manages the day-to-day operations with the assistance of key management personnel. He proposes strategic proposals to the Board and implements decisions made by the Board.</p>
	<u>Relationship between Chairman and CEO</u>	<p>As aforementioned, Mr. Hooi assumes both the roles of the Chairman and CEO. The Company believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters. The Board is of the opinion that there is no need to separate the two roles after taking into consideration:</p> <ul style="list-style-type: none"> • Size and capabilities of the Board; • Size and operations of the Group; and • Safeguards currently in place (such as the requirement for the Board's approval for material transactions which exceed certain thresholds/the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence) to ensure that decision-making by the Board is collective. <p>The Lead Independent Director, provides leadership in situations where the Chairman is conflicted. He also makes himself available to shareholders when they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.</p> <p>Mr. Kuan, the former Lead Independent Director of the Company, was replaced by Mr. Lye as Lead Independent Director on 29 April 2024. Both Mr. Kuan and Mr. Lye attended the AGM held in FY2024 and made themselves available to shareholders during their respective tenures.</p>

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

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

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4.3	<p><u>Selecting, Appointment and Re-appointment of Director</u></p> <p>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</p>	<p>Table 4.3(a) – Selection and Appointment of New Directors</p> <p>The NC:–</p> <table> <tr> <td>1.</td><td>Determine selection criteria</td><td> <ul style="list-style-type: none"> In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board. Determines the role which competencies required for the new appointment after such consultation. </td></tr> <tr> <td>2.</td><td>Candidate search</td><td> <ul style="list-style-type: none"> Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. </td></tr> <tr> <td>3.</td><td>Assess shortlisted candidates</td><td> <ul style="list-style-type: none"> Meets and interviews the shortlisted candidates to assess their suitability, ensuring that the candidates are aware of the expectations and the level of commitment required of them. </td></tr> <tr> <td>4.</td><td>Propose recommendations</td><td> <ul style="list-style-type: none"> Makes recommendations for Board's consideration and approval. </td></tr> </table>	1.	Determine selection criteria	<ul style="list-style-type: none"> In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board. Determines the role which competencies required for the new appointment after such consultation. 	2.	Candidate search	<ul style="list-style-type: none"> Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. 	3.	Assess shortlisted candidates	<ul style="list-style-type: none"> Meets and interviews the shortlisted candidates to assess their suitability, ensuring that the candidates are aware of the expectations and the level of commitment required of them. 	4.	Propose recommendations	<ul style="list-style-type: none"> Makes recommendations for Board's consideration and approval.
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		<p>Table 4.3(b) – Re-election of Incumbent Directors</p> <p>The NC:–</p> <table> <tr> <td>1.</td><td>Assess incumbent director</td><td> <ul style="list-style-type: none"> Assesses the performance of the director in accordance with the performance criteria set by the Board. Considers the current needs of the Board. </td></tr> <tr> <td>2.</td><td>Propose re-election of director</td><td> <ul style="list-style-type: none"> Recommends the re-election of the director to the Board for its consideration and approval, subject to its satisfactory assessment. </td></tr> </table> <p>Additionally, in relation to the appointment of new independent directors or re-election of incumbent independent directors, the NC would apply the pertinent rules and stipulations as set out in the Code and Catalist Rules.</p> <p>After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new director and/or propose the re-election of the incumbent director for shareholders' approval.</p> <p>Pursuant to Regulation 117 of the Company's Constitution, one-third (or if their number is not a multiple of three, the number nearest to but not less than one-third with a minimum of one) 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.</p> <p>Pursuant to Regulation 122 of the Company's Constitution, any person so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.</p>	1.	Assess incumbent director	<ul style="list-style-type: none"> Assesses the performance of the director in accordance with the performance criteria set by the Board. Considers the current needs of the Board. 	2.	Propose re-election of director	<ul style="list-style-type: none"> Recommends the re-election of the director to the Board for its consideration and approval, subject to its satisfactory assessment.
1.	Assess incumbent director	<ul style="list-style-type: none"> Assesses the performance of the director in accordance with the performance criteria set by the Board. Considers the current needs of the Board. 						
2.	Propose re-election of director	<ul style="list-style-type: none"> Recommends the re-election of the director to the Board for its consideration and approval, subject to its satisfactory assessment. 						

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		<p>The NC has recommended to the Board that Mr. Ng Wai Kit (“Mr. Ng”) and Mr. Xu Quanqiang (“Mr. Xu”) be nominated for re-election at the forthcoming annual general meeting of the Company (“AGM”) in accordance with Regulation 117 of the Company's Constitution. Mr. Ng and Mr. Xu have given their consent to continue in office. Their re-election will be subject to shareholders' approval at the AGM.</p> <p>In making the recommendations, the NC considered, Mr. Ng and Mr. Xu's (collectively, the “Retiring Directors”) overall contributions and performance, both past and anticipated. Mr. Ng will, upon re-election as a Director, remain as an Executive Director of the Company. Mr. Xu will, upon re-election as a Director, remain as a Non-Executive Non-Independent Director of the Company.</p>
4.5	<p><u>Assessment of Directors' duties</u></p> <p><u>Other listed company directorships and principal commitments of Directors</u></p>	<p>Assessment of the individual Directors' performance was based on the criteria set out in Section 5.1 of Table I. The following were used to assess the performance and consider competing time commitments of the Directors:–</p> <ul style="list-style-type: none"> • Declarations by each Director of their other listed company directorships and principal commitments; • Annual confirmations by each Director on his ability to devote sufficient time and attention to the Company's affairs, having regard to his other commitments; and • Assessment of the individual Directors' performance based on the criteria set out in the response to Provisions 5.1 and 5.2 below. <p>The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and principal commitments of each of the Directors (if any) as set out below, and is satisfied that all Directors were able to diligently discharge their duties for FY2024.</p>

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		<p>Table 4.5 – Other listed company directorships and principal commitments of Directors</p> <table> <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> <ul style="list-style-type: none"> Kori Construction (S) Pte. Ltd. </td></tr> <tr> <td>Mr. Ng Wai Kit</td><td>Nil</td><td> <ul style="list-style-type: none"> Kori Construction (S) Pte. Ltd. </td></tr> <tr> <td>Mr. Lye Thiam Fatt Joseph Victor</td><td>Nil</td><td> <ul style="list-style-type: none"> Pivot Fintech Pte. Ltd. </td></tr> <tr> <td>Mr. Chua Ser Miang</td><td> <ul style="list-style-type: none"> Aoxin Q&M Dental Group Limited LS 2 Holdings Limited PC Partner Group Limited </td><td> <ul style="list-style-type: none"> Crowe Horwath Capital Pte Ltd </td></tr> <tr> <td>Ms. Elizabeth Toh Guek Li</td><td>Nil</td><td> <ul style="list-style-type: none"> Justicius Law Corporation </td></tr> <tr> <td>Mr. Xu Quanqiang</td><td> <ul style="list-style-type: none"> Keong Hong Holdings Limited </td><td> <ul style="list-style-type: none"> LJHB Capital (S) Pte Ltd LJHB Holdings (S) Pte Ltd LJHB USA Inc Forevertrust International (S) Pte Ltd Continental Hope Singapore Industrial Development Pte Ltd Wisewind International Pte Ltd Nuform System Asia Pte. Ltd. Pristine Islands Investment Pte. Ltd. </td></tr> </table>	Name of Director	Listed Company Directorships	Principal Commitments	Mr. Hooi Yu Koh	Nil	<ul style="list-style-type: none"> Kori Construction (S) Pte. Ltd. 	Mr. Ng Wai Kit	Nil	<ul style="list-style-type: none"> Kori Construction (S) Pte. Ltd. 	Mr. Lye Thiam Fatt Joseph Victor	Nil	<ul style="list-style-type: none"> Pivot Fintech Pte. Ltd. 	Mr. Chua Ser Miang	<ul style="list-style-type: none"> Aoxin Q&M Dental Group Limited LS 2 Holdings Limited PC Partner Group Limited 	<ul style="list-style-type: none"> Crowe Horwath Capital Pte Ltd 	Ms. Elizabeth Toh Guek Li	Nil	<ul style="list-style-type: none"> Justicius Law Corporation 	Mr. Xu Quanqiang	<ul style="list-style-type: none"> Keong Hong Holdings Limited 	<ul style="list-style-type: none"> LJHB Capital (S) Pte Ltd LJHB Holdings (S) Pte Ltd LJHB USA Inc Forevertrust International (S) Pte Ltd Continental Hope Singapore Industrial Development Pte Ltd Wisewind International Pte Ltd Nuform System Asia Pte. Ltd. Pristine Islands Investment Pte. Ltd.
Name of Director	Listed Company Directorships	Principal Commitments																					
Mr. Hooi Yu Koh	Nil	<ul style="list-style-type: none"> Kori Construction (S) Pte. Ltd. 																					
Mr. Ng Wai Kit	Nil	<ul style="list-style-type: none"> Kori Construction (S) Pte. Ltd. 																					
Mr. Lye Thiam Fatt Joseph Victor	Nil	<ul style="list-style-type: none"> Pivot Fintech Pte. Ltd. 																					
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Ms. Elizabeth Toh Guek Li	Nil	<ul style="list-style-type: none"> Justicius Law Corporation 																					
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	<u>Multiple Directorships</u>	The Board has set the maximum number of listed company board representations as 6.
	(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?	Having assessed the capacity of the Directors based on factors disclosed in Section 4.5 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.
	(b) If a maximum has not been determined, what are the reasons?	Not Applicable.
	(c) What are the specific considerations in deciding on the capacity of directors?	<p>The specific considerations in assessing the capacity of Directors include:</p> <ul style="list-style-type: none"> Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; Geographical location of Directors; Size and composition of the Board; Nature and scope of the Group's operations and size; and Capacity, complexity and expectations of the other listed directorships and principal commitments held.
PG 4	<u>Alternate Directors</u>	<p>Alternate directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans.</p> <p>The Company currently does not have any alternate directors.</p>

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BOARD PERFORMANCE		
5.1	<u>Performance Criteria</u>	<p>The NC is responsible for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board. The NC has established a review process and proposed objective performance criteria set out in assessment forms and checklists which are approved by the Board. The NC assesses the effectiveness of the Board as a whole, and the respective Board Committees, by completing a Board Performance Evaluation Form, which takes into consideration factors such as the Board's structure, access to information, conduct of meetings, succession planning, risk management and internal controls, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of financial performance indicators which includes share price performance. The NC assesses the individual Directors' performance by completing an Individual Director Self-Assessment Form, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.</p> <p>The NC would review the criteria periodically to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.</p> <p>The NC did not propose any significant changes to the performance criteria for FY2024.</p>

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5.2	<p><u>Performance Review</u></p> <p>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</p>	<p>The reviews of the performance of the Board, Board Committees and individual Directors are conducted by the NC annually and when the individual Director is due for re-election.</p> <p>For FY2024, the review process was as follows:</p> <ol style="list-style-type: none"> 1. All Directors individually completed the Performance Evaluation Questionnaires for the Board and Board Committees, and the Individual Director Self-Assessment Form on the effectiveness of the Board, Board Committees and the individual Directors based on criteria as briefly described in Section 5.1; 2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; 3. The NC discussed the report, and in particular matters relating to Board composition, Board processes, risk management, succession planning and director development; and 4. The results of the performance review were deliberated during the NC meeting and tabled at the Board meeting for further discussion. <p>All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance or re-appointment as a Director of the Company.</p> <p>No external facilitator was used in the evaluation process.</p>
	(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 FY2024, 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 FY2024.

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

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6.4	<u>Engagement of Remuneration Consultants</u>	No remuneration consultants were engaged by the Company in FY2024. If necessary, the RC may seek expert advice inside and/or outside the Company on remuneration of all Directors.
LEVEL AND MIX OF REMUNERATION		
DISCLOSURE ON REMUNERATION		
7.1 7.2 7.3 8.1	<u>Remuneration Policy</u>	The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff that total compensation has been linked to the achievement of organisational and individual performance objectives and benchmarked against relevant and comparative compensation in the market.
	<u>"Claw-back" Provisions</u>	There are no contractual provisions which allow the Company to reclaim incentives from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual performance of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate. Nonetheless, the Company shall consider the said contractual provisions to be included in future renewals of service contracts as recommended by the Code. Save as aforesaid, the Company reserves the rights to employ legal recourse should any Director and/or key management personnel wilfully and negligently engage in any misconduct.

