

KORI HOLDINGS LIMITED

**Unaudited Full Year Financial Statement and Dividend Announcement
For the Financial Year Ended 31 December 2016**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Financial year ended 31 December 2016 ("FY2016") vs. financial year ended 31 December 2015 ("FY2015")

	Group		Increase/ (Decrease) %
	FY2016 (Unaudited) S\$'000	FY2015 (Audited) S\$'000	
Revenue	60,425	50,992	18.5
Cost of works	(51,278)	(43,039)	19.1
Gross profit	9,147	7,953	15.0
Other losses-net	(212)	(3,244)	N.M.
Expenses:			
- Administrative	(5,533)	(2,813)	96.7
- Finance	(348)	(295)	18.0
Share of (loss) /profit of an associated company	(29)	122	N.M.
Profit before income tax	3,025	1,723	75.6
Income tax expense	(487)	(108)	350.9
Net profit for the year	2,538	1,615	57.2
Other comprehensive income: Items that may be reclassified to profit or loss subsequently			
- Currency translation differences arising from consolidation	6	(2)	N.M.
Total comprehensive income for the year	2,544	1,613	57.7
Earnings per share attributable to equity holders of the Company			
Basic	0.03	0.02	50.0
Diluted	0.03	0.02	50.0

N.M. -Not meaningful

The Group's profit before income tax is arrived at after crediting/ (charging):

	Group		Increase/ (Decrease) %
	FY2016 (Unaudited) S\$'000	FY2015 (Audited) S\$'000	
Loss on foreign exchange	(202)	(287)	(29.6)
Gain on disposal of property, plant and equipment	13	63	(79.4)
Loss from sales of scrap materials	-	(1,314)	N.M.
Government grant income	263	114	130.7
Interest income-bank deposit & loan to associated company	7	68	(89.7)
Allowance for impairment on trade & other receivables	(3,168)	(632)	401.3
Impairment loss on investment in an associated company	(320)	(1,948)	(83.6)
Interest expense	(348)	(295)	18.0
Depreciation of property, plant and equipment	(88)	(90)	(2.2)
Professional fees	(468)	(344)	36.0

N.M. - Not meaningful

	Group		Increase/ (Decrease) %
	FY2016 (Unaudited) S\$'000	FY2015 (Audited) S\$'000	
Income Tax Expense			
Tax expense attributable to profit is made up of			
-Current income tax			
Singapore	554	67	726.9
Foreign	-	-	-
-Deferred income tax	12	(2)	N.M.
	566	65	770.8
(Over)/Under provision in prior financial years	(79)	43	N.M.
Income tax expense	487	108	350.9

N.M. - Not meaningful

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 Dec 2016 Unaudited S\$'000	31 Dec 2015 Audited S\$'000	31 Dec 2016 Unaudited S\$'000	31 Dec 2015 Audited S\$'000
ASSETS				
Current assets				
Cash and bank balances	2,954	6,643	129	1,072
Trade and other receivables (Note 1)	65,999	58,205	10,519	10,837
Other current asset	517	-	-	-
Inventories	4,887	5,994	1,720	-
Total current assets	74,357	70,842	12,368	11,909
Non-current assets				
Property, plant and equipment	2,268	2,057	-	-
Investment in subsidiaries	-	-	26,070	26,070
Investment in associated company	-	400	-	400
Total non-current assets	2,268	2,457	26,070	26,470
Total assets	76,625	73,299	38,438	38,379
LIABILITIES				
Current liabilities				
Trade and other payables (Note 2)	18,091	21,234	1,999	1,638
Income tax payable	554	67	-	-
Borrowings	10,703	6,667	5,000	5,000
Total current liabilities	29,348	27,968	6,999	6,638
Non-current liabilities				
Borrowings	75	178	-	-
Deferred tax liabilities	13	12	-	-
Total non-current liabilities	88	190	-	-
Total liabilities	29,436	28,158	6,999	6,638
NET ASSETS	47,189	45,141	31,439	31,741
EQUITY				
Share capital	32,291	32,291	32,291	32,291
Retained earnings / (accumulated losses)	40,525	38,483	(852)	(550)
Merger reserve	(25,628)	(25,628)	-	-
Currency translation reserve	1	(5)	-	-
Total equity	47,189	45,141	31,439	31,741

Notes:

- (1) The Group's trade and other receivables as at the end of respective financial periods comprised the following:

