Katrina GROUP LTD.

REFRESH, RENEW, REJUVENATE
FOR A STRATEGIC TOMORROW

ANNUAL REPORT 2023

Our strong foundation has equipped us with the fortitude and ability to tide through any crisis.

CONTENTS

CORPORATE PROFILE

Katrina Group develops, owns, and operates a chain of F&B brands and hospitality properties, namely as follows:

F&B – Bali Thai, Honguo, Sanchos, So Pho, Streats, Tomo Izakaya, Tomo Tokyo

Each brands serves authentic cuisines of different ethnicity, including Indonesian, Thai, Hong Kong, Yunnan, Mexican, Japanese and Vietnamese cuisine. Every restaurant is accompanied with customised and specially curated décor to provide patrons with an unique gastronomic dining experience.

Amongst our seven proprietary F&B brands, Bali Thai, So Pho, and Streats, are Halal certified in Singapore.

ST Hospitality – ST Signature, ST Residences

The group offers an innovative hospitality solution, featuring intelligently designed private and communal spaces. With co-living options, we create a holistic approach to the concept of living large.

We currently have 5 co-living hotels located in Singapore, at Tanjong Pagar, Chinatown, Jalan Besar, Bugis Beach and Bugis Middle.

ST Residences provides a one-stop solution for fully furnished serviced apartments island-wide, providing fuss-free accommodation options with contract flexibility and competitive rates at ST Residences Balestier, ST Residences Novena and many others located in various accessible parts of Singapore.

OUR VISION

To set new trends for the F&B and hospitality industry, helming a variety of exciting brands that offer innovative, authentic & unique experiences.

OUR MISSION

To consistently enhance, innovate, inspire and deliver outstanding F&B and hospitality experiences of exceptional value exceeding expectations.

CORPORATE MILESTONES

1995
Started operating "Katrina Nasi Padang"

1998
Launched first restaurant in West Mall

2001
Ventured into mid-range dining fare

2006
Launched 2 new brands

2007
Launched first chain of Chinese restaurants

2008
Introduced additional mid-range brand

2010
Developed first non-Asian brand

2013
Introduced new Indonesian brand and first Vietnamese brand

2015
Launched online food ordering and delivery services for Bali Thai, So Pho and Streats

2016
Listed on SGX-Catalist

2017
Katrina and Ajisen China opened one outlet under the "So-Pho" brand in Shanghai

2018

F&B:
Acquired Japanese cuisine F&B business

Hospitality:
Diversified into hospitality sector managing serviced apartments under the brand of ST Residences

2019
Opened its maiden outlet in Indonesia, in Plaza Senayan, Central Jakarta under the "So Pho" brand name

Launch of first 2 ST Signature Co-living hotels

2020

F&B:
Awarded SG CLEAN quality marks

Hospitality:
Awarded SG CLEAN quality marks
2 co-living hotels and Signature Lite (Dayuse launched)

2023

F&B:
Joint venture with DailyBeer Co., Ltd to open DailyBeer in Singapore and signed Master Territory Agreement for DailyChicken

Opened new Mexican restaurant & new Japanese Fusion restaurant

F&B BUSINESS

The Group specialises in multi-cuisine concepts and restaurant operations under 7 different F&B brands, namely, Bali Thai, So Pho, Streats, Sanchos, Honguo, Tomo Izakaya and Tomo Tokyo.

The Group prides itself on the identification of consumer trends and creating concepts that meet the demand of a wide spectrum of patrons from different market segments.

F&B BUSINESS

CASUAL DINING BRANDS

BALI·THAI

Indonesian & Thai cuisine

Website: www.balithai.com.sg/
Order: order.balithai.com.sg/

Bali Thai is the first restaurant brand that we conceived. The concept was designed to house perennial favourites of both Indonesian and Thai cuisines under one roof. Bali Thai restaurants are furnished in a casual, modern feel to offer a cosy ambience to our patrons.