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Principle/Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
	<p><u>Remuneration Structure for Executive Directors and key management personnel</u></p> <p>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</p>	<p>The annual review of the compensation is carried out by the RC to ensure that the remuneration of Executive Directors and key management personnel are commensurate with their performance, contribution, giving due regard to the financial and commercial health and business needs of the Group.</p> <p>The senior management proposes the compensation for the Executive Directors and key management personnel for the RC's review, which would thereafter be recommended for the Board's approval.</p> <p>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her role, individual performance and contribution towards the overall performance of the Group for FY2024. Their remuneration is typically made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives, for each individual role.</p>
	<p><u>Performance Criteria</u></p> <p>(b) What were the performance conditions used to determine their entitlement under the short term and long-term incentive schemes?</p>	<p>The performance conditions for determining incentive plans were chosen to motivate Executive Directors and key management personnel to work in alignment with the goals of all stakeholders are based on both qualitative criteria (such as leadership, people development, commitment, teamwork, current market and industry practices and macro-economic factors) and quantitative factors (such as profitability, number of contracts secured, amount of billings and relative financial performance of the Group to its industry peers).</p> <p>The Company does not have long-term incentive schemes.</p>

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Principle/Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation																																																																																	
7.2	<u>Remuneration Structure of Non-Executive Directors</u>	<p>The Independent Non-Executive Directors do not have any service contracts and are paid directors' fees in cash.</p> <p>The Directors' fees are subject to shareholders' approval at a general meeting. The fees for the financial year in review are determined in the previous financial year, and were proposed by the Management, submitted to the RC for review and thereafter recommended for endorsement by the Board and subjected to shareholders at the annual general meeting.</p> <p>The RC (with the concerned directors abstained from deliberations) has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2024 is appropriate, considering the effort, time spent and responsibilities.</p>																																																																																	
8.1(a) 8.1(b)	(a) Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The breakdown for the remuneration of the Directors and the CEO for FY2024 is as follows:</p> <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>440,158</td><td>87</td><td>–</td><td>–</td><td>13</td><td>100</td></tr><tr><td>Mr. Ng Wai Kit</td><td>199,992</td><td>100</td><td>–</td><td>–</td><td>–</td><td>100</td></tr><tr><td>Mr. Lye Thiam Fatt Joseph Victor⁽¹⁾</td><td>22,180</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Mr. Chua Ser Miang⁽¹⁾</td><td>20,164</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Ms. Elizabeth Toh Guek Li⁽¹⁾</td><td>21,000</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Mr. Kuan Cheng Tuck⁽²⁾</td><td>15,867</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Mr. Nicholas Philip Lazarus⁽²⁾</td><td>14,157</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Mr. Lim Yeok Hua⁽²⁾</td><td>13,169</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr><tr><td>Mr. Xu Quanqiang</td><td>–</td><td>–</td><td>–</td><td>0</td><td>–</td><td>0</td></tr></table> <p>* Benefits-in-kind includes monthly allowances.</p> <p>There were no termination, retirement, post-employment benefits that may be granted to the Directors, the CEO and top three (3) key management personnel in FY2024.</p>					Table 8.1(a) – Directors' and CEO's Remuneration							Name	Remuneration (S\$)	Salary (%)	Bonus (%)	Directors Fees (%)	Benefits-in-kind* (%)	Total (%)	Mr. Hooi Yu Koh	440,158	87	–	–	13	100	Mr. Ng Wai Kit	199,992	100	–	–	–	100	Mr. Lye Thiam Fatt Joseph Victor ⁽¹⁾	22,180	–	–	100	–	100	Mr. Chua Ser Miang ⁽¹⁾	20,164	–	–	100	–	100	Ms. Elizabeth Toh Guek Li ⁽¹⁾	21,000	–	–	100	–	100	Mr. Kuan Cheng Tuck ⁽²⁾	15,867	–	–	100	–	100	Mr. Nicholas Philip Lazarus ⁽²⁾	14,157	–	–	100	–	100	Mr. Lim Yeok Hua ⁽²⁾	13,169	–	–	100	–	100	Mr. Xu Quanqiang	–	–	–	0	–	0
Table 8.1(a) – Directors' and CEO's Remuneration																																																																																			
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Principle/Provisions of the Code	Code and/or Guide Description	Company’s Compliance or Explanation																																
	(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?	Given the size and nature of the Company’s business, the Company has identified three (3) top key management personnel in FY2024. The breakdown for the remuneration of the Company’s key management personnel (who are not Directors or the CEO) for FY2024 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>Below S\$250,000</td><td></td><td></td><td></td><td></td></tr><tr><td>Jia Hongyan</td><td>93</td><td>7</td><td>–</td><td>100</td></tr><tr><td>Wong Chi Kong</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>			Table 8.1(b) – Remuneration of Key Management Personnel					Name	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Total (%)	Below S\$250,000					Jia Hongyan	93	7	–	100	Wong Chi Kong	100	–	–	100	Chookul Charun	100	–	–	100
	Table 8.1(b) – Remuneration of Key Management Personnel																																	
Name	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Total (%)																														
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Jia Hongyan	93	7	–	100																														
Wong Chi Kong	100	–	–	100																														
Chookul Charun	100	–	–	100																														
(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	The Group has three (3) key management personnel who are not directors for FY2024. The total remuneration paid to the top three (3) key management personnel for FY2024 was S\$359,488.																																	
8.2	<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.	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 FY2024.																																
8.3	<u>Employee Share Schemes</u>	The Company has no employee share schemes.																																

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Principle/Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
RISK MANAGEMENT AND INTERNAL CONTROLS		
9 9.1	<p><u>Risk Governance by the Board</u></p> <p><u>Identification of the Group's risks</u></p> <p><u>Management of risks</u></p>	<p>The Board, with the assistance of the AC, is responsible for the overall risk governance, risk management and internal control systems and framework of the Group. The Board has in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risk. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.</p> <p>At least once a year, the Group undertakes a formal enterprise-wide review of the adequacy and effectiveness of its risk management and internal control systems, including financial, operational, compliance and information technology controls. During this exercise, risk owners review and update the risks and controls for their respective areas. The result of this annual risk review is presented to the AC to ensure enterprise risks are appropriately identified and managed such that residual risks are acceptable given the operational nature of the business. For FY2024, the Board and AC has reviewed and is satisfied that the controls are adequate.</p> <p>Operational business risks are identified, addressed and reviewed on an ongoing basis by the Management. The Management then reports and updates the AC on a regular basis. For material risks which includes breaches in regulations or events that would potentially incur substantial damages/loss, the Board has an internal escalation/practice in place, whereby the Board is notified of such major incidents to be able to provide oversight and advise the Management accordingly.</p> <p>For FY2024, the Board and AC has reviewed the Group's enterprise risk management framework including the climate-related risks, detailed risks register and risk mitigating strategies that lies in the area of strategic risks, operational risks, financial risks, compliances risks and environmental risks. The risks shall be mitigated by way of improving project productivity to ensure the timely completion of job orders on hand and monitoring project financial indicators and outstanding settlements closely to ensure a healthy cash flow position to duly meet debt obligations and shareholders' expectations.</p>

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9.2	<p><u>Confirmation of Internal Controls</u></p> <p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p>	<p>The Board with the concurrence of the AC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were reasonably adequate and effective for FY2024.</p> <p>The bases for the Board's view are as follows:</p> <ol style="list-style-type: none"> 1. Assurance has been received from the CEO and FC (refer to Section 9.2(b) of Table I); 2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. Key management personnel evaluates, monitors material risks and reports to the AC on a regular basis; 4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; and 5. An enterprise risk management framework was established to identify, manage and mitigate significant risks. <p>The system of internal controls and risk management policies established by the Company is designed to manage, rather than eliminate, the risk of failure in achieving the Company's strategic objectives. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.</p>

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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?	<p>Yes, the Board has obtained such assurance from the CEO and FC in respect of FY2024.</p> <p>The Board had additionally relied on IA reports concerning, among other areas, human resources, payroll, treasury, and cash management issued to the Company as assurances that the Company's risk management and internal control systems are reasonably effective. These risks have been mitigated by strengthening the control mechanisms related to the establishment of a comprehensive performance appraisal and succession planning framework, as well as maintaining a healthy cash flow.</p>
AUDIT COMMITTEE		
10.1 10.3	<u>Role of the AC</u>	<p>All members of the AC are Non-Executive Directors who are independent and do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members was previous partner or director of the Company's external audit firm within a period of two years commencing on the date of his ceasing to be a partner of the external audit firm and none of the AC members holds any financial interest in the external audit firm.</p> <p>The AC is guided by its key terms of reference, which includes:</p> <p>(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;</p> <p>(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;</p> <p>(c) Reviewing the assurance from the CEO and the FC on the financial records and financial statements;</p>

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

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	<u>Whistle Blowing Policy</u>	<p>The AC is responsible for the oversight and monitoring of whistleblowing, and ensures independent investigation of the reported concern. If it deems appropriate, independent advisors will be engaged at the Group's expense. No whistle-blowing reports were received in FY2024. Should there be any whistle-blowing cases reported, such cases would be handled in accordance with the Company's whistle-blowing policy without fear of harassment and assurance their reports will be taken seriously. All complaints will be treated as confidential.</p> <p>The AC and the Company commits to protect of the whistleblower against detrimental or unfair treatment.</p> <p>In the event that the report is about a Director, that Director will not be involved in the review and any decision making with respect to that report. The policy aims to encourage reporting of such matters in good faith, with the confidence that any employees and any other persons making such reports will be treated fairly and be protected from reprisals.</p>
10.2	<u>Qualification of the AC members</u>	The Board considers the members of the AC, collectively, have expertise or experience in accounting and related financial management and are qualified to discharge the AC's responsibilities. Mr. Lye, who has relevant accounting and financial management knowledge and experience, is well qualified to chair the AC. Mr. Chua is also trained in accounting and financial management.

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Principle/Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
10.4	<u>Internal Audit Function</u>	<p>The Company's internal audit function is outsourced to RSM Risk Advisory Pte Ltd ("RSM") that reports directly to the AC Chairman and administratively to the Management. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the internal audit function of the Company is outsourced.</p> <p>The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit plan complements that of the external auditors and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems.</p> <p>The AC is satisfied that RSM is able to discharge its duties effectively as:</p> <ul style="list-style-type: none"> • It is adequately qualified, given that the 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 independent of the activities it audits; • It is adequately resourced as there is a team of three (3) members assigned to the Company's internal audit, led by the partner, with audit experience in the real estate and construction industry; and • It has the appropriate standing in the Company, given, <i>inter alia</i>, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.
10.5	<u>Met Auditors in Management's Absence</u>	The AC has met with the IA and the EA once in the absence of key management personnel in FY2024.

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SHAREHOLDER RIGHTS AND ENGAGEMENT		
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
11.1	<u>Shareholders' Participation at General Meetings</u>	Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders.
	<u>Appointment of Proxies</u>	The Company's Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote in the shareholder's place at the general meetings. Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two (2) proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.
11.2	<u>Bundling of Resolutions</u>	Resolutions requiring shareholders' approval are tabled separately for adoption at the Company's general meetings unless they are closely related and are more appropriately tabled together. Reasons and implications of why resolutions are bundled will be set out in the Company's disclosures.
11.3	<u>Directors' Attendance</u>	<p>The Company requires all Directors (including the respective chairman of the Board Committees) to be present, at all general meetings, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.</p> <p>All Directors attended the annual general meeting for FY2023 held on 29 April 2024.</p>
11.4	<u>Absentia Voting</u>	The Company's Constitution allows for absentia voting, including but not limited to the voting by mail, electronic mail or facsimile. The Board does not implement absentia-voting methods by mail, e-mail or fax, until issues on security and integrity are satisfactorily resolved.
11.5	<u>Publication of Minutes</u>	Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and management will be published on SGXNET and the Company's corporate website within one (1) month after the general meeting.