	31 Dec 2016 Unaudited S\$'000	31 Dec 2015 Audited S\$'000
Trade receivables		
-non-related parties	9,131	7,648
Less: Allowance for impairment of trade receivables	(3,867)	(51)
	5,264	7,597
Construction contracts due from customers	51,522	37,809
Retention receivables	9,031	7,588
Less: Allowance for impairment of retention receivables	(474)	(474)
	8,557	7,114
Other receivables	50	98
Deposits	683	593
Less: Allowance for impairment of deposits	(107)	(107)
	576	486
Balance due from associated company	-	3,977
Loan to associated company	1,053	1,053
Less: Allowance for impairment of loan to associated company	(1,053)	-
	-	1,053
Prepayments	30	71
Total	65,999	58,205

- (2) The Group's trade and other payables as at the end of respective financial periods comprised the following:

	31 Dec 2016 Unaudited S\$'000	31 Dec 2015 Audited S\$'000
Trade payables	15,211	13,573
Construction contracts due to customers	-	996
Balance due to associated company	-	99
Other payables	1,052	4,710
Accrued operating expenses	1,828	1,856
Total	18,091	21,234

**1(b) (ii) Aggregate amount of group's borrowings and debt securities
Amount repayable in one year or less**

	As at 31 Dec 2016 (Unaudited)		As at 31 Dec 2015 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible bond	-	5,000	-	5,000
Finance lease liabilities	29	-	20	-
Bank loans	1,000	4,674	1,000	647

Amount repayable after one year

	As at 31 Dec 2016 (Unaudited)		As at 31 Dec 2015 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	75	-	65	-
Bank loans	-	-	-	113

Details of any collateral:

Finance leases as at 31 December 2016 are secured by the leased asset (motor vehicle & office equipment).

Bank loans of S\$1.0 million as at 31 December 2016 are secured by fixed deposit of S\$1.0 million pledged to the bank.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	FY2016 (Unaudited) S\$'000	FY2015 (Audited) S\$'000
Operating activities		
Net profit for the year	2,538	1,615
Adjustments for:		
Income tax expense	487	108
Gain on disposal of property, plant & equipment	(13)	(63)
Depreciation	88	90
Interest income-bank deposit & loan to associated company	(7)	(68)
Interest expense	348	295
Unrealised gain on transaction with associated company	-	759
Allowance for impairment on trade and other receivables	3,168	632
Impairment loss on investment in an associated company	320	1,948
Share of loss /(profit) of an associated company	29	(122)
Loss on unrealised currency translation	39	194
Operating cash flows before changes in working capital	6,997	5,388
Changes in working capital		
Trade and other receivables	(10,911)	(9,395)
Trade and other payables	(3,144)	6,159
Inventories	1,106	3,494
Cash (used in)/provided by operations	(5,952)	5,646
Income tax paid	-	(58)
Net cash (used in)/from operating activities	(5,952)	5,588
Cash flows from investing activities		
Repayment of loan granted to associated company	-	100
Dividend paid to shareholders	(496)	(496)
Loan to an associated company	-	(103)
Additions of property, plant and equipment	(274)	(594)
Other current asset	(517)	-
Proceeds from disposals of property, plant & equipment	36	63
Net cash used in investing activities	(1,251)	(1,030)
Cash flows from financing activities		
Interest received	7	5
Interest paid	(387)	(344)
Bank deposit pledged	(7)	(5)
Proceeds from borrowing	4,737	260
Repayment of finance lease	(22)	(17)
Repayment of bank borrowings	(822)	(506)
Net cash from/(used in) financing activities	3,506	(607)

Net (decrease)/increase in cash and cash equivalents	(3,697)	3,951
Cash and cash equivalents at the beginning of the financial year	5,636	1,685
Cash and cash equivalents at end of the financial year	1,939	5,636

Note:

(1) Cash and cash equivalents at the end of the financial year comprise the following:

	FY2016 (Unaudited) S\$'000	FY2015 (Audited) S\$'000
Cash at bank and on hand	1,939	5,636
Short-term bank deposits	1,015	1,007
Cash and bank balances per consolidated statement of financial position	2,954	6,643
Less: short-term bank deposit pledged	(1,015)	(1,007)
Cash and cash equivalents per consolidated cash flow statement	1,939	5,636