Yunnan Chinese Cuisine

Website: www.honguo.com.sg/
Order: order.honguo.com.sg/

Honguo means red pot in Chinese and the restaurant serves specialties from Yunnan. All our Honguo restaurants are decorated with paintings and posters of interesting features in Yunnan to complement the authentic Yunnan cuisine, together forming the full Yunnan experience.

F&B BUSINESS

Vietnamese cuisine

Website: www.sopho.com.sg/
Order: order.sopho.com.sg/

So Pho offers authentic Vietnamese street food in a casual and contemporary setting at reasonable prices. Our So Pho cafes are decorated in simplicity, expressed with furnishings in neutral colours.

Website: www.streats.com.sg/
Order: order.streats.com.sg/

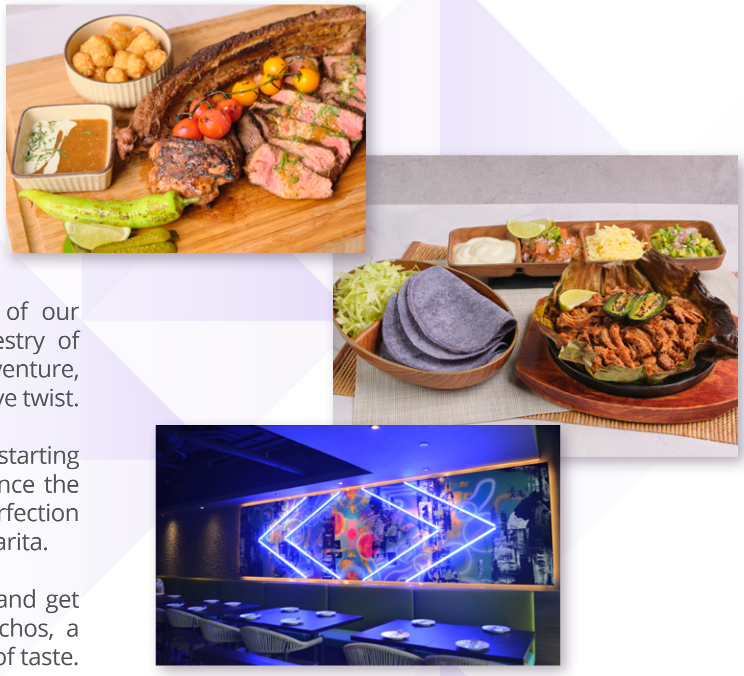
Our Streats cafes serve contemporary Hong Kong cuisine. The layouts of our Streats cafes resemble that of a "Cha Chan Teng", which is casual and uncomplicated, creating an air of vibrancy for customers of all ages.

F&B BUSINESS

MID-RANGE DINING BRANDS

SANCHOS
mexican bar and grill

Mexican cuisine



Website: www.sanchos.com.sg/
Order: order.sanchos.com.sg

Step into Sanchos, where the captivating spirit of our brand comes alive. Inspired by the vibrant tapestry of Mexican culture, we've embarked on a culinary adventure, reimagining traditional street food with an innovative twist.

Indulge in our extraordinary line-up of flavours, starting with our mesmerising signature cocktails. Experience the timeless allure of our Classic Sangria, the tangy perfection of a Margarita, and the intriguing fusion of a Coronarita.

Delight in the sizzling spectacle of sizzling Fajitas and get ready for the flavour explosion of Barbacoa Nachos, a creation that promises to redefine the boundaries of taste.

IZAKAYA TOMO

Japanese cuisine

Website: www.tomoizakaya.com.sg/
Order: order.tomoizakaya.com.sg/

Tomo Izakaya restaurant captures the essence of the traditional izakaya with its chic, minimalist Zenlike décor while injecting youthful fun in its overall vibe. In Japanese, 'tomo' means 'friend' and izakaya means 'to stay in a sake shop'. Hence, the focus of Tomo Izakaya is for friends and families to have a relaxing meal of fine Japanese food and drinks while entertained by jazz music.

TOMO TOKYO
とも東京

Japanese cuisine

Situated on the picturesque waterfront promenade in Singapore, Tomo Tokyo boasts a sophisticated and understated design, featuring a combination of soothing monochromatic and neutral tones, complemented by vibrant colour accents and accompanied by lounge music.