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Principle/Provisions of the Code	Code and/or Guide Description	Company's Compliance or Explanation
11.6	<u>Dividend Policy</u> (a) Does the Company have a dividend policy? (b) Is the Company paying dividends for the financial year? If not, please explain why.	<p>The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, <i>inter alia</i>, 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.</p> <p>No dividend has been declared or recommended for FY2024 after taking into consideration the Group's future cash flow requirements in the foreseeable future.</p>
ENGAGEMENT WITH SHAREHOLDERS		
12.1 12.2 12.3 13.3	<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?	<p>The Company solicits feedback from and addresses the concerns of shareholders (including institutional and retail investors) via:</p> <ul style="list-style-type: none"> a dedicated investor relations team whose contact details can be found www.kori.com.sg; investor relations webpage at www.kori.com.sg/ir.html; and investor/analyst briefings. <p>The Company held two (2) investor briefings in FY2024 to meet with its institutional and retail investors. In FY2024, Management has also updated shareholders on the Company's performance via its announcements.</p> <p>The Company has in place an investor relations policy, which sets out the process and mechanism to engage its shareholders, including the channel of communication for questions to be posed by shareholders and through which the Company may respond according. Through the investor relations ("IR") personnel, the Company communicates and engages with shareholders, analysts and other stakeholders to provide balanced, consistent, clear and pertinent information on a regular basis, as well as to attend to their queries or concerns and to keep the investors public apprised of the Group's corporate developments and financial performance.</p> <p>To enable shareholders to contact the Company easily, shareholders can reach out to the Company's IR email at admin@kori.com.sg. The Company has procedures in place for following up and addressing stakeholders' queries as soon as practicable.</p>

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	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	<p>Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.kori.com.sg and its investor relations webpage at www.kori.com.sg/latestnews.html and www.kori.com.sg/ir.html. All materials presented in general meetings are uploaded onto the SGXNET.</p> <p>For enquiries and all other matters, Shareholders and all other parties can contact the Company at 11 Sims Drive #06-01 SCN Centre Singapore 387385.</p>
MANAGING STAKEHOLDERS RELATIONSHIP		
ENGAGEMENT WITH STAKEHOLDERS		
13.1 13.2	<u>Stakeholders Management</u>	<p>The Company undertakes an annual review in identifying its material stakeholders. It assesses the material environmental, social and governance factors that affects the Group.</p> <p>Having assessed the stakeholders in terms of their impacts on the Company as well as the impact or potential impacts upon the stakeholders by the actions of the Company, it has identified the key stakeholders, the methods of engagement and addressed their concerns accordingly.</p> <p>The Company will publish its standalone FY2024 Sustainability Report no later than 30 April 2025 and the same will be uploaded on the Company's website as well as on SGXNET.</p>

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TABLE II – COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation															
711A and 711B	<u>Sustainability Reporting</u>	<p>Under Practice Note 7F (Sustainability Reporting Guide) issued by the SGX-ST, the Board should determine the environmental, social and governance factors identified as material to the Group's business and ensure that they are monitored and managed. The Board has ultimate responsibility for the Company's sustainability reporting.</p> <p>In defining the Company's sustainability reporting content, the Company will apply the principles of the Global Reporting Initiative ("GRI") by considering the Group's activities, impact and substantive expectations and interests of its stakeholders. The Company will observe a total of four principles, namely materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, the Company will observe the principles of balance, comparability, accuracy, timeliness, clarity and reliability.</p> <p>RSM conducted an internal control review of the sustainability reporting process in FY2024 for the Company, with a primary focus on the social impact management encompasses occupational health and safety, workforce and employee, training and development and other social disclosure.</p> <p>FY2024 Sustainability Report will be prepared in accordance with Rule 711B and Practice Note 7F of the Catalist Rules and fully aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Corresponding to GRI's emphasis on materiality, FY2024 Sustainability Report will highlight the key economic, environmental, social and governance related initiatives carried out throughout the 12-month period, from 1 January 2024 to 31 December 2024.</p>															
1204(6)(A)	<u>Non-audit fees</u> (a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	<table> <tr> <th colspan="3">Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2024</th></tr> <tr> <th></th><th>S\$</th><th>% of total</th></tr> <tr> <td>Audit fees</td><td>90,000</td><td>93</td></tr> <tr> <td>Non-Audit Fees</td><td>7,200</td><td>7</td></tr> <tr> <td>Total</td><td>97,200</td><td>100</td></tr> </table>	Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2024				S\$	% of total	Audit fees	90,000	93	Non-Audit Fees	7,200	7	Total	97,200	100
Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2024																	
	S\$	% of total															
Audit fees	90,000	93															
Non-Audit Fees	7,200	7															
Total	97,200	100															

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TABLE II – COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation
1204(6)(B)	<p><i>Confirmation by AC</i></p> <p>(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.</p>	The non-audit services rendered during FY2024 were not substantial.
1204(6)(C)	<u>Appointment of Auditors</u>	The Company confirms its compliance to Rules 712 and 715 of the Catalist Rules.
1204(8)	<u>Material Contracts</u>	<p>The Company entered into a loan agreement with Mr. Hooi Yu Koh, the Executive Chairman and CEO, during FY2023 which is still subsisting at end of FY2024, for a principal amount of S\$416,642, bearing an interest of 5% per annum. The loan is unsecured and with no fixed term of repayment.</p> <p>The Company is the borrower and Mr. Hooi Yu Koh is the lender.</p> <p>During FY2022, the Company entered into a convertible bond agreement with LJHB Capital (S) Pte Ltd ("LJHB"), the controlling shareholder of Keong Hong Holdings Limited, which is in turn a controlling shareholder of the Company, for a principal amount of S\$2,000,000, bearing interest at 5% per annum. Interest is payable annually in arrears from the date on which it was issued ("Issue Date"). The maturity of the Bond is five (5) years from the Issue Date.</p> <p>The Company is the issuer (borrower) and LJHB is the holder (lender).</p> <p>Save for the above disclosure, there were no material contracts entered into by the Group involving the interest of any Director, or controlling shareholder, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.</p>
1204(10)	<u>Adequacy of Internal Controls</u>	Please refer to the confirmation provided by the Board in Section 9.2 of Table I.
1204(10B)	<u>Adequacy of Internal Audit Function</u>	The AC is of the opinion that the internal audit function is independent, effective and adequately resourced.
1204(11)	<u>Properties held for development/sale/investment</u>	Not applicable, as the Group does not hold any land or building for development, sale or investment.

CORPORATE GOVERNANCE REPORT

TABLE II – COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation			
1204(17)	<i>Interested Person Transactions ("IPT")</i>	The details of the IPT transacted during FY2024 is as set out in the table below. Save as disclosed below, there were no other IPTs entered into during FY2024 that was valued at S\$100,000 or more.			
		Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		LJHB	LJHB is the controlling shareholder of Keong Hong Holdings Limited, which is in turn a controlling shareholder of the Company.	Contractual interest paid/ payable to LJHB on convertible bond S\$100,274.	–

CORPORATE GOVERNANCE REPORT

TABLE II – COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation
1204(19)	<u>Dealing in Securities</u>	<p>The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information, which is not available to the public.</p> <p>The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one (1) 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 Rule 1204(19)(c) of the Catalist Rules.</p>
1204(21)	<u>Non-sponsor Fees</u>	There were no non-sponsor fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., for FY2024.
1204(22)	<u>Use of Proceeds</u>	There were no outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalist Rules at the end of FY2024 and no such proceeds have been raised since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

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

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

Name of Person	Mr. Ng Wai Kit	Mr. Xu QuanQiang
Date of Appointment	1 March 2018	30 December 2022
Date of Last Re-Appointment	28 April 2022	28 April 2023
Age	54	46
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration 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. Xu as Non-Executive Non-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 appointment is executive, and if so, the area of responsibility	The appointment is Executive. Mr. Ng is responsible for assisting in the business operation.	The appointment is Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Non-Executive Non-Independent Director
Academic qualifications	Master's degree in Science (Civil Engineering), National University of Singapore Bachelor's degree in Engineering (Civil), University of Malaya	Master of Business Administration from the University of South Australia
Working experience and occupation(s) during the past 10 years	Executive Director of: – Kori Holdings Limited – Kori Construction (S) Pte. Ltd. – Ming Shin Construction (S) Pte. Ltd.	June 2017 to present CEO of: – LJHB Holdings (S) Pte Ltd – LJHB USA Inc – Forevertrust International (S) Pte Ltd. January to May 2017 CEO of Ronghua Group Pte Ltd June to December 2016 Regional General Manager of GIC Group Pte Ltd October 2013 to May 2016 Country General Manager of BSI Group Singapore Pte Ltd

CORPORATE GOVERNANCE REPORT

Name of Person	Mr. Ng Wai Kit	Mr. Xu QuanQiang
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 10,000 shares representing 0.01% in the total number of shares in the Company.	No
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Mr. Xu is a director of LJHB Capital (S) Pte Ltd, who is the controlling shareholder of Keong Hong Holdings Limited ("KHHL"), and KHHL is a controlling shareholder of the Company.
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<i>Other Principal Commitments* Including Directorships*</i> * "Principal Commitments" has the same meaning as defined in the Code # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704 (9) or Catalyst Rule 704 (8).		
Past (for the last 5 years)	Nil	Aitec International Pte. Ltd. Advtech (Singapore) Pte. Ltd.
Present	Directorship: Kori Holdings Limited	Directorship: Kori Holdings Limited Keong Hong Holdings Limited Forevertrust International (S) Pte. Ltd. FT Development Pte. Ltd. Nuform System Asia Pte. Ltd. Grandwood Holdings Pte. Ltd. Grandwood (Japan) Pte. Ltd. Innotrust Pte. Ltd. Katong Holdings Pte. Ltd. LJHB Capital (S) Pte Ltd Pristine Islands Investment Pte. Ltd. RL Bagnall Pte. Ltd. Wisestone Pte. Ltd. Wisewind International Pte. Ltd. Principal commitments: Continental Hope Singapore Industrial Development Pte. Ltd. LJHB USA Inc LJHB Holdings (S) Pte. Ltd. PT Forevertrust International Indonesia

CORPORATE GOVERNANCE REPORT

Name of Person	Mr. Ng Wai Kit	Mr. Xu QuanQiang
(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
(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

CORPORATE GOVERNANCE REPORT

Name of Person	Mr. Ng Wai Kit	Mr. Xu QuanQiang
(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
(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

CORPORATE GOVERNANCE REPORT

Name of Person	Mr. Ng Wai Kit	Mr. Xu QuanQiang
(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
<p>(j) Whether he has ever, to his knowledge, been concerned with the management of conduct, in Singapore or elsewhere, of the affairs of:–</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No

CORPORATE GOVERNANCE REPORT

Name of Person	Mr. Ng Wai Kit	Mr. Xu QuanQiang
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Not applicable</p> <p>This relates to the re-election of a director and the continued appointment of an Executive Director.</p>	<p>Not applicable</p> <p>This relates to the re-election of a director and the continued appointment of a Non-Executive Non-Independent Director.</p>

DIRECTORS' STATEMENT

The directors of Kori Holdings Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

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 2024 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	
Xu QuanQiang	
Elizabeth Toh Guek Li	(Appointed on 1 April 2024)
Lye Thiam Fatt Joseph Victor	(Appointed on 29 April 2024)
Chua Ser Miang	(Appointed on 29 April 2024)

3. Arrangements to enable directors to acquire shares or debentures

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

4. Directors' interests in shares or debentures

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

	Direct Interest		Deemed Interest	
	Balance as at 1 January 2024	Balance as at 31 December 2024	Balance as at 1 January 2024	Balance as at 31 December 2024
	Number of ordinary shares		Number of ordinary shares	
Company				
Hooi Yu Koh	18,939,100	18,939,100	14,924,000	14,924,000
Ng Wai Kit	10,000	10,000	–	–

DIRECTORS' STATEMENT

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

By virtue of Section 7 of the Act, Hooi Yu Koh is 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 2025 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2024.

5. Share options

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

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

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

6. Audit Committee

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

Lye Thiam Fatt Joseph Victor (Chairman)
Chua Ser Miang
Elizabeth Toh Guek Li

In accordance with Section 201B(5) of the Act, the Audit Committee has reviewed with the Company's internal auditors their audit plan and the scope and results of their internal audit procedures. It has also reviewed with the Company's independent auditors, BDO LLP, their audit plan, their evaluation of the system of internal accounting controls, their audit report on the accompanying financial statements for the financial year ended 31 December 2024 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.