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital S\$'000	Retained earnings S\$'000	Merger Reserve S\$'000	Currency translation reserve S\$'000	Total S\$'000
(Unaudited)					
Balance as at 1 January 2016	32,291	38,483	(25,628)	(5)	45,141
Total comprehensive income for the financial year	-	2,538	-	6	2,544
Dividend paid for FY2015	-	(496)	-	-	(496)
Balance as at 31 December 2016	32,291	40,525	(25,628)	1	47,189
(Audited)					
Balance as at 1 January 2015	32,291	37,365	(25,628)	(4)	44,024
Total comprehensive income for the financial year	-	1,614	-	(1)	1,613
Dividend paid for FY2014	-	(496)	-	-	(496)
Balance as at 31 December 2015	32,291	38,483	(25,628)	(5)	45,141

Company	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
(Unaudited)			
Balance as at 1 January 2016	32,291	(550)	31,741
Total comprehensive income for the financial year	-	194	194
Dividend paid for FY2015	-	(496)	(496)
Balance as at 31 December 2016	32,291	(852)	31,439
(Audited)			
Balance as at 1 January 2015	32,291	(616)	31,675
Total comprehensive income for the financial year	-	562	562
Dividend paid for FY2014	-	(496)	(496)
Balance as at 31 December 2015	32,291	(550)	31,741

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Share capital (S\$)
As at 30 June 2016 and 31 December 2016	99,200,000	32,269,650

The Company had on 30 June 2016 entered into an amendment agreement to the convertible bond subscription agreement with Keong Hong Holdings Limited to extend the maturity date of the unsecured 3-year, 5% convertible bond issued on 19 August 2013 to Keong Hong Holdings Limited with a principal amount of S\$5 million ("Convertible Bond") by one year to 18 August 2017. The Convertible Bond may be converted at the option of Keong Hong Holdings Limited into ordinary shares of the Company from 31 December 2014 till 18 August 2017, at a conversion price of S\$0.42. As the Convertible Bond has yet to be converted, the total number of shares that may be issued upon conversion of the Convertible Bond is 11,904,000.

Save for the aforementioned Convertible Bond, the Company did not have any other outstanding convertibles or treasury shares as at 31 December 2016 and 31 December 2015.

1(d) (iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company As at 31 December 2016	Company As at 31 December 2015
Total number of issued shares excluding treasury shares	99,200,000	99,200,000

The Company did not have any treasury shares as at 31 December 2016 and 31 December 2015.

1(d) (iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the most recently audited annual financial statements for the financial year ended 31 December 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In the current financial year reported on, the Group and the Company adopted the new Financial Reporting Standards ("FRS") and Amendments to FRS that are effective for annual period beginning on or after 1 January 2016.

The adoption of the new FRSs and Amendments to FRSs did not result in any substantial change to the Group and the Company's accounting policies and methods of computation, nor had any material impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	FY2016 (Unaudited)	FY2015 (Audited)
Net profit attributable to equity holders of the Company (S\$'000)	2,538	1,615
Basic earnings per share (EPS) in Singapore dollar ⁽¹⁾	0.03	0.02
Diluted EPS in Singapore dollar ⁽²⁾	0.03	0.02

Notes:

(1) The basic EPS for FY2016 and FY2015 was calculated based on the weighted average number of ordinary shares in issue during FY2016 and FY2015 of 99,200,000 shares.

(2) The diluted EPS for FY2016 and FY2015 was calculated based on 111,104,000 shares assuming full conversion of the Convertible Bond and by adding back the interest paid on the Convertible Bond in the respective financial years to the net profit attributable to equity holders of the Company.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	Group		Company	
	31 Dec 2016 Unaudited	31 Dec 2015 Audited	31 Dec 2016 Unaudited	31 Dec 2015 Audited
Net asset value (S\$'000)	47,189	45,141	31,439	31,741
Number of issued shares ('000)	99,200	99,200	99,200	99,200
Net asset value per ordinary share based on issued share capital (S\$)	0.48	0.46	0.32	0.32

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Income Statement of the Group

FY2016 vs. FY2015

Revenue

Our total revenue increased by approximately S\$9.4 million or 18.5% from S\$51.0 million in FY2015 to S\$60.4 million in FY2016. Revenue derived from the structural steelworks services segment accounted for approximately 87.1% of our Group's total revenue.