Celebrate the best of authentic and exquisite modern Japanese cuisine, tipple it down with refreshing cocktail concoctions for the perfect pairing.

HOSPITALITY BUSINESS

The Group offers fully-furnished residences under the ST Residences brand as well as affordable luxury co-living hotels under the ST Signature brand. Collectively, we seek to be a trusted hospitality management company that provides a comfortable and enjoyable stay experience with top-notch customer service in prime locations for corporate expatriates, leisure travellers as well as locals.

HOSPITALITY BUSINESS

ST RESIDENCES
SERVICED APARTMENTS
SINGAPORE

Established in September 2017, ST Residences is a hospitality brand that styles chic fully furnished apartments without the serviced apartment mark-up, providing a one-stop solution to furnished serviced apartments island-wide.

ST Residences is committed to providing simple, accessible and comfortable options for those seeking serviced apartments in Singapore, regardless for short term stays and/or long-term residence. We cater to everyone, ranging from individuals to expatriates and big to small corporations. We provide quality accommodation with contract flexibility and competitive rates so the stay can remain as fuss-free as possible.

ST RESIDENCES NOVENA

All units are fully furnished, equipped with kitchen and laundry appliances, crockery and utensils, and complete with a swimming pool, gymnasium, lobby and rooftop terrace. Housekeeping is also available once a week.

Located at 145A Moulmein Road, the property is not only located in the prime area and heart of Singapore, but also strategically located near several major hospitals in Singapore, Mount Elizabeth Novena, Mount Elizabeth Orchard, Gleneagles Hospital, Mount Alvernia Hospital, KK Women's and Children's Hospital, Tan Tock Seng Hospital, and Thomson Medical Centre, making the property an ideal choice for medical tourists, etc.

ST RESIDENCES BALESTIER

Strategically located on city fringe, ST Residences Balestier is nestled between Novena and Whampoa. Surrounded by lifestyle commodities and services aplenty, the property is walking distance to Whampoa Food Centre, groceries and public transportation. Only 15-20 minutes' drive to the Central Business District ("**CBD**") and town, the accessibility to Singapore's major expressways makes getting around Singapore a breeze.

All 3 room types – Studio, Executive Studio and 1-Bedroom Serviced Apartment, feature the necessary comforts of a home. Fully furnished with a comfortable bed and kitchenette, and well equipped with necessities such as basic appliances, refrigerator, microwave, kitchenware, tableware, TV and washer/dryer, etc.

OTHER SERVICED APARTMENTS ACROSS SINGAPORE

Across various prime locations and hot properties in Singapore, there are a plethora of serviced apartment units listed for rent. Whether it is for short-term rental, or longer-term stays, the variety of serviced apartments provide the luxury to choose a home that suit your lifestyle during their stay here.

Unlike hotels, serviced apartments are dynamically priced depending on the length of your stay, providing fuss-free affordability.

HOSPITALITY BUSINESS

Born with the will to challenge conventions and invent a new class of experience, ST Signature focuses on the live large attitude, which goes beyond typical decadence, featuring intelligently designed private and communal spaces. Currently with 4 co-living hotels comprising 242 rooms in the heart of Singapore, ST Signature offers affordable premium co-living hotels equipped with integrated technology driven smart solutions, targeted at millennials, digital nomads, and business travellers looking for both long or short term stays.

ST Signature Lite is also launched to offer flexible hours stay and day use options to cater to various shorter stay needs, offering a conducive and cozy environment for home away from home. Guests who book in their preferred hour blocks, for a well-deserved rest, enjoy increased productivity for working out of office, etc.

ST SIGNATURE CHINATOWN

ST Signature Chinatown is located right in the heart of the bustling and cultural Chinatown neighbourhood. Amidst the vibrant cultural & heritage rich scenes and unique boutiques, there resides our elegantly decked 40 rooms co-living space, intelligently designed to provide a restful stay and one-of-a-kind accommodation experience.