DIRECTORS' STATEMENT

7. Independent auditors

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

On behalf of the Board of Directors

Hooi Yu Koh

Director

Singapore
8 April 2025

Ng Wai Kit

Director

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 74 to 124 which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

KEY AUDIT MATTER (Continued)	AUDIT RESPONSE
1 Revenue recognition	
<p>The Group is principally engaged in providing civil/structural engineering and infrastructural construction services such as installation and dismantling services for structural steel works and supply of labour for tunnelling works ("Construction Services"). The Group is also required to supply steel beams, by way of lease arrangement with its customers as part of the contracts with its customers.</p> <p>During the financial year ended 31 December 2024, the Group's revenue from Construction Services and rental of steel beams amounted to \$7,902,906 and \$9,539,214 (2023: \$7,645,008 and \$10,225,593) respectively.</p> <p>The Group has identified that the supply of steel beams as an operating lease and revenue is measured separately from those of Construction Services.</p> <p>Revenue from the Group's Construction Services are recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group as the project progresses. The Group applies the input method to determine the percentage-of-completion which is measured by total contract costs incurred to-date over total budgeted contract costs of the construction contracts as approved by management.</p> <p>We have determined revenue recognition as a key audit matter due to the significant management judgement and estimates involved in determining the percentage-of-completion for Constructions Services and accounting for lease arrangements on supply of steel beams.</p> <p>Refer to Notes 5 and 14 to the accompanying financial statements.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the Group's revenue recognition accounting policies; • Selected significant construction contracts and obtained an understanding of the key terms of the contracts; • Carried out tests of controls surrounding management's budgeted contract costs and revenue recognition process to estimate contract revenues, contract costs and profit margins; • Obtained an understanding of the progress and status of the significant ongoing construction contracts through discussions with management and conducted site visits; • Tested the costs-to-complete for significant ongoing construction contracts by evaluating the reasonableness of the total budgeted contract costs; • Tested the labour costs charged for significant ongoing construction contracts against the timesheets of the construction contract employees, on sample basis. We also verified the existence of those employees by checking against payroll records; and • Assessed the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

KEY AUDIT MATTER (Continued)	AUDIT RESPONSE
2	Loss allowance for trade receivables, unbilled receivables, retention receivables and contract assets
<p>As at 31 December 2024, the net carrying amounts of trade receivables, unbilled receivables, retention receivables and contract assets aggregated to \$41,293,493 (2023: \$39,928,858) and represented approximately 93% of the Group's total current assets.</p> <p>During the financial year, loss allowance of \$90,187 (2023: \$826,653) was recognised in profit or loss. In addition, the Group is exposed to significant concentration of credit risk in relation to its top 3 customers which contributed approximately 88% of the total trade receivables, unbilled receivables, retention receivables and contract assets as at 31 December 2024.</p> <p>Management estimates the lifetime expected credit losses by taking into account the historical payment trends, default payment information, credit profile of its customers and an assessment of both the current and forward-looking information on macroeconomic factors affecting the Group's customers, all of which involved significant judgement.</p> <p>We have determined the assessment of loss allowance for trade receivables, unbilled receivables, retention receivables and contract assets to be a key audit matter as it involved significant judgements and critical assumptions applied by management.</p> <p>Refer to Notes 13, 14 and 30.1 to the accompanying financial statements.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none">• Tested the trade receivables aging report used by management in its recoverability assessment;• Reviewed collectability of trade receivables 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

KEY AUDIT MATTER (Continued)	AUDIT RESPONSE
3	Recoverability of current income tax recoverable
<p>As at 31 December 2024, the Group recorded current income tax recoverable of \$643,094 (2023: \$643,094) with respect to revised tax computations submitted to the tax authority. The recoverability is largely dependent on the tax authority accepting the Group's revised tax computations arising from the restatement of financial results in prior years.</p> <p>During the financial year, a subsidiary of the Company was informed by the tax authority that the capital allowances previously disregarded could be claimed, subject to clarification on its adoption of SFRS(I) 15 and the adjustments thereof relating to the recognition of those qualifying assets in the prior financial years. Management continues to engage the tax authority, along with its independent tax advisor, to justify that the claims were appropriate in the prior financial years. Based on the advice received from the independent tax advisor, management has determined that the tax recoverable of \$643,094 (2023: \$643,094) recorded as at 31 December 2024 remains appropriate under the relevant income tax rule.</p> <p>We have determined the income tax recoverable to be a key audit matter due to the significant judgement made by management and tax specialist in the recoverability assessment.</p> <p>Refer to Note 9 to the accompanying financial statements.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> Obtained and read the correspondences between the Group, independent tax advisor and tax authority; Held discussions with management to understand if there were any major developments subsequent to the receipt of the letter from the tax authority; Engage our internal tax specialist to evaluate the appropriateness of management's judgement, which is supported by the advice from independent tax advisor, under the relevant income tax rule; and Assessed the adequacy of the related disclosures in the financial statements.

Other Information

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KORI HOLDINGS LIMITED

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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
8 April 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$	2023 \$
Revenue	5	17,442,120	17,870,601
Cost of sales		(12,380,640)	(12,639,539)
Gross profit		5,061,480	5,231,062
Other items of income			
Interest income	6	28,074	16,474
Other income	6	112,640	50,910
Other items of expense			
Administrative and other expenses		(3,906,991)	(3,525,134)
Loss allowance reversed/(made)			
– trade receivables		(82,563)	44,133
– unbilled receivables		(70,542)	(685,425)
– retention receivables		(19,118)	(125,035)
– contract assets		82,036	(60,326)
Finance costs	7	(236,557)	(277,644)
Profit before income tax	8	968,459	669,015
Income tax expense	9	(253,000)	(145,972)
Profit for the financial year, attributable to owners of the parent		715,459	523,043
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency differences on translation of foreign operations		7,605	7,422
Other comprehensive income, net of tax		7,605	7,422
Total comprehensive income for the financial year, attributable to owners of the parent		723,064	530,465
Earnings per share			
Basic	10	0.72 cents	0.53 cents
Diluted	10	0.72 cents	0.53 cents

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		\$	\$	\$	\$
Non-current assets					
Property, plant and equipment	11	31,953,904	32,269,960	–	–
Investments in subsidiaries	12	–	–	25,825,255	25,825,255
Total non-current assets		31,953,904	32,269,960	25,825,255	25,825,255
Current assets					
Trade and other receivables	13	38,340,672	35,799,174	4,236,517	4,314,747
Contract assets	14	3,189,356	4,348,990	–	–
Capitalised contract costs	14	373,770	184,042	–	–
Prepayments		213,442	159,914	237	297
Current income tax recoverable		643,094	643,094	–	–
Cash and bank balances	15	566,847	427,037	9,047	14,281
Fixed deposits	15	1,042,861	1,014,786	–	–
Total current assets		44,370,042	42,577,037	4,245,801	4,329,325
Less:					
Current liabilities					
Trade and other payables	16	9,723,149	7,670,530	562,776	529,599
Contract liabilities	14	6,260,511	6,961,395	–	–
Lease liabilities	17	151,105	188,601	–	–
Bank borrowings	18	388,288	764,950	–	–
Total current liabilities		16,523,053	15,585,476	562,776	529,599
Net current assets		27,846,989	26,991,561	3,683,025	3,799,726
Less:					
Non-current liabilities					
Lease liabilities	17	28,269	114,499	–	–
Bank borrowings	18	–	388,287	–	–
Deferred tax liabilities	19	1,400,000	1,147,000	–	7,000
Convertible bonds	20	2,884,602	2,846,777	2,884,602	2,846,777
Provisions	21	50,000	50,000	–	–
Total non-current liabilities		4,362,871	4,546,563	2,884,602	2,853,777
Net assets		55,438,022	54,714,958	26,623,678	26,771,204

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
Equity					
Share capital	22	32,290,650	32,290,650	32,290,650	32,290,650
Merger reserve	23	(25,627,521)	(25,627,521)	–	–
Foreign currency translation reserve/(account)	24	2,020	(5,585)	–	–
Capital reserve	25	39,012	39,012	39,012	39,012
Retained earnings/(Accumulated losses)	26	48,733,861	48,018,402	(5,705,984)	(5,558,458)
Total equity attributable to owners of the parent		55,438,022	54,714,958	26,623,678	26,771,204

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to owners of the parent				
		Share capital	Merger reserve	Foreign currency translation reserve/(account)	Capital reserve	Retained earnings
		\$	\$	\$	\$	\$
Balance at 1 January 2024		32,290,650	(25,627,521)	(5,585)	39,012	48,018,402
Profit for the financial year		–	–	–	–	715,459
Other comprehensive income for the financial year:						
Exchange differences on translation of foreign operations	24	–	–	7,605	–	–
Total comprehensive income for the financial year		–	–	7,605	–	715,459
Balance at 31 December 2024		32,290,650	(25,627,521)	2,020	39,012	48,733,861
						54,714,958
						715,459
						723,064
						55,438,022

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Attributable to owners of the parent				
		Share capital	Merger reserve	Foreign currency translation account	Capital reserve	Retained earnings
Group		\$	\$	\$	\$	\$
Balance at 1 January 2023		32,290,650	(25,627,521)	(13,007)	39,012	47,495,359
						54,184,493
Profit for the financial year		-	-	-	-	523,043
						523,043
Other comprehensive income for the financial year:						
Exchange differences on translation of foreign operations	24	-	-	7,422	-	-
						7,422
Total comprehensive income for the financial year		-	-	7,422	-	523,043
Balance at 31 December 2023		32,290,650	(25,627,521)	(5,585)	39,012	48,018,402
						54,714,958

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$	2023 \$
Operating activities			
Profit before income tax		968,459	669,015
Adjustments for:			
Amortisation of capitalised contract costs	14	99,964	82,064
Depreciation of property, plant and equipment	11	1,693,249	1,672,173
Loss on disposal and write-off of property, plant and equipment		1,261,426	1,045,615
Interest expense		238,349	279,499
Interest income		(28,074)	(16,474)
Loss allowance made/(reversed)			
– trade receivables		82,563	(44,133)
– unbilled receivables		70,542	685,425
– retention receivables		19,118	125,035
– contract assets		(82,036)	60,326
Unrealised exchange difference		7,162	9,982
Operating cash flows before working capital changes		4,330,722	4,568,527
Working capital changes:			
Trade and other receivables		(2,713,721)	(3,184,054)
Contract assets		1,241,670	137,107
Capitalised contract costs		(289,692)	–
Trade and other payables		(758,969)	(3,251,737)
Contract liabilities		(700,884)	1,719,111
Prepayments		(53,528)	76,702
Cash generated from operations		1,055,598	65,656
Income tax paid		–	(5,863)
Net cash from operating activities		1,055,598	59,793
Investing activities			
Interest received		28,074	16,474
Proceeds from disposal of property, plant and equipment		263,155	216,637
Purchase of property, plant and equipment	11	(6,449)	(121,591)
Net cash from investing activities		284,780	111,520

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$	2023 \$
Financing activities			
(Decrease)/increase in pledged fixed deposits		(28,537)	1,053,524
Repayments of principal portion of lease liabilities	A	(205,114)	(220,724)
Repayments of interest portion of lease liabilities	A	(7,195)	(6,785)
Repayments of bank borrowings	A	(764,949)	(1,749,829)
Proceeds of loan from a director	A	104,000	90,000
Repayment of loan from director	A	(262,000)	(40,000)
Repayments of interest portion of bank borrowings	A	(16,082)	(63,108)
Repayments of interest portion of loan from director	A	(21,596)	(641)
Net cash used in financing activities		(1,201,473)	(937,563)
Net change in cash and cash equivalents		138,905	(766,250)
Cash and cash equivalents at beginning of financial year		429,064	1,196,969
Effects of exchange rate changes on cash and cash equivalents		443	(1,655)
Cash and cash equivalents at end of financial year	15	568,412	429,064

Note A: Reconciliation of liabilities arising from financing activities

	1.1.2024	Cash flows	Accretion of interest	Non-cash changes Additions of property, plant and equipment under lease liabilities	31.12.2024
	\$	\$	\$	\$	\$
Lease liabilities	303,100	(212,309)	7,195	81,388	179,374
Bank borrowings	1,153,237	(781,031)	16,082	–	388,288
Convertible bonds	2,846,777	–	37,825	–	2,884,602
Loan from director	621,472	(179,596)	26,836	–	468,712

	1.1.2023	Cash flows	Accretion of interest	Non-cash changes Additions of property, plant and equipment under lease liabilities	31.12.2023
	\$	\$	\$	\$	\$
Lease liabilities	360,557	(227,509)	6,785	163,267	303,100
Bank borrowings	2,903,066	(1,812,937)	63,108	–	1,153,237
Convertible bonds	2,811,870	–	34,907	–	2,846,777
Loan from director	544,719	49,359	27,394	–	621,472

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

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

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the material policy information in the relevant notes to the financial statements.

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

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

Critical judgements applied:

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

Significant accounting estimates and assumptions used:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Basis of preparation of financial statements (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2024

On 1 January 2024, the Group adopted the new or amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements.

New standards, amendments and interpretations issued but not yet effective

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

SFRS(I) 18 Presentation and Disclosure in Financial Statements

The SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements and provides guidance on presentation and disclosure in financial statements, focus on the statement of profit or loss.