The increase in revenue from our structural steelworks services segment by approximately 18.5% from S\$44.4 million in FY2015 to S\$52.6 million in FY2016 was mainly due to the increase in work done for Mayflower Station Project, Beauty World and Hillview Project, Woodland Station, Lentor Station and one newly commenced project, namely Raffles Hospital @ North Bridge Road Project. The increase in revenue was partially offset by lower revenue contributed from several projects which were reaching completion during FY2016.

Revenue from the tunneling services segment increased from S\$6.6 million in FY2015 to S\$7.8 million in FY2016 mainly due to increase in work done for the Jurong Island to Pioneer Transmission Cable Tunnel Project and two newly

commenced projects, namely Stevens Project and Shenton Way Project, partially offset by decrease in work done for the East-West Transmission Cable Tunnel Project which was reaching completion stage.

Cost of works

Our cost of works increased by approximately S\$8.3 million or 19.1% from S\$43.0 million in FY2015 to S\$51.3 million in FY2016, primarily due to the increase in cost of works for the structural steelworks services segment of approximately S\$8.5 million.

Our cost of works for the structural steelworks services segment increased by 22.4% from approximately S\$37.9 million in FY2015 to S\$46.4 million in FY2016 mainly due to increase in subcontractors costs of S\$3.2 million, employee compensation of S\$2.9 million and rental expenses of S\$2.3 million, which was in line with the increase in revenue from our structural steelworks services segment.

Our cost of works for tunneling services segment decreased by 3.9% from approximately S\$5.1 million in FY2015 to S\$4.9 million in FY2016 mainly due to decrease in employee compensation of S\$0.3 million and rental expenses of S\$0.1 million, partially offset by an increase in other expenses of approximately S\$0.1 million.

Gross profit

Our Group's gross profit increased by approximately S\$1.1 million or 15.0% from S\$8.0 million in FY2015 to S\$9.1 million in FY2016. Our gross profit margin decreased from 15.6% in FY2015 to 15.1% in FY2016. For the structural steelworks segment, the decrease in gross profit margin by 2.8 percentage points to 11.8% was due to higher than anticipated costs for a few projects. For the tunneling services segment, the increase in gross profit margin by 15.1 percentage points to 37.6% was due to lower than projected remuneration expenses incurred for the tunneling crew.

Other losses - net

Our Group recognized other losses of S\$0.2 million in FY2016 as compared to other losses of S\$3.2 million in FY2015. The decrease was mainly due to the gain on sales of materials in FY2016 as compared to loss on sales of materials in FY2015 and a decrease in impairment loss on investment in an associated company, Fuchiang Construction Pte Ltd ("Fuchiang") of approximately S\$1.6 million and net foreign currency loss of approximately S\$0.1 million.

Administrative expenses

Administrative expenses increased by approximately of S\$2.7 million or 96.7% from S\$2.8 million in FY2015 to S\$5.5 million in FY2016. This was mainly due to an increase in allowance for impairment on trade and other receivables of approximately S\$2.5 million, which was in relation to debts owed by Fuchiang which is in the process of liquidation and an increase in professional fees of approximately S\$0.2 million.

Interest expense

Interest expense increased by S\$0.05 million or 18.0% from S\$0.30 million in FY2015 to S\$0.35 million in FY2016 mainly due to the increase in utilisation of bank borrowings and finance lease in FY2016.

Share of (loss) / profit of an associated company

The Group recorded its share of loss from the Company's 51% owned associated company, Fuchiang, which amounted to approximately S\$0.03 million in FY2016 as compared to a share of profit of S\$0.12 million in FY2015. The losses incurred by Fuchiang in FY2016 was mainly due to the increase in cost of sales as a result of more expensive materials and labour costs. The Company completed the disposal of Fuchiang in August 2016.

Profit before income tax

The Group recorded a profit before tax of S\$3.0 million in FY2016, an increase of S\$1.3 million as compared to the profit before tax of S\$1.7 million in FY2015, mainly due to the above-mentioned factors.

Income tax expense

Income tax expense of approximately S\$0.5 million was recorded in FY2016 as compared to approximately S\$0.1 million in FY2015. The income tax expense recorded was mainly due to tax provision of S\$0.6 million in FY2016 offset by over provision of taxes in prior year of S\$0.1 million.