This hotel features an eclectic mix of communal spaces for the different needs our guests have, with our standard communal spaces such as the cook lab, and various pockets of lounge areas and working spaces. Uniquely found only at Chinatown is the 2nd floor patio, 4th floor hangout lawn, as well as a vertical al fresco that stretches from the 2nd floor to the 4th floor.

Literally a few minutes' walk from our hotel, you can find the famous Buddha Tooth Relic Temple and Museum, Sri Mariamman Temple, Chinatown Food Street, Chinatown Street Market, Thian Hock Keng Temple, as well the Telok Ayer and Amoy Street areas which are packed with a plethora of F&B establishments and lifestyle services. An ideal place to feast on local delicacies, purchase meaningful souvenirs and experience Singapore authentically.

ST SIGNATURE TANJONG PAGAR

ST Signature Tanjong Pagar is located right in the CBD, perfect for a good mix of business and leisure. Set against Singapore's iconic tall concrete jungle backdrop, our hotel is housed in a beautiful conserved island shophouse, featuring food and beverages options on the ground floor and at our charming rooftop bar with mesmerising sunset view. Floor to ceiling glass rooftop studio showcases ad-hoc events, yoga lessons and other workshops. The space is open for event bookings by block of 4 hours. Taking in the cityscape, this is the recommended place to hold your mini function.

ST Signature Tanjong Pagar features various communal spots for urban travellers to experience a luxurious co-living space. Besides the pockets of meeting/working spaces, a communal cook lab is a good place to test your culinary skills and have your complimentary coffee boost. Guests get to pick their favourite spots around our property to make the most out of their stay.

ST Signature Tanjong Pagar is right smack in the middle of the F&B and night life action in the area. Our hotel is conveniently located just 5-10 minutes' walk away from Tanjong Pagar and Outram MRT stations, which is pretty much city center and connected to many tourists' attractions.

HOSPITALITY BUSINESS

ST SIGNATURE JALAN BESAR

ST Signature Jalan Besar is nestled amidst the vibrant culture, traditional aesthetics and the myriad of artistic activities in Little India. It is located right next to Jalan Besar MRT station and a 10-15 minutes' walk from Rochor and Little India MRT stations. You can find the landmark of Sri Veeramakaliamman Temple embellished with colourful statues of Hindu deities in Little India, with graffiti art across a few streets.

Jalan Besar is a cozy, cultural-rich, convenient and hip area with quirky cafes serving specialty coffee and inventive modern cuisine. City Square Mall, Sim Lim Square and Mustafa center are a stone's throw away. Major hospitals like Raffles Hospital, KK Women's and Children's hospital are less than 10 minutes' drive.

The property features a variety of room types allowing singles, couples, family and friends to choose from. It boasts a communal kitchen called Cook Lab with daily free premium 100% Arabica coffee, a conducive co-working space on level 3, outdoor hangout spaces on level 2, a meeting and laundry area at level 1. Being a co-living hotel, there is a perfect blend of private and communal social spaces. There are also plenty of dining options within walking distance around the hotel. Complimentary Wi-Fi is available throughout your stay with workstation in your private cabin.

ST SIGNATURE BUGIS BEACH

ST Signature Bugis Beach is located in Singapore's city center and is less than 10 minutes' walk away from Bugis, City Hall and Esplanade MRT Stations. You can find Marina Bay Sands, Kampong Glam, Bugis Village, National Library, religious places of worship and other cultural attractions nearby. Key office buildings and major shopping malls like DUO Tower, Bugis Junction, Suntec City, Millenia Tower, are within walking distance. It is the best place to be for shopaholics, foodies and those seeking for nightlife.

The hotel boasts double and family cabins, complete with ensuite bathrooms, equipped with a communal kitchen called Cook Lab with daily free premium 100% Arabica coffee and a communal area at the Hall. Being a co-living hotel, enjoy the perfect blend of private with pockets of communal and social spaces. Complimentary Wi-Fi is available throughout your stay, the ideal choice for business travellers, international tourists, and even locals for an affordable premium staycation.