SFRS(I) 18 introduces:

- New structure on statement of profit or loss with defined subtotals;
- Disclosure related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by accounting standards with adjustments made (e.g. 'adjusted profit or loss'). A reconciliation of MPMs to the nearest total or subtotal calculated in accordance with accounting standards; and
- Enhanced principles on aggregation and disaggregation of financial information which apply to the primary financial statements and notes in general.

SFRS(I) 18 will take effect on 1 January 2027 and management anticipates that the new requirements will change the current presentation and disclosure in the financial statements. An impact assessment regarding the adoption of SFRS(I) 18 is still underway and has not yet been completed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. Segment information

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

During the financial years ended 31 December 2024 and 31 December 2023, the Group operated mainly in Singapore and all non-current assets were located in Singapore. Accordingly, an analysis of non-current assets and revenue of the Group by geographical distribution has not been presented.

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

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

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

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

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

Income taxes are managed by the management of the Group.

The accounting policies of the operating segments are the same of those described in the material accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. Segment information (Continued)

	Structural steel \$	Tunnelling \$	Unallocated \$	Total \$
2024				
External revenue	17,316,425	125,695	–	17,442,120
Depreciation of property, plant and equipment	(1,437,382)	–	(255,867)	(1,693,249)
Loss allowance reversed/(made)				
– trade receivables	(82,563)	–	–	(82,563)
– unbilled receivables	(70,542)	–	–	(70,542)
– retention receivables	(19,118)	–	–	(19,118)
– contract assets	82,036	–	–	82,036
Loss on disposal and write-off of property, plant and equipment	(1,304,926)	–	43,500	(1,261,426)
Segment profit/(loss)	3,661,339	5,028	(2,489,425)	1,176,942
Interest income				28,074
Interest expenses				(236,557)
Income tax expense				(253,000)
Profit for the financial year				715,459
Reportable segment assets	73,381,329	–	2,942,617	76,323,946
Included in the segment assets:				
Additions to property, plant and equipment	2,803,918	–	97,017	2,900,935
Reportable segment liabilities	11,296,233	–	8,189,691	19,485,924
Deferred tax liabilities				1,400,000
Total Group's liabilities				20,885,924

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. Segment information (Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. Segment information (Continued)

Geographical information

During the financial year ended 31 December 2024, the Group operated mainly in Singapore and revenue from external customers were generated in Singapore. Accordingly, an analysis of revenue from external customers of the Group by geographical distribution has not been presented.

Location of non-current assets

	Singapore \$	Malaysia \$	Group \$
2024			
Non-current assets	31,939,152	14,752	31,953,904
2023			
Non-current assets	32,255,438	14,522	32,269,960

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 (2023: 4 customers) of the Group's structural steel and tunnelling segment and the details of customers which individually contributed 10 percent or more of the Group's revenue during the financial year were as follows:

	Group			
	Structural steel		Tunnelling	
	2024	2023	2024	2023
	\$	\$	\$	\$
Customer A	5,753,723	5,327,804	–	–
Customer B	2,745,321	1,928,299	–	–
Customer C	3,494,222	3,800,687	–	–
Customer D	3,201,866	3,564,824	125,695	–
	15,195,132	14,621,614	125,695	–

4. Authorisation of 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 2024 were authorised for issue in accordance with a Directors' resolution dated 8 April 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. Revenue

Disaggregation of revenue

The Group has disaggregated revenue into the following categories:

	Structural steel works segment		Tunnelling works segment		Total	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Construction services						
– Over time	7,777,211	6,621,719	125,695	1,023,289	7,902,906	7,645,008
Rental of steel beams	9,539,214	10,225,593	–	–	9,539,214	10,225,593
	<u>17,316,425</u>	<u>16,847,312</u>	<u>125,695</u>	<u>1,023,289</u>	<u>17,442,120</u>	<u>17,870,601</u>

All revenues of the Group are generated within Singapore.

Material accounting policy information, critical judgements, and significant estimates

(a) Revenue from construction services

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. Revenue (Continued)

Disaggregation of revenue (Continued)

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

(a) Revenue from construction services (Continued)

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

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

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

Estimation of total contract costs

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

As at 31 December 2024, contract assets of \$3,189,356 (2023: \$4,348,990) and contract liabilities of \$6,260,511 (2023: \$6,961,395) were recognised based on the estimation of Group's work progress using input method. If total contract costs of ongoing contracts to be incurred had been higher or lower by 2% (2023: 3%) from management's estimates, the Group's revenue, and net of contract assets/contract liabilities would have been lower and higher by approximately \$738,000 and \$760,000 (2023: \$1,215,000 and \$1,309,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. Revenue (Continued)

Disaggregation of revenue (Continued)

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

(b) Rental income

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

Leasing of steel beams

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

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

6. Other income

	Group	
	2024	2023
	\$	\$
Interest income		
Financial assets measured at amortised cost		
– Bank deposits	28,074	16,474
Other income		
Government grants	82,995	11,885
Insurance claims	4,696	4,468
Foreign exchange gain, net	525	24,126
Others	24,424	10,431
	<u>112,640</u>	<u>50,910</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7. Finance costs

	Group	
	2024	2023
	\$	\$
Interest expenses:		
– Lease liabilities (Note 17)	7,195	6,785
– Bank borrowings	16,082	63,108
– Convertible bonds	188,236	182,853
– Loan from a director	26,836	26,753
	238,349	279,499
Less: Interest expense allocated to cost of sales line item	(1,792)	(1,855)
	<u>236,557</u>	<u>277,644</u>

Material accounting policy information

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

8. Profit before income tax

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

	Group	
	2024	2023
	\$	\$
<i>Cost of sales</i>		
Accommodation of construction workers	448,578	345,452
Amortisation of capitalised contract costs	99,964	82,064
Hiring of equipment	1,365,762	1,329,891
Subcontractors charges	883,419	413,646
Worksite expenses	<u>3,556,161</u>	<u>3,285,291</u>
<i>Administrative and other expenses</i>		
Audit fees paid/payable to the auditors		
– auditors of the Company	90,000	85,000
– other auditors	585	589
Non-audit related services fees paid/payable to auditors*		
– auditors of the Company	7,200	7,200
– other auditors	409	354
Hiring of vehicle	112,492	31,104
Professional fees	124,901	166,722
Loss on disposal and write-off of property, plant and equipment	<u>1,261,426</u>	<u>1,045,615</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. Profit before income tax (Continued)

Material accounting policy information

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

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

	2024	2023
	\$	\$
Lease expenses on short-term leases		
– Accommodation of construction workers	448,578	345,452
– Hiring of equipment	1,365,762	1,329,891
– Hiring of vehicle	112,492	31,104
	<u>1,926,832</u>	<u>1,706,447</u>

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

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

	Group	
	2024	2023
	\$	\$
Cost of sales	1,437,382	1,449,320
Administrative expenses	255,867	222,853
	<u>1,693,249</u>	<u>1,672,173</u>

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

	Group	
	2024	2023
	\$	\$
Cost of sales		
– salaries, wages, bonuses and other short-term benefits	4,052,768	5,136,770
– employer's contribution to defined contribution plans	99,105	111,210
Administrative expenses		
– salaries, wages, bonuses and other short-term benefits	996,643	1,198,950
– employer's contribution to defined contribution plans	133,969	131,569
	<u>5,282,485</u>	<u>6,578,499</u>

Material accounting policy information

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. Income tax expense

	Group	
	2024	2023
	\$	\$
Deferred tax		
– current financial year	253,000	141,000
– under/(over) provision in prior financial years	–	4,972
	<u>253,000</u>	<u>145,972</u>
Total income tax expense recognised in profit or loss	<u>253,000</u>	<u>145,972</u>

Critical judgements and significant estimates

Recoverability of income tax recoverable

During the financial year, a subsidiary of the Company was informed by the tax authority that the capital allowances previously disregarded could be claimed, subject to the subsidiary satisfying the tax authority that there was no double claim on the cost of steel beams with respect to certain years of assessment ("Relevant YAs"), which arose from the adoption of SFRS(I) 15. In May 2024, the subsidiary presented its case to the tax authority to address and clarify the inquiries raised. In July 2024, the tax authority requested additional supporting documents to reconcile the fixed asset figure. Accordingly, management had provided further explanation to the reconciliation in October 2024. Based on the advice from our independent tax advisor, management has determined that the amount of \$643,094 recorded as income tax recoverable as at 31 December 2024 remains appropriate under the relevant income tax rule.

Potential income tax liability

In December 2024 and December 2023, the subsidiary of the Company received a protective assessment from the tax authority imposing an additional tax liability of \$247,500 and \$678,800 for the Year of Assessment ("YA") 2020 and YA2019 respectively. The alleged additional tax liability stemmed from the exclusion of certain carried-forward capital allowances attributable to the Relevant YAs, which are currently under review by the tax authority. On 2 January 2025, the subsidiary, through its tax specialist, filed a notice of objection to the protective assessment for YA2020. It is noted the IRAS has stood over the additional corporate income taxes payable for YA2020 and YA2019 and the additional tax payable has been reflected as discharged in the statement of account from the IRAS. As such, no provision for this alleged tax liability has been recognised as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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% (2023: 17%) to profit before income tax as a result of the following differences:

	Group	
	2024	2023
	\$	\$
Profit before income tax	968,459	669,015
Tax calculated at Singapore statutory income tax rate of 17% (2023: 17%)	164,638	113,733
Effects of:		
– Different income tax rate in overseas operations	(2,697)	3,172
– Expenses not deductible for tax purposes	41,131	13,380
– Income not subject to tax	(4,773)	(23,319)
– Deferred tax assets not recognised	44,124	44,065
– Under provision of deferred tax liabilities in respect of prior financial years	–	4,972
– Others	10,577	(10,031)
	253,000	145,972

Unrecognised deferred tax assets

	Group	
	2024	2023
	\$	\$
Balance at beginning of financial year	142,696	103,720
Amount not recognised during the financial year	44,124	44,065
Currency translation adjustment	5,277	(5,089)
Balance at end of financial year	192,097	142,696

Unrecognised deferred tax assets are attributable to:

	Group	
	2024	2023
	\$	\$
Unabsorbed capital allowances	1,248	1,178
Excess of property, plant and equipment's carrying amount over its tax written down value	(3,574)	–
Unutilised tax losses	192,664	140,189
Provision for unutilised leave	1,759	1,329
	192,097	142,696

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. Income tax expense (Continued)

Unrecognised deferred tax assets (Continued)

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

Year incurred	Year of expiry	Group	
		2024	2023
		\$	\$
2018	2028	42,871	40,462
2021	2031	20,095	18,966
2022	2032	15,615	14,737
2023	2033	10,072	9,142
2024	2034	9,453	–
		<u>98,106</u>	<u>83,307</u>

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

10. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the financial year attributable to owners of the parent by the actual number of ordinary shares in issue during the financial year.

