

KORI HOLDINGS LIMITED

Unaudited Full Year Financial Statement and Dividend Announcement For the Financial Year Ended 31 DECEMBER 2014

*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 Catalyst. 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.

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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

	Group		Increase/ (Decrease) %
	FY2014 (Unaudited) S\$'000	FY2013 (Audited) S\$'000	
Revenue	31,212	67,757	(53.9)
Cost of works	(27,427)	(56,163)	(51.2)
Gross profit	3,785	11,594	(67.4)
Other losses-net	(483)	(198)	N.M
Expenses:			
- Administrative	(2,272)	(2,407)	(5.6)
- Finance	(273)	(98)	178.6
Share of profit of an associated company	712	-	N.M
Profit before income tax	1,469	8,891	(83.5)
Income tax credit/(expense)	63	(1,188)	N.M
Net profit for the year	1,532	7,703	(80.1)
Other comprehensive income:			
Items that may be reclassified to profit or loss subsequently			
- Currency translation differences arising from consolidation	2	(5)	N.M
Total comprehensive income for the year	1,534	7,698	(80.1)
Earnings per share attributable to equity holders of the Company			
Basic	0.02	0.08	(75.0)
Diluted	0.01	0.07	(85.7)

N.M-Not meaningful

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

	Group		Increase/ (Decrease) %
	FY2014 (Unaudited) S\$'000	FY2013 (Audited) S\$'000	
Loss on foreign exchange	(70)	(252)	(72.2)
Loss on disposal of property, plant and equipment	-	*	N.M

Government grant income	113	68	66.2
Interest income – bank deposits	5	16	(68.8)
Interest expense	(273)	(98)	178.6
Depreciation of property, plant and equipment	(88)	(118)	(25.4)
N.M-Not meaningful			
* Denotes amount less than S\$1,000			

	Group		Increase/ (Decrease) %
	FY2014 (Unaudited) S\$'000	FY2013 (Audited) S\$'000	
Income Tax Credit/(Expenses)			
Tax credit/(expense) attributable to profit is made up of			
-Current income tax			
Singapore	(15)	(1,522)	(99.0)
Foreign	-	-	N.M
-Deferred income tax	-	-	N.M
	(15)	(1,522)	(99.0)
Over provision in prior financial years	78	334	(76.6)
Income tax credit/(expense)	63	(1,188)	(105.3)

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 14 Unaudited S\$'000	31 Dec 13 Audited S\$'000	31 Dec 14 Unaudited S\$'000	31 Dec 13 Audited S\$'000
ASSETS				
Current assets				
Cash and bank balances	2,687	9,216	153	5,724
Trade and other receivables	49,376	52,882	10,681	5,916
Inventories	9,488	1,446	-	-
Total current assets	61,551	63,544	10,834	11,640
Non-current assets				
Property, plant and equipment	1,599	1,512	-	-
Investment in subsidiaries	-	-	26,070	26,070
Investment in associated company	3,194	-	2,540	-
Total non-current assets	4,793	1,512	28,610	26,070
Total assets	66,344	65,056	39,444	37,710

	Group		Company	
	31 Dec 14 Unaudited S\$'000	31 Dec 13 Audited S\$'000	31 Dec 14 Unaudited S\$'000	31 Dec 13 Audited S\$'000
LIABILITIES				
Current liabilities				
Trade and other payables	15,075	16,369	2,769	1,645
Income tax payable	15	934	-	-
Borrowings	1,533	27	-	-
Total current liabilities	16,623	17,330	2,769	1,645
Non-current liabilities				
Borrowings	5,473	5,000	5,000	5,000
Deferred tax liabilities	15	27	-	-
Total non-current liabilities	5,488	5,027	5,000	5,000
Total liabilities	22,111	22,357	7,769	6,645
NET ASSETS	44,233	42,699	31,675	31,065
EQUITY				
Share capital	32,291	32,291	32,291	32,291
Retained earnings / (accumulated losses)	37,574	36,042	(616)	(1,226)
Merger reserve	(25,628)	(25,628)	-	-
Currency translation reserve	(4)	(6)	-	-
Total equity	44,233	42,699	31,675	31,065

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less

	As at 31 Dec 2014 (Unaudited)		As at 31 Dec 2013 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance Lease Liabilities	-	-	27	-
Bank loans	1,000	533	-	-

Amount repayable after one year

	As at 31 Dec 2014 (Unaudited)		As at 31 Dec 2013 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible bond	-	5,000	-	5,000
Bank loans	-	473	-	-

Details of any collateral:

Finance leases as at 31 December 2013 were secured by the leased assets – motor vehicles.