HOSPITALITY BUSINESS

ST SIGNATURE BUGIS MIDDLE

ST Signature Bugis Middle is conveniently located in Singapore's city centre, Middle Road, a short 6-minutes' walk away from Bugis and Esplanade MRT Stations. In the vicinity are several popular shopping malls such as Bugis Junction, Bugis+, Bras Basah Complex, Suntec City & Convention Centre, Raffles City and Marina Square. If you are looking for culture, art, chic and hipster hangout spots, Haji Lane, Arab Street, Kampong Glam, the museum and Esplanade area are also a stone's throw away. Food lovers can rejoice as you can find a delightful variety of F&B options around the area. From affordable and authentic local food to exquisite fusion creations, to unique flavours from around the world, your foodie list can be endless.

The building can easily be identified by the hand-painted wall mural across the entire building's façade, showcasing intricate intertwining elements of Chinese opera, traditional coffee, a phoenix and cat in vibrant colours and bold brushstrokes by artist Sean Dunston. The mural depicts the rich heritage of the area where the Hainanese immigrants first settled and built a community in Singapore, not only known for its active role in the development of F&B and hospitality industries but also for their rich culture that expresses the drama and beauty of life. The mural unveils the vivid hues and ornate designs that characterise Hainanese opera, reflecting the rich cultural and artistic traditions of this performing art. A traditional metal coffee pot and the aroma of freshly brewed Hainanese coffee wafts through the mural, representing rich flavours, experiences and warm hospitality. A majestic phoenix emerges, symbolising beauty, grace and rebirth, depicting the resilience and spirit of the community. A playful local cat adds a touch of whimsical charm, an endearing expression of joy, affection, luck and prosperity.

ST Signature Bugis Middle presents 38 newly renovated private cabins, all of which come with luxury fittings, ensuite bathroom, complimentary high speed wi-fi, 43" smart TV and international charging outlets. Co-living facilities such as our well-equipped communal kitchen – Cook Lab is where you can find the water dispenser, microwave, refrigerator, complimentary coffee and tea, and allows guests to indulge in meaningful social interactions over light cooking.

CHAIRMAN & CEO'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present our results for the financial year ended 31 December 2023 ("**FY2023**").

YEAR IN REVIEW

The year presented significant challenges despite witnessing a recovery in both our F&B and Hospitality businesses. Nevertheless, we have persevered and adapted in the face of adversity and are mindful of the pace of recovery and the associated operational challenges.

At the consolidated Group level, we recorded revenue of $59.3 million in FY2023, a decrease of $5.1 million or 8.0% from $64.4 million in the preceding period ("**FY2022**"). After factoring the cost of sales of $51.5 million, selling and distribution costs, administrative expenses, finance costs as well as other expenses totaling $10.8 million, partially offset by other income of $1.2 million and income tax credit of $0.4 million, we recorded a net loss of $1.3 million for FY2023, as compared to a net profit of $3.5 million in FY2022.

Of note, the Group's independent auditors, Messrs Ernst & Young, has pointed on the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. The Group is of the view that it is appropriate to prepare its financial statements on a going concern basis, given its capability to generate sufficient cash flows from its operations to pay its liabilities.

The Group's net cash flows generated from operating activities was $18.8 million while cash and cash equivalents was $2.0 million in FY2023.

The Board has been informed on the Group's performance over the financial year in review and the Group is committed in its endeavours to manage costs and preserve cash liquidity by the implementation of strategic measures.

PORTFOLIO REJUNEVATION

Undoubtedly, it has been a challenging year for the Group, but we have managed to navigate through with significant developments in both our F&B and Hospitality segments, demonstrating resilience and adaptability.

In FY2023, we successfully raised approximately $0.2 million through a rights issue of warrants, backed by strong support from our shareholders and investors. The net proceeds will be used to fund the renovation of new F&B outlets, strengthening our financial position and capital base as well as enabling us to tap on potential opportunities, and prudently expand our presence in the competitive business landscape.