The effective tax rate in FY2016 was lower than the statutory tax rate of 17% due mainly due to enhanced tax deduction under the Productivity and Innovation Credit Scheme, statutory stepped income tax exemption and a tax rebate of 50% on the corporate tax payable.

Review of the Financial Position of the Group

Current assets

Our current assets increased by approximately S\$3.6 million to S\$74.4 million as at 31 December 2016 mainly due to:

- (i) an increase in trade and other receivables by approximately S\$7.8 million, as a result of:
 - increase in construction contracts due from customers and retention receivables of approximately S\$15.2 million which was in line with the increase in revenue;
 - decrease in trade receivables due to settlement of billings by customers of approximately S\$2.3 million and impairment on amount due from associated company and loan to associated company of approximately S\$5.0 million;
- (ii) an increase in other current asset of approximately S\$0.5 million is due to deposit for a newly purchase crawler crane; and

offset by,

- (iii) a decrease in inventories by approximately S\$1.1 million mainly because the Group had utilised materials which were bought back previously for certain projects; and
- (iv) a decrease in cash and bank balances by approximately S\$3.7 million.

Non-Current assets

Our non-current assets decreased by approximately S\$0.2 million to S\$2.3 million as at 31 December 2016. The decrease was mainly due to the disposal in investment of associated company of approximately S\$0.4 million in FY2016 and partially offset by an increase in capitalisation of development costs for the factory in Pasir Gudang, Johor Bahru and purchase of copier machine of approximately S\$0.2 million.

Current liabilities

Our current liabilities increased by approximately S\$1.4 million to S\$29.3 million as at 31 December 2016, mainly due to:

- (i) an increase in current borrowings by S\$4.0 million mainly due to the increase in utilisation of invoice financing facilities from bank, drawdown loan to partially fund the development of the factory in Malaysia on the acquired land at Pasir Gudang, Johor Bahru and hire purchase of a new copier machine in aggregate of approximately S\$4.8 million, partially offset of repayment of bank borrowings and finance lease obligations of approximately S\$0.8 million;

offset by,

- (ii) a decrease in trade and other payables of approximately S\$3.1 million, as a result of:
 - increase in trade payables of S\$1.6 million which was in line with a higher volume of work carried out for on-going projects on hand;
 - decrease in construction contracts due to customers by S\$1.0 million due to decrease in the number of projects where revenue earned was less than the amount billed to customers based on percentage of completion method; and
 - decrease in other payables mainly due to the decrease in advance payment of S\$3.7 million from the customers in relation to the Woodland Station Project, Marina Bay Station Project and Shenton Way Station Project.

Equity

As at 31 December 2016, our equity of approximately S\$47.2 million comprised mainly share capital of S\$32.3 million and net reserves of S\$14.9 million.

Review of the Cash Flow Statement of the Group

Net cash provided by operating activities

In FY2016, we recorded net cash outflow from operating activities of approximately S\$5.9 million, which was a result of operating cash flows before changes in working capital of approximately S\$7.0 million, adjusted for net working capital outflow of approximately S\$12.9 million. Our working capital outflows were mainly due to an increase in trade and other receivables of approximately S\$10.9 million and a decrease in trade and other payables of approximately S\$3.1 million, partially offset by a decrease in inventories of approximately S\$1.1 million.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$1.3 million, which was mainly attributable to dividend payment to shareholders of approximately S\$0.5 million, development cost for the factory in Malaysia on the acquired land at Pasir Gudang, Johor Bahru and hire purchase of a new copier machine of S\$0.3 million and other current assets of approximately S\$0.5 million, partially offset by proceeds from disposals of motor vehicle and apartment at Kuala Lumpur, Malaysia of S\$0.03 million.

Net cash used in financing activities

Net cash generated from financing activities amounted to approximately S\$3.5 million in FY2016, which was mainly due to the proceeds from bank borrowings of approximately S\$4.7 million and partially offset by repayment of bank borrowings, bank deposits pledged, interest paid and repayment of finance leases which amounted to an aggregate of approximately S\$1.2 million.

As at 31 December 2016, our cash and cash equivalents were approximately S\$1.9 million.

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

Not applicable. No forecast or prospect statement has been previously issued to the shareholders for the current financial period reported on.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The outlook for the Singapore construction industry for the next 12 months remains positive. The Building and Construction Authority projected S\$28 billion to S\$35 billion of construction contracts to be awarded in 2017. Major public sector projects likely to be awarded in year 2017 include projects for the Land Transport Authority's Circle Line Stage 6 and North-South Corridor.