Bank loans as at 31 December 2014

- S\$1 million is secured by fixed deposit 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

	FY2014 (Unaudited) S\$'000	FY2013 (Audited) S\$'000
Operating activities		
Net profit for the year	1,532	7,703
Adjustments for:		
Income tax credit/(expense)	(63)	1,188
Depreciation	88	118
Interest income	(5)	(16)
Interest expense	273	98
Share of profit of an associated company	(712)	-
Unrealised currency translation (losses)/gains	26	(4)
Operating cash flows before changes in working capital	1,139	9,087
Changes in working capital		
Trade and other receivables	4,557	(14,251)
Trade and other payables	(1,294)	1,150
Inventories	(8,042)	(459)
Cash used in operations	(3,640)	(4,473)
Income tax paid	(867)	(4,165)
Net cash used in operating activities	(4,507)	(8,638)
Cash flows from investing activities		
Acquisition of Investment in an associated company, net off unrealised gain on transaction with associated company	(2,482)	-
Loan to an associated company	(1,050)	-
Additions of property, plant and equipment	(200)	(1,383)
Net cash used in investing activities	(3,732)	(1,383)
Cash flows from financing activities		
Interest received	5	16
Interest paid	(273)	(6)
(Pledge)/Release of bank deposits	(1,002)	754
Proceeds from issuance of convertible bond	-	5,000
Proceeds from borrowings	2,005	-
Repayments of finance leases	(27)	(46)
Net cash from financing activities	708	5,718
Net decrease in cash and cash equivalents	(7,531)	(4,303)

Cash and cash equivalents at the beginning of the financial year	9,216	13,519
Cash and cash equivalents at end of the financial year	1,685	9,216

Note:

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

	FY2014 (Unaudited) S\$'000	FY2013 (Audited) S\$'000
Cash at bank and on hand	1,685	3,457
Short-term bank deposits	1,002	5,759
Cash and bank balances per consolidated statement of financial position	2,687	9,216
Less: short-term bank deposit pledged	(1,002)	-
Cash and cash equivalents per consolidated cash flow statement	1,685	9,216

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	Non-controlling interest S\$'000	Merger Reserve S\$'000	Currency translation reserve S\$'000	Total S\$'000
(Unaudited)						
Balance as at 1 January 2014	32,291	36,042	-	(25,628)	(6)	42,699
Total comprehensive income for the financial year	-	1,532	-	-	2	1,534
Balance as at 31 December 2014	32,291	37, 574	-	(25,628)	(4)	44,233
(Audited)						
Balance as at 1 January 2013	32,291	28,339	-	(25,628)	(1)	35,001
Total comprehensive income for the financial year	-	7,703	-	-	(5)	7,698
Balance as at 31 December 2013	32,291	36,042	-	(25,628)	(6)	42,699

Company	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
(Unaudited)			
Balance as at 1 January 2014	32,291	(1,226)	31,065
Total comprehensive income for the financial year	-	610	610
Balance as at 31 December 2014	32,291	(616)	31,675
(Audited)			
Balance as at 1 January 2013	32,291	(482)	31,809
Total comprehensive income for the financial year	-	(744)	(744)
Balance as at 31 December 2013	32,291	(1,226)	31,065

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 31 December 2014	99,200,000	32,269,650
As at 30 June 2014	99,200,000	32,269,650

The Company had on 19 August 2013 issued an unsecured 3-year, 5% convertible bond to Keong Hong Holdings Limited with a principal amount of S\$5 million ("Convertible Bond"). 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 2016, 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 2014 and 31 December 2013.

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 2014	Company As at 31 December 2013
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 2014 and 31 December 2013.

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 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 as 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 2013.