During the year, we successfully entered into a joint venture with DailyBeer Co., Ltd. ("**DBK**") to operate "DAILY BEER" Korean fried chicken and craft beer chain restaurants in Singapore, and the first Daily Beer outlet is expected to open by mid April 2024. Established in 2014, DBK owns and operates Korean fried chicken and craft beer chain restaurants under the brand name "DAILY BEER". With over nine years of experience in the food and beverages industry, DBK operates approximately 370 stores in Korea, encompassing both directly managed stores and franchise stores, and is recognised as the "Top 100 Best Franchise" by Maeil Business for five consecutive years and the "Good Franchise Brand" by the Korea Industry Fairs Organizer for two consecutive years.

Furthermore, a master franchise agreement was signed to operate Daily Chicken restaurants islandwide with the inaugural Daily Chicken restaurant slated to open by mid-2024 as part of the Group's strategy to carry out a series of food and beverages rebranding exercises to rejuvenate the F&B brands. In partnership with DBK, we aim to leverage on the combined network, experience, and expertise to enhance service offering and customer experience. Notwithstanding, the synergies from this collaboration will add value to our shareholders.

CHAIRMAN & CEO'S STATEMENT

In the course of our consolidation efforts, we have closed 5 underperforming F&B outlets in Singapore to stem losses. And to adapt to the ever-changing consumer needs, we have extended our F&B brands offerings with the introduction of Tomo Tokyo and Sanchos. Additionally, we have expanded our ST Signature Co-living hotel with the launch of the fifth establishment, featuring 38 private cabins at Bugis Middle, in response to the growing demand for distinctive yet value for money accommodation in prime locations, driven by a rise in both domestic and international tourism. With this addition, ST Signature now offers a total of 278 keys, and ST Residences features 70 serviced apartments, both maintaining high occupancy rates of approximately 87% .

As for our digital transformation journey, we have successfully rolled out our Customer Relationship Management ("**CRM**") tool for our F&B outlets in November 2023. This has helped to enhance our customer engagement and provide valuable insights to customers' preferences. As such, we plan to progressively implement this across all our outlets, including "DAILY BEER" Korean fried chicken and craft beer chain restaurants. And in compliance to the Nutri-Grade labelling requirements with effect from 30 December 2023, all beverages offered in our F&B establishments bear the Nutri-Grade mark, empowering customers to make more informed choices.

On a separate note, the investigation on possible breaches of the minimum stay requirement in respect of the provision of short-term accommodation provided by ST Hospitality Pte. Ltd. and/or its subsidiaries by the Urban Redevelopment Authority is ongoing and we are working closely to assist with the investigation and will make announcement(s) when there are material developments.

OUTLOOK

As we embark on the new financial year, we are relatively optimistic about the Group's growth trajectory, driven by favourable conditions both internally and externally.

According to Singapore Tourism Board ("**STB**"), Singapore recorded a 115 percent increase in tourist arrivals, from 6.3 million in 2022 to 13.6 million in 2023. Projections for 2024 anticipate a recovery of 15 million to 16 million international visitors, bringing in approximately $26.0 billion to $27.5 billion in tourism receipts. Despite expected visitor numbers being about 71 per cent of the number of arrivals recorded in 2019 before Covid-19, STB pointed that the new attractions and enhanced experiences in 2023 has made Singapore more attractive to tourists. In addition, with the upcoming wave of concerts in Singapore, it is expected to boost Singapore's tourism and associated sectors, including hospitality and food and beverage industry, thereby making a positive contribution to the overall landscape.

For our F&B business segment, we will continue our efforts to rejuvenate our current brands to cater to the ever-changing consumer needs as well as seeking franchise opportunities. Additionally, we will leverage on technology solutions and explore new technologies to enhance operational efficiency. Notwithstanding, we will also leverage on our partners' combined network, experience, and expertise to enhance service offering and customers' experience.

As for our Hospitality segment, we believe that the bullish forecast from the Singapore Tourism Board, coupled with the strong occupancy rate across both ST Signature and ST Residences, will drive revenue growth. In tandem with the rising tourism, we are strategically planning to expand our hospitality offerings and will capitalise on opportunities as they arise.

As an established F&B and Hospitality group led by a dedicated key management team with extensive experience, we are committed to evaluate and expand our business prudently. Concurrently, we will capitalise on our positive working relationship with stakeholders, explore new opportunities as well as cultivate new connections to enhance service offering and customers' experience.