Our established track record and strong technical expertise put us in a favourable position to benefit from the anticipated public sector projects likely to be awarded this year.

On the other hand, we expect pressure from the acute constrain of labour supply and increasing manpower cost in Singapore.

Source:

(1) http://www.bca.gov.sg/Newsroom/others/BCA_Media_Release_Prospects_060117.pdf

11. Dividend

(a) *Current Financial Period Reported On*

Any dividend recommended or declared for the current financial period reported on?

Yes, the proposed dividend below is subject to shareholders' approval at the forthcoming annual general meeting ("AGM") to be held in April 2017.

Name of Dividend	First and Final
Dividend Type	Cash
Dividend amount per ordinary share	0.1 Singapore cent (S\$0.001) per ordinary share
Tax rate	One-tier tax exempt

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes. A first and final dividend (one-tier tax exempt) of 0.5 Singapore cents (S\$0.005) per ordinary share was declared for FY2015 and paid on 24 May 2016.

(c) *Date payable:*

Payment of the said dividend, if approved by shareholders at the forthcoming annual general meeting ("**AGM**") of the Company, will be made on 24 May 2017.

(d) *Books closure date:*

Notice is hereby given that subject to the approval of shareholders to the proposed first and final dividend at the forthcoming AGM, the Transfer Book and Register of Members of the Company will be closed from 5.00 p.m. on 9 May 2017 for the purpose of determining shareholders' entitlements to the proposed first and final dividend. Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services of 80 Robinson Road #02-00, Singapore 068898 up to 5.00 p.m. on 9 May 2017 will be registered to determine shareholders' entitlement to the proposed first and final dividend.

Shareholders whose securities accounts with the Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 9 May 2017 will be entitled to the proposed first and final dividend,

12. If no dividend has been declared (recommended), a statement to that effect

Not applicable.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable. The Group does not have a general mandate for IPTs. There were no IPTs of S\$100,000 and above in value for FY2016.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Business Segments

	FY2016 (Unaudited)			FY2015 (Audited)		
	Structural Steel S\$'000	Tunneling S\$'000	Total S\$'000	Structural Steel S\$'000	Tunneling S\$'000	Total S\$'000
Sales	52,604	7,821	60,425	44,362	6,630	50,992
Cost of works	(46,398)	(4,880)	(51,278)	(37,901)	(5,138)	(43,039)
Gross profit	6,206	2,941	9,147	6,461	1,492	7,953
Other incomes/(losses)-net			(212)			(3,244)
Administrative expenses			(5,533)			(2,813)
Finance expenses			(348)			(295)
Shares of profit of an associated company			(29)			122
Profit before tax			3,025			1,723
Income tax expenses			(487)			(108)
Net Profit			<u>2,538</u>			<u>1,615</u>

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8 above.

17. A breakdown of sales as follows:

	Group		
	FY2016 (Unaudited) S\$'000	FY2015 (Audited) S\$'000	Increase / (Decrease) %
(a) Sales reported for first half year	29,259	17,217	69.9
(b) Operating profit after tax before deducting minority interests reported for first half year	1,681	642	161.8
(c) Sales reported for second half year	31,166	33,775	(7.7)
(d) Operating profit after tax before deducting minority interests reported for second half year	857	973	(11.9)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Total Annual Dividend

	FY2016 (S\$'000)	FY2015 (S\$'000)
Ordinary	99	496
Preference	-	-
Total	99	496

FY2016

The payment of the proposed first and final dividend of 0.1 Singapore cents (S\$0.001) per ordinary share is subject to the approval of the shareholders at the forthcoming AGM of the Company.

FY2015

The first and final dividend of 0.5 Singapore cents (S\$0.005) per ordinary share was approved by the shareholders at the AGM held on 29 April 2016 and was paid on 24 May 2016.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The information pursuant to Rule 704(10) on persons occupying managerial positions in the Company or any of its subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company is as follows:

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chin Soon Mei	44	Sister in law of Mr. Hooi Yu Koh (CEO)	Director of Kori Construction (M) Sdn Bhd. Responsible for the administrative and financial operations of Kori Malaysia. Position first held in year 2012.	No changes.

By Order of the Board

HOOI YU KOH
CEO/Managing Director
28 February 2017