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

Below are the mandatory accounting standards and amendments to existing accounting standards that have been published and relevant for the Group's accounting periods beginning on or after 1 January 2014 :

- FRS 27 Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 28 Investment in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2014)

- Amendments to FRS 32 Financial Instruments : Offsetting of Financial Liabilities and Assets (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 36 Recoverable Amount Disclosures for Non-Financial Assets (effective for annual period beginning on or after 1 January 2014)
- FRS 110 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 111 Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)
- FRS 112 Disclosure of Interest in Other Entities (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111, FRS 112, FRS 27(2011) and FRS 28 (2011) : Mandatory Effective Date (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111 and FRS 112 : Transition Guidance (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 112 and FRS 27 : Investment Entities (effective for annual period beginning on or after 1 January 2014)
- Amendments to FRS 39 : Novation of Derivatives and Continuation of Hedge Accounting (effective for annual period beginning on or after 1 January 2014)

The adoption of the above FRSs and Amendments to FRS did not result in any substantial change to the Group's accounting policies and methods of computation, and has no material impact on the financial statements of the Group for the current financial period reported on.

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	
	FY2014 (Unaudited)	FY2013 (Audited)
Net profit attributable to equity holders of the Company (S\$'000)	1,532	7,703
Basic earnings per share (EPS) in Singapore dollar ⁽¹⁾	0.02	0.08
Diluted EPS in Singapore dollar ⁽²⁾	0.01	0.07

Notes:

(1) The basic EPS for FY2014 and FY2013 was calculated based on the weighted average number of ordinary shares in issue during FY2014 and FY2013 of 99,200,000 shares.

(2) The diluted EPS for FY2014 and FY2013 was calculated based on 111,104,000 shares assuming full conversion of the Convertible Bond.

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 2014 Unaudited	31 Dec 2013 Audited	31 Dec 2014 Unaudited	31 Dec 2013 Audited
Net asset value (S\$'000)	44,233	42,699	31,675	31,065
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\$)	0.45	0.43	0.32	0.31

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:**
- (a) 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
 - (b) 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

Financial year ended 31 December 2014 ("FY2014") vs. 31 December 2013 ("FY2013")

Revenue

Our total revenue decreased by approximately S\$36.5 million or 53.9% from S\$67.7 million in FY2013 to S\$31.2 million in FY2014. Revenue derived from the structural steelworks services segment accounted for approximately 78.5% of our Group's total revenue.

The decrease in revenue from our structural steelworks services segment by approximately 60.2% from S\$61.5 million in FY2013 to S\$24.5 million in FY2014 was due mainly to a substantial amount of work which was done for existing projects in FY2013 as compared to FY2014, coupled with lower revenue recognised from a few newly awarded projects of smaller contract sum in FY2014. In addition, a few major contracts which were awarded in late FY2014 would only commence work in the early part of 2015.

Revenue from the tunneling services segment increased from S\$6.2 million in FY2013 to S\$6.7 million in FY2014 mainly due to the increase in work done for the Rochor Station & Little India Station Project, Jalan Besar Station Project and a newly commenced project, namely Transmission Cable Tunnel Project. The increase in revenue was partially offset by a decrease in revenue contributed

from NEWater Infrastructure Plan Extension Project and Bedok Town Park Station Project which were completed in August 2013 and December 2014 respectively.

Cost of works

Our cost of works decreased by approximately S\$28.7 million or 51.2% from S\$56.2 million in FY2013 to S\$27.4 million in FY2014, primarily due to the decrease in cost of works for the structural steelworks services segment of approximately S\$28.7 million.

Our cost of works for the structural steelworks services segment decreased by 56.1% from approximately S\$51.1 million in FY2013 to S\$22.4 million in FY2014 mainly due to decrease in material cost of S\$17.3 million, subcontractors charges of S\$5.9 million, worksite expenses of S\$4.0 million and rental expenses of S\$0.8 million. Less materials, subcontracting works and worksite expenses were recorded due to the decrease in business activities in FY2014 as compared to FY2013.

Our cost of works for tunneling services segment maintained at approximately S\$5.0 million in FY2014 and FY2013.

Gross profit

Our Group's gross profit decreased by approximately S\$7.8 million or 67.4% from S\$11.6 million in FY2013 to S\$3.8 million in FY2014. Our gross profit margin decreased from 17.1% in FY2013 to 12.1% in FY2014. For the structural steelworks segment, the lower gross profit margin was due to higher usage of new materials which resulted in increased material costs. For the tunneling services segment, the higher gross profit margin was due to the lower than projected remuneration expenses for the tunneling crew.

Other losses

Other losses increased by S\$0.3 million from S\$0.2 million in FY2013 to S\$0.5 million in FY2014. This was mainly due to losses of S\$0.5 million arising from the sale of scrap materials at below cost, offset by a decrease in net foreign currency loss of S\$0.2 million and an increase in government grants of approximately S\$0.05 million.