(a) Basic earnings per share

	Group	
	2024	2023
The calculation of basic earnings per share is based on the following data:		
Profit attributable to owners of the parent	<u>\$715,459</u>	<u>\$523,043</u>
Weighted average number of ordinary shares outstanding for basic earnings per share	<u>99,200,000</u>	<u>99,200,000</u>
Basic earnings per share	<u>0.72 cents</u>	<u>0.53 cents</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. Earnings per share (Continued)

(b) Diluted earnings per share

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

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

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

	Group	
	2024	2023
	\$	\$
The calculation of diluted earnings per share is based on the following data:		
Profit attributable to owners of the parent	715,459	523,043
Add/(Less):		
Interest expense on convertible bonds	188,236	182,853
Tax effect relating to interest expense on convertible bonds	(6,430)	(5,934)
Earnings used in diluted earnings per share	<u>897,265</u>	<u>699,962</u>
Weighted average number of ordinary shares outstanding used for basic earnings per share	99,200,000	99,200,000
Effect of convertible bonds	<u>18,750,000</u>	<u>18,750,000</u>
Weighted average number of ordinary shares outstanding used for diluted earnings per share	<u>117,950,000</u>	<u>117,950,000</u>
Diluted earnings per share*	<u>0.72 cents</u>	<u>0.53 cents</u>

* For the financial year ended 31 December 2024 and 31 December 2023, diluted earnings per share was the same as the basic earnings per share because the effect of potential ordinary shares to be issued upon conversion of the convertible bond was anti-dilutive as the diluted earnings per share was higher than the basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Property, plant and equipment

Group	Leasehold building	Furniture and fittings	Motor vehicles	Office equipment	Plant and machinery	Office premises/ warehouse	Steel beams	Total
Cost	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2024	28,774	9,551	270,252	81,293	595,112	470,756	43,683,387	45,139,125
Additions	–	1,908	–	3,191	10,530	81,388	2,803,918	2,900,935
Disposal and write-off	–	–	(203,647)	–	–	(65,755)	(2,470,673)	(2,740,075)
Currency translation adjustment	1,713	–	770	37	–	–	–	2,520
Balance at 31 December 2024	30,487	11,459	67,375	84,521	605,642	486,389	44,016,632	45,302,505
Accumulated depreciation								
Balance at 1 January 2024	14,343	5,747	232,224	46,065	584,022	198,121	11,788,643	12,869,165
Depreciation charged	586	1,041	26,842	11,282	3,818	189,664	1,460,016	1,693,249
Disposal and write-off	–	–	(203,647)	–	–	(65,755)	(946,092)	(1,215,494)
Currency translation adjustment	879	–	770	32	–	–	–	1,681
Balance at 31 December 2024	15,808	6,788	56,189	57,379	587,840	322,030	12,302,567	13,348,601
Carrying amount								
Balance at 31 December 2024	14,679	4,671	11,186	27,142	17,802	164,359	31,714,065	31,953,904

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Property, plant and equipment (Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Property, plant and equipment (Continued)

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

	2024	2023
	\$	\$
Additions during the financial year	2,900,935	2,499,985
Additions through lease arrangements	(81,388)	(164,867)
Additions through offsetting arrangement with customers	(1,766,516)	(2,318,265)
Additions through trade and other payables	(1,046,582)	(5,732)
Cash payment for additions through trade payables in the prior financial year	–	110,470
Cash payment to acquire plant and equipment	6,449	121,591

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

Material accounting policy information and significant estimates

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

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

Estimated useful life and residual value of steel beams

The costs of steel beams are depreciated on a straight-line basis over their estimate useful economic life. Management estimates the useful life of these steel beams to be 15 years. Changes in the expected level of usage could impact the estimated economic useful life and the residual value of these assets, therefore estimates of future depreciation charges could be revised if expectations differ from previous estimates. As at 31 December 2024, the Group's carrying amount of steel beams amounted to \$31,714,065 (2023: \$31,894,744).

If expected useful life of these assets from management's estimate had been higher or lower by 3 years from management's estimates, the Group's profit would have been higher and lower by approximately \$321,000 and \$634,000 (2023: \$174,000 and \$693,000) respectively.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Property, plant and equipment (Continued)

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

	Office premises/ warehouse \$	Motor vehicles \$	Office equipment \$	Total \$
Group				
Cost				
Balance at 1 January 2024	470,752	53,684	24,740	549,176
Additions	81,388	–	–	81,388
Derecognition of right-of-use assets	(65,755)	–	–	(65,755)
Balance at 31 December 2024	486,385	53,684	24,740	564,809
Accumulated depreciation				
Balance at 1 January 2024	198,117	15,656	5,566	219,339
Depreciation charged	189,664	26,842	2,474	218,980
Derecognition of right-of-use assets	(65,755)	–	–	(65,755)
Balance at 31 December 2024	322,026	42,498	8,040	372,564
Carrying amount				
Balance at 31 December 2024	164,359	11,186	16,700	192,245
Cost				
Balance at 1 January 2023	623,489	49,471	24,740	697,700
Additions	111,183	53,684	–	164,867
Derecognition of right-of-use assets	(263,920)	(49,471)	–	(313,391)
Balance at 31 December 2023	470,752	53,684	24,740	549,176
Accumulated depreciation				
Balance at 1 January 2023	260,526	32,980	3,092	296,598
Depreciation charged	199,911	32,147	2,474	234,532
Derecognition of right-of-use assets	(262,320)	(49,471)	–	(311,791)
Balance at 31 December 2023	198,117	15,656	5,566	219,339
Carrying amount				
Balance at 31 December 2023	272,635	38,028	19,174	329,837

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Property, plant and equipment (Continued)

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

Material accounting policy information

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

	Years
Office premises/warehouse	1 to 2
Motor vehicles	3
Office equipment	5 to 9

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

During the financial year, lease liabilities of office premises/warehouse and motor vehicles with cost of \$65,755 (2023: \$263,920) and \$Nil (2023: \$49,471) respectively and carrying amount nil were fully settled and derecognised.

12. Investments in subsidiaries

	Company	
	2024	2023
	\$	\$
Unquoted equity shares, at cost	27,069,780	27,069,780
Allowance for impairment loss	(1,244,525)	(1,244,525)
	<u>25,825,255</u>	<u>25,825,255</u>

The details of the subsidiaries are as follows:

Name	Country of business/ incorporation	Principal activities	Proportion of ownership interest held	
			2024	2023
			%	%
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 Sdn. Bhd. (Formerly known as Kori Construction (M) Sdn. Bhd.) ⁽²⁾	Malaysia	Inactive	100	100

(1) Audited by BDO LLP, Singapore.

(2) Audited by another firm of auditors, YYC & CO PLT in FY2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. Investments in subsidiaries (Continued)

Movement in the allowance for impairment loss are as follows:

	Company	
	2024	2023
	\$	\$
Balance at beginning and end of financial year	1,244,525	1,244,525

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

13. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade receivables				
– Third parties	1,965,802	771,874	–	–
Loss allowance (Note 30)	(135,051)	(52,488)	–	–
	1,830,751	719,386	–	–
Unbilled receivables				
– Third parties	35,033,565	34,356,820	–	–
Loss allowance (Note 30)	(2,406,806)	(2,336,264)	–	–
	32,626,759	32,020,556	–	–
Retention receivables				
– Third parties	4,297,168	3,471,349	–	–
Loss allowance (Note 30)	(650,541)	(631,423)	–	–
	3,646,627	2,839,926	–	–
Other receivables				
– Subsidiaries	–	–	4,236,517	4,314,747
– Third parties	–	2,030	–	–
	–	2,030	4,236,517	4,314,747
Deposits	236,535	217,276	–	–
	38,340,672	35,799,174	4,236,517	4,314,747

Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. Trade and other receivables (Continued)

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

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

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

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

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

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

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

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Singapore dollar	38,334,686	35,793,525	4,219,663	4,297,892
Ringgit Malaysia	5,986	5,649	16,855	16,855
	<u>38,340,672</u>	<u>35,799,174</u>	<u>4,236,518</u>	<u>4,314,747</u>

14. Contract assets, contract liabilities and capitalised contract costs

	Group	
	2024	2023
	\$	\$
<u>Contract assets</u>		
Structural steel works	4,930,252	6,155,861
Tunnelling works	–	16,061
	<u>4,930,252</u>	<u>6,171,922</u>
Loss allowance (Note 30)	<u>(1,740,896)</u>	<u>(1,822,932)</u>
	<u>3,189,356</u>	<u>4,348,990</u>
<u>Contract liabilities</u>		
Structural steel works	<u>6,260,511</u>	<u>6,961,395</u>
Capitalised contract costs	<u>373,770</u>	<u>184,042</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

a) Significant changes in contract assets and contract liabilities

	Group			
	Contract assets		Contract liabilities	
	2024	2023	2024	2023
	\$	\$	\$	\$
Balance at beginning of financial year	4,348,990	4,546,423	6,961,395	5,242,284
Cumulative catch-up adjustments	–	(986,879)	–	(88,069)
Contract assets reclassified to trade receivables	(3,532,415)	(4,184,876)	–	–
Excess of revenue recognised over cash (or rights to cash)	2,290,745	5,034,648	–	–
Revenue recognised that was included in the contract liabilities balance at the beginning of financial year	–	–	(6,313,559)	(3,046,004)
Cash received in advance of performance and not recognised as revenue	–	–	5,612,675	4,853,184
(Loss allowance)/reversal of loss allowance recognised	82,036	(60,326)	–	–
Balance at end of financial year	3,189,356	4,348,990	6,260,511	6,961,395

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

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

During the financial year, the scopes of certain contracts were changed, which resulted in the cumulative catch-up adjustments of \$Nil (2023: \$986,879) to revenue in the current year on revenue recognised in the previous years, and \$Nil (2023: \$88,069) being revenue recognised in the current year but related to fulfilment of performance obligations in the previous years.

At each reporting date, the Group carried out a review of the recoverable amounts of its contract assets. As at end of the financial year, the Group recognised a loss allowance on contract assets arising from contracts with customers amounting to \$1,740,896 (2023: \$1,822,932) (Note 30.1).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	
	2024	2023
	\$	\$
Structural steel works		
Within one financial year	17,099,101	19,408,621
After one financial year but within five financial years	101,124,080	92,460,270
After five financial years	–	22,996,750
	118,223,181	134,865,641

c) Capitalised contract costs

	Group	
	2024	2023
	\$	\$
<i>Capitalised contract costs to fulfil contracts</i>		
Balance at beginning of financial year	184,042	266,106
Additions	289,692	–
Amortisation	(99,964)	(82,064)
Balance at end of financial year	373,770	184,042

The capitalised contract costs relate to preliminary costs incurred to fulfil a contract and are amortised over the contractual period, which generally ranged from 2 to 5 (2023: 1 to 2) years. This amortisation charged for the financial year had been included in "cost of sales" line item of the consolidated statement of comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash and bank balances	566,847	427,037	9,047	14,281
Fixed deposits	1,042,861	1,014,786	–	–
	<u>1,609,708</u>	<u>1,441,823</u>	<u>9,047</u>	<u>14,281</u>

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

	Group	
	2024	2023
	\$	\$
Cash and bank balances (as above)	1,609,708	1,441,823
Less: Fixed deposits pledged (Note 18)	(1,041,296)	(1,012,759)
Cash and cash equivalents per consolidated statement of cash flows	<u>568,412</u>	<u>429,064</u>

Fixed deposits mature on a period of 12 months (2023: 12 months) from the reporting period. The effective interest rate on the fixed deposits is 2% (2023: 2%) per annum.

As at 31 December 2024, the fixed deposits of the Group were pledged to banks as security for banking facilities as disclosed in Note 18 to the financial statements.

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

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Singapore dollar	1,607,233	1,422,509	9,047	14,281
Ringgit Malaysia	2,475	19,314	–	–
	<u>1,609,708</u>	<u>1,441,823</u>	<u>9,047</u>	<u>14,281</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade payables				
– Third parties	3,060,174	1,572,429	–	–
Other payables				
– Third parties	429,531	589,087	119,248	199,247
– Amount due to a director	416,642	574,642	–	–
	846,173	1,163,729	119,248	199,247
Goods and services tax payables, net	101,603	212,102	900	1,783
Advance from customers	4,558,317	3,722,708	–	–
Accrued operating expenses	762,894	761,225	100,710	137,062
Interest payable				
– Convertible bond holders	341,918	191,507	341,918	191,507
– Amount due to a director	52,070	46,830	–	–
	393,988	238,337	341,918	191,507
	9,723,149	7,670,530	562,776	529,599

Material accounting policy information

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

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

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

Non-trade payables to convertible bond holders are unsecured, non-interest bearing and repayable on demand.

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

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

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Singapore dollar	9,707,077	7,511,701	562,776	529,599
United States dollar	–	135,447	–	–
Ringgit Malaysia	16,072	23,382	–	–
	9,723,149	7,670,530	562,776	529,599

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. Lease liabilities

	Office premises/ warehouse \$	Motor vehicles \$	Office equipment \$	Total \$
Group				
Balance at 1 January 2024	250,192	38,348	14,560	303,100
Additions	81,388	–	–	81,388
Interest expense (Note 7)	5,784	695	716	7,195
Lease payments				
– Principal portion	(172,916)	(26,904)	(5,294)	(205,114)
– Interest portion	(5,784)	(695)	(716)	(7,195)
Balance at 31 December 2024	158,664	11,444	9,266	179,374
Balance at 1 January 2023	323,523	17,180	19,854	360,557
Additions	111,183	53,684	–	164,867
Derecognition	(1,600)	–	–	(1,600)
Interest expense (Note 7)	5,086	984	715	6,785
Lease payments				
– Principal portion	(182,914)	(32,516)	(5,294)	(220,724)
– Interest portion	(5,086)	(984)	(715)	(6,785)
Balance at 31 December 2023	250,192	38,348	14,560	303,100

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

	Group	
	2024	2023
	\$	\$
Contractual undiscounted cash flows		
– Not later than one financial year	154,309	194,809
– Between one and five financial years	29,007	116,816
	183,316	311,625
Less: Future finance charges	(3,942)	(8,525)
Present value of lease liabilities	179,374	303,100
Presented in statement of financial position		
– Current	151,105	188,601
– Non-current	28,269	114,499
	179,374	303,100

Material accounting policy information

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. Lease liabilities (Continued)

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

As at 31 December 2024, the weighted average incremental borrowing rate applied was 3.11% (2023: 3.02%).

