

KORI HOLDINGS LIMITED

(Company Registration No: 201212407R)

ACQUISITION OF A LAND FOR A NEW STORAGE YARD IN MALAYSIA AND USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

1. INTRODUCTION

The Board of Directors (“**Board**”) of Kori Holdings Limited (the “**Company**”) wishes to announce that the Company has through its wholly-owned subsidiary, Kori Construction (M) Sdn. Bhd. (“**KCM**”), entered into a sale and purchase agreement to acquire a parcel of 3 acres (130,680 square feet), 60-year leasehold medium industrial land located at Pasir Gudang Industrial Area, Johor Bahru, Malaysia (the “**Land**”) from Johor Corporation (the “**Vendor**”), an unrelated and independent party (the “**Acquisition**”) for the establishment of a new storage yard.

2. INFORMATION ON THE LAND

The Land is identified as PLO 799 Zone 12C, Mukim of Plentong, District of Johor Bahru within Pasir Gudang Industrial Area.

3. PURCHASE CONSIDERATION

The total purchase consideration for the Proposed Acquisition is RM3,277,429.00 (the “**Purchase Consideration**”) (equivalent to approximately SGD1,290,479, based on an exchange rate of S\$1 to RM2.5397 as at 26 July 2013), paid or payable by KCM via cash to the Vendor.

The Purchase Consideration was arrived at pursuant to arm’s length negotiations between KCM and the Vendor on a willing-buyer willing-seller basis, after taking into consideration, *inter alia*, the market price of the Land.

4. RATIONALE FOR THE ACQUISITION

As stated in the Company’s offer document dated 4 December 2012 (“**Offer Document**”) in relation to its initial public offering (“**IPO**”), the Company intends to acquire a parcel of land in Johor, Malaysia for the establishment of a new storage yard to increase its storage capacity, as the arrangement for its occupancy of its existing storage yard will expire in August 2013.

5. SOURCE OF FUNDS

The Company will utilise S\$1.0 million of the proceeds from the IPO to partially fund the Purchase Consideration, which is in accordance with the use as disclosed in the Offer Document. The remaining of approximately S\$290,479 of the Purchase Consideration will be funded through the Company’s internal resources and the reallocation of the unutilised IPO proceeds that has been originally allocated for listing expenses.

The Company will continue to provide periodic updates as and when the balance of the proceeds from the IPO are materially utilised.

Pursuant to the completion of the Acquisition, the status of the use of IPO proceeds will be as below:-

Use of IPO proceeds	Amount in aggregate (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Amount unutilised as at the date of this announcement (S\$'000)
Expansion of the Group's structural steelworks and tunnelling services in Singapore	3,000	(1,803)	1,197
Expansion of the Group's tunnelling services in overseas markets through joint ventures or strategic alliances	100	-	100
Acquisition of land for a new storage yard	1,000	(1,000)	-
General working capital purposes	305	(134) ⁽¹⁾	171
Listing expenses borne by the Company	1,995	(1,995) ⁽²⁾	-
Total	6,400	(4,932)	1,468

Notes:

- (1) The amount for general working capital purposes has been utilised mainly for the payment of professional fees.
- (2) The Company has reallocated the unutilised amount of approximately S\$22,000 allocated for listing expenses to fund the Acquisition.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition, other than through their respective shareholding interests in the Company.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the sale and purchase agreement is available for inspection at the registered office of the Company at 11 Sims Drive, #06-01, SCN Centre, Singapore 387385 during normal business hours for three (3) months from the date of this announcement.

By Order of the Board

Hooi Yu Koh
 CEO and Managing Director
 26 July 2013

The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 11 December 2012. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.