Administrative expenses

Administrative expenses decreased by approximately of S\$0.1 million or 5.6% from S\$2.4 million in FY2013 to S\$2.3 million in FY2014. This was mainly due to a decrease in professional fees of S\$0.07 million and depreciation expenses on plant, property and equipment of S\$0.03 million.

Interest expense

Interest expense increased by approximately S\$0.2 million or 178.6% from S\$0.1 million in FY2013 to S\$0.3 million in FY2014, mainly due to interest expenses for the Convertible Bond and increase in banking facilities in FY2014.

Share of profit of associated company

The acquisition of a 51% interest in Fuchiang Construction Pte. Ltd. ("Fuchiang") was completed in July 2014 and the Group recorded its share of profit amounting to S\$0.7 million in FY2014. Synergies were created as Fuchiang had used some of the Group's used materials for its private sector projects, which enabled it to lower its material costs.

Profit before income tax

The Group recorded a profit before tax of S\$1.5 million in FY2014, a decrease of S\$7.4 million as compared to that in FY2013, mainly due to the above-mentioned factors.

Income tax expense

There was income tax credit of approximately S\$0.06 million recorded in FY2014 as compared to income tax expense of approximately S\$1.2 million in FY2013. The income tax credit recorded in FY2014 was mainly due to over provision of taxes in prior years.

Review of the Financial Position of the Group

Current assets

As at 31 December 2014, our current assets of approximately S\$61.6 million accounted for approximately 92.8% of our total assets. Our current assets comprised the following:

- (i) Trade and other receivables of approximately S\$49.4 million, which comprised mainly trade receivables of S\$5.4 million (31 Dec 2013: S\$5.4 million), construction contracts due from customers of S\$35.2 million (31 Dec 2013: S\$39.2 million), loan to an associated company, Fuchiang of S\$1.1 million (31 Dec 2013: Nil), amount due from Fuchiang of S\$0.9 million (31 Dec 2013: Nil) and retention receivables of S\$6.2 million (31 Dec 2013: S\$7.0 million). The decrease in construction contracts due from customers of S\$4.0 million was due to progress billings on work done billed to customers as at 31 December 2014; and
- (ii) Inventories of approximately S\$9.5 million, an increase of S\$8.1 million which was mainly due to buy back of materials from projects namely, Bedok Town Park Station Project, Ubi Station Project and Bedok Reservoir Station Project, to stockyard for use in future projects.

Non-Current assets

Our non-current assets increased by approximately S\$3.3 million to S\$4.8 million as at 31 December 2014 (31 Dec 2013: S\$1.5 million). Non-current assets consisted of property, plant and equipment of S\$1.6 million and an investment in Fuchiang of S\$3.2 million.

Current liabilities

As at 31 December 2014, our current liabilities of approximately S\$16.6 million accounted for 75.2% of our total liabilities. Our total current liabilities comprised the following:

- (i) Trade and other payables of approximately S\$15.1 million which comprised of trade payables of S\$5.8 million (31 Dec 2013: S\$14.1 million), construction contracts due to customers of S\$0.2 million (31 Dec 2013: S\$0.5 million), other payables of S\$7.5 million (31 Dec 2013: S\$0.2 million) and accrued operating expenses of S\$1.5 million (31 Dec 2013: S\$1.5 million). The increase in other payables was mainly due to the advance payment of S\$6.0 million from customers in relation to Woodland Station Project and Marina Bay Station Project and amount due to Fuchiang's shareholders of approximately S\$1.1 million which arose from the acquisition of a 51% interest in Fuchiang;
- (ii) Borrowings of approximately S\$1.5 million which are in relation to the fixed advance facility loan for the financing of the Group's working capital and the Internationalisation Finance Scheme ("IFS") loans extended by DBS for the development of the factory in Malaysia on the acquired land at Pasir Gudang, Johor Bahru.

Non-Current liabilities

As at 31 December 2014, our non-current liabilities amounted to approximately S\$5.5 million, an increase of S\$0.5 million compared to S\$5.0 million as at 31 December 2013. The increase was mainly due to the borrowings in relation to the IFS loans extended by DBS for the development of the factory in Malaysia on the acquired land at Pasir Gudang, Johor Bahru and bank loans to facilitate the purchase of a new crawler crane.

Equity

As at 31 December 2014, our equity of approximately S\$44.2 million comprised mainly share capital of S\$32.3 million and net reserves of S\$11.9 million.