The Group's lease liabilities of \$9,266 (2023: \$14,560) are secured by the leased assets (Note 11), which will be repossessed by the lessors (legal owners) in the event of default in repayment by the Group.

Total cash outflow for all leases including short-term leases were \$2,139,141 (2023: \$1,933,956).

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

18. Bank borrowings

	Group	
	2024	2023
	\$	\$
Current		
<i>Unsecured</i>		
– Bridging loan	388,288	764,950
	388,288	764,950
Non-current		
<i>Unsecured</i>		
– Bridging loan	–	388,287
	388,288	1,153,237

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

As at the end of the reporting period, the Group has no unutilised banking facilities.

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% (2023: 2%) per annum. The loan is supported by a corporate guarantee issued by the Company. The facility requires the Group to service a 12-month interest servicing period. After this period, the repayment is to be made via 48 monthly installments comprising monthly principal of \$62,500 plus interest from 24 July 2021 to 25 June 2025.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. Deferred tax

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Deferred tax liabilities	1,400,000	1,147,000	–	7,000

Movements in deferred tax position are as follows:

	Group	
	2024	2023
	\$	\$
Balance at beginning of financial year	(1,147,000)	(1,001,029)
Charged to profit or loss (Note 9)	(253,000)	(145,972)
Currency translation adjustment	–	1
Balance at end of financial year	(1,400,000)	(1,147,000)

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

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

Deferred tax liabilities

	Accelerated tax depreciation	Right-of-use asset	Total
	\$	\$	\$
Group			
At 1 January 2024	(1,644,634)	(56,072)	(1,700,706)
(Charge)/Credit to profit or loss	(302,227)	23,391	(278,836)
At 31 December 2024	(1,946,861)	(32,681)	(1,979,542)
At 1 January 2023	(1,335,550)	(68,187)	(1,403,737)
(Charge)/Credit to profit or loss	(309,085)	12,115	(296,970)
Exchange differences	1	–	1
At 31 December 2023	(1,644,634)	(56,072)	(1,700,706)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. Deferred tax (Continued)

Deferred tax assets

Group	Non-credit impaired allowance on receivables \$	Lease liabilities \$	Others \$	Total \$
At 1 January 2024	495,255	51,527	6,924	553,706
Credit/(Charge) to profit or loss	22,587	(21,033)	24,282	25,836
At 31 December 2024	517,842	30,494	31,206	579,542
At 1 January 2023	361,980	61,295	(20,567)	402,708
Credit/(Charge) to profit or loss	133,275	(9,768)	27,491	150,998
At 31 December 2023	495,255	51,527	6,924	553,706

At the end of the financial year, the Company's deferred tax liabilities of \$Nil (2023: \$7,000) was pertaining to deferred tax liabilities from temporary differences arising from convertible bonds of \$Nil (2023: \$26,000) and deferred tax assets from unutilised tax losses of \$Nil (2023: \$19,000).

20. Convertible bonds

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Convertible bonds (Continued)

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

	Group and Company	
	2024	2023
	\$	\$
Face value of convertible bonds at issuance	3,000,000	3,000,000
Equity conversion component on initial recognition (Note 25)	(39,012)	(39,012)
Less: Transaction cost at issuance	(159,210)	(159,210)
Liability component on initial recognition	2,801,778	2,801,778
Accumulated amortisation of interest expense (Note 7)	424,742	236,506
Accumulated interest payable	(341,918)	(191,507)
Liability component at end of financial year	<u>2,884,602</u>	<u>2,846,777</u>

The equity component of \$39,012 (2023: \$39,012) has been credited to the equity reserves (Note 25).

21. Provisions

	Group	
	2024	2023
	\$	\$
Provision for costs of dismantlement, removal or restoration	<u>50,000</u>	<u>50,000</u>

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

22. Share capital

	Group and Company			
	2024	2023	2024	2023
	Number of ordinary shares		\$	\$
Issued and fully-paid	<u>99,200,000</u>	<u>99,200,000</u>	<u>32,290,650</u>	<u>32,290,650</u>

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

23. Merger reserve

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. Foreign currency translation reserve/(account)

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

25. Capital reserve

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

26. Accumulated losses

	Company	
	2024	2023
	\$	\$
Accumulated losses	(5,705,984)	(5,558,458)

Movement of accumulated losses of the Company is as follows:

	Company	
	2024	2023
	\$	\$
Balance at beginning of financial year	(5,558,458)	(5,433,545)
Total comprehensive income for the financial year	(147,526)	(124,913)
Balance at end of financial year	(5,705,984)	(5,558,458)

27. Dividends

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

28. Commitments and contingent liabilities

28.1 Lease commitment (in the capacity of lessor)

The Group as a lessor

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

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

	Group	
	2024	2023
	\$	\$
Within one financial year	9,192,974	9,813,337
After one year but within five financial years	28,676,154	33,900,429
After five financial years	–	3,661,888
	37,869,128	47,375,654

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. Commitments and contingent liabilities (Continued)

28.2 Contingent liabilities

Financial guarantee contracts

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

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

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

Corporate guarantees

As at 31 December 2024, the Company had given guarantees amounting to \$388,288 (2023: \$1,153,237) to certain bank 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 bank if the subsidiary to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings.

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

29. Significant related party transactions

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

	Group	
	2024	2023
	\$	\$
With director		
Loan from a director	104,000	90,000
	<hr/>	<hr/>
	Company	
	2024	2023
	\$	\$
With subsidiaries		
Management and admin fees charged to a subsidiary	370,809	376,574
Repayment from a subsidiary	482,411	248,153
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. Significant related party transactions (Continued)

	Group and Company	
	2024	2023
	\$	\$
Balance with company in which director has significant influence		
Convertible bonds	1,923,000	1,897,000

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

Compensation of key management personnel

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

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

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Salaries and other short-term benefits (other than fees)	927,864	1,042,407	–	–
Employer's contribution to defined contribution plans	89,864	97,279	–	–
Directors' fees	106,537	131,000	106,537	131,000
Other benefits	57,600	38,400	–	–
	1,181,865	1,309,086	106,537	131,000

30. Financial instruments, financial risks and capital management

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

30.1 Credit risk

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

Concentration of credit risk exists when changes in economic and industry 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 as disclosed in Note 28.2 to the financial statements.

Trade receivables, unbilled receivables, retention receivables and contract assets

Significant estimates

Expected credit loss allowance

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

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

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

During the financial year, total loss allowance of \$90,187 (2023: \$826,653) was recognised in profit or loss. At the end of the financial year, the Group applies the expected credit loss rate of 6.9% (2023: 6.8%) for trade receivables, unbilled receivables, retention receivables and contract assets by using a provision matrix.

As at the end of the reporting period, the Group and the Company did not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except the Group has outstanding from 3 (2023: 5) counterparties which represent 100% (2023: 100%) of total trade receivables, unbilled receivables, retention receivables and contracts assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

30.1 Credit risk (Continued)

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

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

	Group			
	Gross carrying amount \$	Non-credit impaired \$	Credit Impaired \$	Carrying amount \$
31 December 2024				
Trade receivables				
Not past due	1,965,802	(135,051)	–	1,830,751
Unbilled receivables	35,033,565	(2,406,806)	–	32,626,759
Retention receivables	4,297,168	(269,003)	(381,538)	3,646,627
Contract assets	4,930,252	(235,272)	(1,505,624)	3,189,356
31 December 2023				
Trade receivables				
Not past due	764,289	(51,972)	–	712,317
Past due but not impaired – less than 1 month	7,585	(516)	–	7,069
	771,874	(52,488)	–	719,386
Unbilled receivables	34,356,820	(2,336,264)	–	32,020,556
Retention receivables	3,471,349	(207,203)	(424,220)	2,839,926
Contract assets	6,171,922	(317,308)	(1,505,624)	4,348,990

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

30.1 Credit risk (Continued)

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

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

	Non-credit impaired \$	Group Credit impaired \$	Total \$
31 December 2024			
Balance at beginning of financial year	2,913,263	1,929,844	4,843,107
Loss/(Reversal) allowance recognised during the financial year	132,869	(42,682)	90,187
Balance at end of financial year	<u>3,046,132</u>	<u>1,887,162</u>	<u>4,933,294</u>
31 December 2023			
Balance at beginning of financial year	2,129,291	1,887,163	4,016,454
Loss allowance recognised during the financial year	783,972	42,681	826,653
Balance at end of financial year	<u>2,913,263</u>	<u>1,929,844</u>	<u>4,843,107</u>

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

Credit-impaired balances during the financial year were mainly contributed by two customers (2023: one customer) where the Group had difficulty in recovering the amounts which were overdue way beyond the credit term granted.

Other receivables including amount due from subsidiaries

For amounts due from subsidiaries, management has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. Management monitors and assess at each reporting date on whether there is any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by reviewing their financial performance and results. The risk of default is considered to be minimal as these subsidiaries have sufficient liquid assets and cash to repay their debts. There is no significant increase in credit risk as at 31 December 2024. Therefore, amount due from subsidiaries are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

30.1 Credit risk (Continued)

Financial guarantee contracts

In addition, the Company are exposed to credit risk in relation to financial guarantees given to banks on subsidiaries' borrowings. The Company's maximum exposure is the maximum amount the Company could have to pay if the guarantee is called on. As at 31 December 2024, subsidiaries' borrowings of approximately \$388,288 (2023: \$1,153,237) was guaranteed by the Company. For the financial guarantee issued, the Company has assessed that the subsidiary has sufficient financial capabilities to meet its contractual cash flows obligation in the near future hence, does not expect any material loss allowance under 12-month expected credit loss model.

Cash and bank balances

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

	Rating	Group		Rating	Company
		Bank balance \$	Short-term deposits \$		Bank balance \$
31 December 2024					
International banks	AA/A	563,497	1,042,861	AA/A	9,037
International banks	BAA/BBB	2,475	–		–
		<u>565,972</u>	<u>1,042,861</u>		<u>9,037</u>
31 December 2023					
International banks	AA/A	407,319	1,014,786	AA/A	14,271
International banks	BAA/BBB	19,314	–		–
		<u>426,633</u>	<u>1,014,786</u>		<u>14,271</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

30.2 Market 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 currency that gives rise to this risk is primarily United States dollar.

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

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

	Assets		Liabilities	
	2024	2023	2024	2023
	\$	\$	\$	\$
United States dollar	–	–	–	135,447

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

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

(ii) Interest rate risk management

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

30.3 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting their short-term obligations. As at 31 December 2024, the Group's bank borrowings of \$388,288 is current in nature, although the Group had cash and cash equivalents of \$568,412, the Group had net current assets of \$27,846,989 which included unbilled receivables and contract assets of \$32,626,759 and \$3,189,356 respectively.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows and availability of funds so as to ensure that its repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company minimise liquidity risk by ensuring maintain sufficient levels of cash to meet their working capital requirement. At 31 December 2024, the Group confirmed that there is no breach of financial covenants for all the outstanding bank borrowings as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

30.3 Liquidity risk (Continued)

Notwithstanding the above, the management has also assessed and taken the following measures to improve the Group and Company's cash flows position:

- (i) Actively tendering for new contracts with healthy margins; and
- (ii) Completing the existing projects in a timely manner and to free up the Group's capacity to take on new projects. The Group has ongoing projects with the remaining total contract value of approximately \$118 million. The management estimates that there will be adequate cash inflows generated from these projects in next 18 months.

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 2024			
Non-interest bearing			
– Trade and other payables ⁽¹⁾	4,646,587	–	4,646,587
Interest bearing			
– Amount due to a director	437,474	–	437,474
– Bank borrowings	390,543	–	390,543
– Lease liabilities	154,309	29,007	183,316
– Convertible bonds	150,000	3,300,000	3,450,000
	<u>5,778,913</u>	<u>3,329,007</u>	<u>9,107,920</u>
31 December 2023			
Non-interest bearing			
– Trade and other payables ⁽¹⁾	3,161,078	–	3,161,078
Interest bearing			
– Amount due to a director	603,374	–	603,374
– Bank borrowings	781,032	390,543	1,171,575
– Lease liabilities	194,809	116,816	311,625
– Convertible bonds	150,000	3,450,000	3,600,000
	<u>4,890,293</u>	<u>3,957,359</u>	<u>8,847,652</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

30.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Within one financial year \$	After one financial year but within five financial years \$	Total \$
Company			
31 December 2024			
Non-interest bearing			
– Trade and other payables ⁽¹⁾	561,876	–	561,876
Interest Bearing			
– Convertible bonds	150,000	3,300,000	3,450,000
	<u>711,876</u>	<u>3,300,000</u>	<u>4,011,876</u>
Financial corporate guarantee	<u>388,288</u>	<u>–</u>	<u>388,288</u>
31 December 2023			
Non-interest bearing			
– Trade and other payables ⁽¹⁾	527,816	–	527,816
Interest Bearing			
– Convertible bonds	150,000	3,450,000	3,600,000
	<u>677,816</u>	<u>3,450,000</u>	<u>4,127,816</u>
Financial corporate guarantee	<u>1,153,237</u>	<u>–</u>	<u>1,153,237</u>

(1) Excludes goods and services tax and advance from customers.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

30.4 Capital management policies and objectives

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

The management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. The Group's and the Company's overall strategy remains unchanged from 2023.