Review of the Cash Flow Statement of the Group

Net cash used in operating activities

In FY2014, we recorded net cash outflow from operating activities of approximately S\$4.5 million, which was a result of operating cash flows before changes in working capital of approximately S\$1.1 million, adjusted for net working capital outflow of approximately S\$4.8 million as well as income tax paid of approximately S\$0.9 million. Our working capital outflows were mainly due to an increase in inventories of approximately S\$8.0 million and a decrease in trade and other payables of approximately S\$1.3 million, offset by a decrease in trade and other receivables of approximately S\$4.6 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$3.7 million, which was mainly attributable to investment in Fuchiang of approximately S\$2.5 million, loan to Fuchiang of approximately S\$1.0 million and additions of property, plant and equipment of S\$0.2 million.

Net cash from financing activities

Net cash from financing activities amounted to approximately S\$0.7 million in FY2014, which was mainly due to the proceeds from borrowings of approximately S\$2.0 million partially offset by bank deposits pledged of S\$1.0 million and interest paid of S\$0.3 million.

As at 31 December 2014, our cash and cash equivalents were approximately S\$1.7 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 reporting period.

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\$29 billion to S\$36 billion of construction contracts for the built environment sector in 2015. Major public sector projects likely to be awarded in year 2015 include projects for the Land Transport Authority's Thomson-East Coast MRT Line.

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. We intend to partially address these by freeing up some manpower from our Singapore yard through the relocation of a portion of the Singapore yard activities to our new storage yard in Malaysia in 2015.

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 to be held in April 2015.

Name of Dividend	First and Final
Dividend Type	Cash
Dividend amount per ordinary share	0.5 Singapore cents (\$0.005) 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?

No.

(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 25 May 2015.

(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 8 May 2015 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 8 May 2015 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 8 May 2015 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 for FY2014.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. 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

	FY2014			FY2013		
	Structural Steel S\$'000	Tunnelling S\$'000	Total S\$'000	Structural Steel S\$'000	Tunnelling S\$'000	Total S\$'000
Sales	24,494	6,718	31,212	61,547	6,210	67,757
Cost of works	(22,432)	(4,995)	(27,427)	(51,135)	(5,028)	(56,163)
Gross profit	2,062	1,723	3,785	10,412	1,182	11,594
Other income			(483)			(198)
Administrative expenses			(2,272)			(2,407)
Finance expenses			(273)			(98)
Shares of profit of an associated company			712			-
Profit before tax			1,469			8,891
Income tax expenses			63			(1,188)
Net Profit			<u>1,532</u>			<u>7,703</u>

15. 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.

16. A breakdown of sales as follows:	Group		
	FY2014 S\$'000	FY2013 S\$'000	Increase / (Decrease) %
(a) Sales reported for first half year	17,225	35,091	(50.9)
(b) Operating profit after tax before deducting minority interests reported for first half year	124	3,552	(96.5)
(c) Sales reported for second half year	13,987	32,666	(57.2)
(d) Operating profit after tax before deducting minority interests reported for second half year	1,408	4,151	(66.1)

17. 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 (proposed)

	FY2014 (S\$'000)	FY2013 (S\$'000)
Ordinary	496	-
Preference	-	-
Total	496	-

FY2013

There was no dividend declared and paid in the FY2013.

FY2014

The payment of the proposed first and final dividend of 0.5 Singapore cents (S\$0.005) per ordinary share is subject to the approval of the shareholders at the forthcoming AGM of the Company.

18. Use of IPO proceeds

As at the date of this announcement, the status of use of IPO proceeds is as below:-

Use of Proceeds	Amount in aggregate (\$'000)	Amount utilised as at the date of this announcement (\$'000)	Amount unutilised as at the date of this announcement (\$'000)
Expansion of the Group's structural steelworks and tunnelling services in Singapore	3,000	(3,000)	-
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	(305) ⁽¹⁾	-
Listing expenses borne by our Company	1,995	(1,995) ⁽²⁾	-
Total	6,400	(6,300)	100

Note:

- (1) The amount for general working capital purposes has been utilised mainly for the payment of professional fees and directors' fees.
- (2) The Company has reallocated the unutilised amount of approximately S\$22,000 allocated for listing expenses to partially finance the acquisition of land for a new storage yard as announced by the Company on 26 July 2013.

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	42	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 2015