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

The Group is in compliance with all borrowings covenants, including debt service ratio and gross debts to earnings before interest, tax, depreciation and amortisation ratio imposed by the financial institutions for the financial years ended 31 December 2024 and 2023.

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade and other payables	9,723,149	7,670,530	562,776	529,599
Lease liabilities	179,374	303,100	–	–
Bank borrowings	388,288	1,153,237	–	–
Convertible bonds	2,884,602	2,846,777	2,884,602	2,846,777
Less:				
Cash and bank balances	(566,847)	(427,037)	(9,047)	(14,281)
Fixed deposits	(1,042,861)	(1,014,786)	–	–
Net debt	11,565,705	10,531,821	3,438,331	3,362,095
Equity attributable to owners of the parent	55,438,022	54,714,958	26,623,678	26,771,204
Total capital	67,003,727	65,246,779	30,062,009	30,133,299
Gearing ratio (%)	17	16	11	11

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

30.5 Fair value of financial assets and financial liabilities

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

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

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Financial assets, at amortised cost				
Trade and other receivables ⁽¹⁾	5,713,913	3,778,618	4,236,517	4,314,747
Cash and bank balances	566,847	427,037	9,047	14,281
Fixed deposits	1,042,861	1,014,786	–	–
	<u>7,323,621</u>	<u>5,220,441</u>	<u>4,245,564</u>	<u>4,329,028</u>
Financial liabilities, at amortised cost				
Trade and other payables ⁽²⁾	5,063,229	3,735,720	561,876	527,816
Bank borrowings	388,288	1,153,237	–	–
Lease liabilities	179,374	303,100	–	–
Convertible bonds	2,884,602	2,846,777	2,884,602	2,846,777
	<u>8,515,493</u>	<u>8,038,834</u>	<u>3,446,478</u>	<u>3,374,593</u>

(1) Excludes unbilled receivables.

(2) Excludes goods and services tax and advance from customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. Offsetting arrangements

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

	Group		
	Related amounts set off in the balance sheet		
	Gross amounts \$	Offset amounts \$	Net amounts \$
2024			
Trade and other receivables			
– Trade receivables	2,191,917	(361,166)	1,830,751
– Unbilled receivables	35,550,164	(2,923,405)	32,626,759
– Retention receivables	4,092,460	(445,833)	3,646,627
Contract assets	15,125,918	(11,936,562)	3,189,356
Trade and other payables			
– Trade payables	(3,384,972)	324,798	(3,060,174)
– Advance from customers	(17,237,572)	12,679,255	(4,558,317)
– Advance payments from customers	(2,662,913)	2,662,913	–
Total	33,675,002	–	33,675,002
2023			
Trade and other receivables			
– Trade receivables	788,405	(69,019)	719,386
– Unbilled receivables	34,304,983	(2,284,427)	32,020,556
– Retention receivables	3,358,926	(519,000)	2,839,926
Contract assets	15,343,877	(10,994,887)	4,348,990
Trade and other payables			
– Trade payables	(1,618,773)	46,344	(1,572,429)
– Advance from customers	(15,762,985)	12,040,277	(3,722,708)
– Advance payments from customers	(1,780,712)	1,780,712	–
Total	34,633,721	–	34,633,721

STATISTICS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

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

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF SHAREHOLDINGS AS AT 28 MARCH 2025

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	10	9.17	3,900	0.00
1,001 – 10,000	27	24.77	163,200	0.17
10,001 – 1,000,000	59	54.13	8,701,100	8.77
1,000,001 and above	13	11.93	90,331,800	91.06
Total	109	100.00	99,200,000	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2025

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	–	–	14,360,400 ⁽²⁾	14.48	14,360,400	14.48
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) 1,150,300 shares are through Hong Leong Finance Nominees Pte Ltd; (ii) 3,115,800 shares are through Philip Securities Singapore Pte Ltd; (iii) 1,830,000 shares are through CGS Intl Securities Singapore Pte Ltd; and (iv) 8,264,300 shares are through KGI Securities (Singapore) Pte. Ltd.

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 28 March 2025, approximately 29.61% of the issued shares of the Company was held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”). Accordingly, Rule 723 of the Catalist Rules has been complied with.

STATISTICS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS AS AT 28 MARCH 2025

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	KGI SECURITIES (SINGAPORE) PTE LTD	9,623,700	9.70
5	PHILLIP SECURITIES PTE LTD	7,125,200	7.18
6	KORI NOBUAKI	6,592,000	6.65
7	HONG LEONG FINANCE NOMINEES PTE LTD	5,287,000	5.33
8	UOB KAY HIAN PTE LTD	3,611,800	3.64
9	TAN TIN NAM	2,442,000	2.46
10	CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	2,080,400	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	RAFFLES NOMINEES (PTE) LIMITED	953,500	0.96
15	DBS NOMINEES PTE LTD	883,000	0.89
16	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	880,500	0.89
17	TAN LEE CHING (CHEN LIZHEN)	600,000	0.60
18	LIM VOON NNA @ LIM BOON NAA	495,000	0.50
19	TEOU KEM ENG @ TEOU KIM ENG	400,000	0.40
20	LEO TING PING RONALD	300,000	0.30
Total:		94,843,800	95.59

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Kori Holdings Limited (the “**Company**”) will be held at NUSS Kent Ridge Guild House, Evans Room, 9 Kent Ridge Drive Singapore 119241, on Monday, 28 April 2025 at 10:00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2024 and the Directors’ Statement together with the Auditors’ Report. **(Resolution 1)**
2. 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. **(Resolution 2)**
(See Explanatory Note (i))
3. To re-elect Mr Xu Quanqiang, who is retiring pursuant to Regulation 117 of the Company’s Constitution and who, being eligible, offered himself for re-election. **(Resolution 3)**
(See Explanatory Note (ii))
4. To approve the payment of Directors’ fees of up to S\$145,000 for the financial year ending 31 December 2025, to be paid quarterly in arrears (FY2024: S\$161,000). **(Resolution 4)**
5. To re-appoint Messrs BDO LLP, as the Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

AS SPECIAL BUSINESS

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

7. **GENERAL MANDATE TO ISSUE SHARES OR CONVERTIBLE SECURITIES** **(Resolution 6)**

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) shall be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings of the Company) at the time of the passing of this Resolution, after adjusting for:
 - (1) new shares arising from the conversion or exercise of any convertible securities;
 - (2) (where applicable) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (3) any subsequent bonus issue, consolidation or subdivision of Shares;

any adjustments made in accordance with (b)(ii)(1) or (b)(ii)(2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act, and the Constitution for the time being of the Company; and
- (iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note (iii))

BY ORDER OF THE BOARD

Hooi Yu Koh
Executive Chairman and Chief Executive Officer

11 April 2025
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Mr Ng Wai Kit ("**Mr Ng**"), upon re-election as Director of the Company, will remain as an Executive Director of the Company.

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

The detailed information of Mr Ng can be found under "Board of Directors" and "Corporate Governance Statement" in the Company's Annual Report 2024.

- (ii) Mr Xu Quanqiang ("**Mr Xu**"), upon re-election as Director of the Company, will remain as a Non-Executive Non-Independent Director of the Company.

Mr Xu is a director of LJHB Capital (S) Pte Ltd, who is the controlling shareholder of Keong Hong Holdings Limited ("**KHHL**"), and KHHL is a controlling shareholder of the Company.

The detailed information of Mr Xu can be found under "Board of Directors" and "Corporate Governance Statement" in the Company's Annual Report 2024.

- (iii) The Ordinary Resolution 6 proposed in item 7 above, if passed, is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to this Resolution 6 (including shares to be issued in pursuance of instruments made or granted) shall not exceed one hundred per cent. (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, with a sub-limit of fifty per cent. (50%) for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares of the Company will be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time of the passing of this Resolution 6, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution 6, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalyst Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

IMPORTANT NOTICE FOR SHAREHOLDERS:

1. The Company's AGM is being convened, and will be held, in a wholly physical format, at NUSS Kent Ridge Guild House, Evans Room, 9 Kent Ridge Drive Singapore 119241, on Monday, 28 April 2025 at 10:00 a.m.. **There will be no option for members to participate in the AGM virtually.**

The Annual Report, Notice of AGM, the accompanying proxy form and the request form for printed copy of the FY2024 Annual Report ("**Request Form**") will be made available on the Company's website at <https://www.kori.com.sg> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents.

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

2. Members (including Supplementary Retirement Scheme investors ("**SRS Investors**"), if applicable) may participate in the AGM by:

- a. attending the AGM in person;
- b. raising questions at the AGM or submitting questions in advance of the AGM; and/or
- c. voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

SRS Investors:

- (a) may vote at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective SRS Operators to submit their votes by 10:00 a.m. on 15 April 2025, being seven (7) working days prior to the date of the AGM.

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

3. Members are encouraged to submit questions relating to the resolution to be tabled for approval at the AGM in advance in the following manner:

- (a) if submitted by post, to the Company's office at 11 Sims Drive #06-01 SCN Centre Singapore 387385, attention to Kori AGM; or
- (b) If submitted electronically, by email to admin@kori.com.sg.

All questions for the AGM must be submitted by 10:00 a.m. on 19 April 2025.

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

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

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

The Company will endeavour to address all substantial and relevant questions submitted in advance of the AGM by publishing the responses to such questions on SGXNet and the Company's website at <https://www.kori.com.sg>, by 10:00 a.m. on 23 April 2025 (being not less than forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms).

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

"Relevant Intermediary" has the meaning prescribed to it in Section 181 of the Companies Act:

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

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

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

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

in either case, by 10:00 a.m. on 25 April 2025 (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

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

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

Personal data privacy:

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

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

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

KORI HOLDINGS LIMITED

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

PROXY FORM – ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT:

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

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

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

*and/or

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

or failing him/her/them*, the Chairman of the Annual General Meeting of the Company (the "AGM") as my/our* proxy(ies) to attend, speak and vote for me/us* on my/our* behalf at the AGM to be held at NUSS Kent Ridge Guild House, Evans Room, 9 Kent Ridge Drive Singapore 119241 on Monday, 28 April 2025 at 10:00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy(ies) to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy will vote or abstain from voting at his/her discretion.

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

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

No.	Ordinary Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of the Audited Financial Statements for the financial year ended 31 December 2024 and the Directors' Statement together with the Auditor's report			
2.	Re-election of Mr Ng Wai Kit as a Director of the Company			
3.	Re-election of Mr Xu Quanqiang as a Director of the Company			
4.	Approval of the payment of Directors' fees of up to S\$145,000 for the financial year ending 31 December 2025, to be paid quarterly in arrears			
5.	Re-appointment of Messrs BDO LLP as Auditor of the Company and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
6.	Authority for Directors to allot and issue new shares			

* Delete as appropriate.

Dated this _____ day of _____ 2025

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



NOTES TO PROXY FORM:

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

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

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

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

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

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

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

in either case, by 10:00 a.m. on 25 April 2025 (being not less than seventy-two (72) hours before the time appointed for holding the AGM) and in default the instrument of proxy shall not be treated as valid.

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

6. Please indicate with a tick [✓] in the spaces provided whether you wish your vote(s) to be for or against the Resolution(s) or to abstain from voting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the meeting.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
8. Completion and return of the Proxy Form by a member will not prevent him/her/it from attending, speaking and voting at the AGM if he/she/it so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
9. An investor who buys shares using SRS monies ("**SRS Investor**") should not make use of this Proxy Form and should instead approach their respective Relevant Intermediary as soon as possible to specify voting instructions. SRS Investors who wish to vote should approach their respective SRS Operator at least seven (7) working days before the AGM (i.e. by 15 April 2025), to ensure that their votes are submitted.
10. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2025.



KORI HOLDINGS LIMITED

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