ACKNOWLEDGEMENT

At this juncture, I would like to take the opportunity to extend my sincere gratitude to our Directors for their guidance, and management and staffs for their dedication and hard work. Additionally, I will also like to thank Ms Joan Lau Sau Chee for her invaluable contributions over the years, as well as welcome Mr Wong Quee Quee, Jeffrey, as Independent Director and Ms Krystal Goh Shu Yan as Alternate Director to Ms Madaline Catherine Tan Kim Wah.

To our valued business partners and customers, we express our gratitude for your support and trust in us.

Lastly, I would like to extend my heartfelt appreciation to our shareholders for their trust and continued support. We remain steadfast in our commitment towards seeking strategic growth to deliver long-term value.

Alan Goh Keng Chian
Executive Chairman and CEO

GROUP STRUCTURE

Katrina GROUP LTD.

Katrina Holdings Pte Ltd
100%

Bali Thai Food Catering Pte. Ltd.
100%

Katrina International Pte. Ltd.
100%

Tomo Izakaya Pte. Ltd.
100%

PT. SOPHO Food Indonesia
100%

SO PHO International Limited
30%

Daily Beer Singapore Pte. Ltd.
80%

ST Hospitality Pte. Ltd.
100%

SOPL 1 Pte. Ltd.
100%

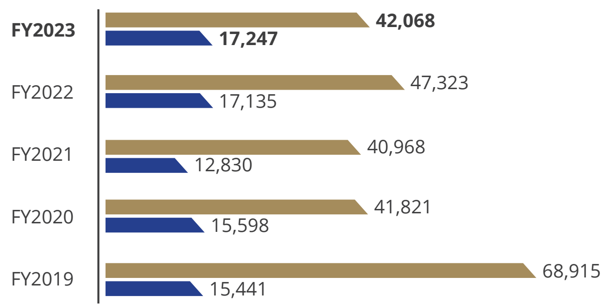
SO Services Pte. Ltd.
100%

FINANCIAL HIGHLIGHTS

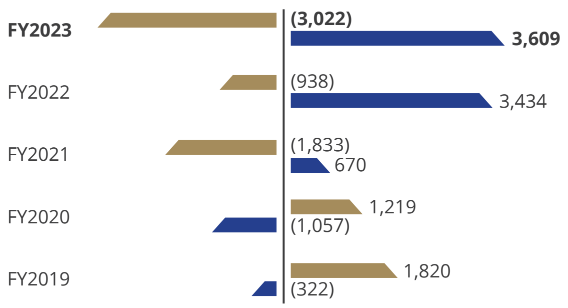
Income Statement (S$'000)	FY2023		FY2022		FY2021		FY2020		FY2019	
	F&B	Hospitality	F&B	Hospitality	F&B	Hospitality	F&B	Hospitality	F&B	Hospitality
Revenue	42,068	17,247	47,323	17,135	40,968	12,830	41,821	15,598	68,915	15,441
EBITDA[1]	8,191	9,383	11,420	10,402	9,968	11,871	14,379	3,172	16,400	8,912
Adjusted EBITDA[2]	(3,022)	3,609	(938)	3,434	(1,833)	670	1,219	(1,057)	1,820	(322)
Financial Position (S$'000)	**FY2023**		**FY2022**		**FY2021**		**FY2020**		**FY2019**	
	F&B	Hospitality	F&B	Hospitality	F&B	Hospitality	F&B	Hospitality	F&B	Hospitality
Total Assets	22,611	20,883	27,254	24,786	29,939	27,506	44,048	28,236	53,975	48,620
Total Liabilities	(30,023)	(20,011)	(33,878)	(23,466)	(38,510)	(27,810)	(47,530)	(33,408)	(49,386)	(45,515)
Cash and Cash Balances	2,060	971	3,647	1,843	5,573	1,627	8,958	1,680	4,512	1,202
Basic earnings per ordinary shares (cents)	(1.79)	1.21	(0.13)	1.62	(1.94)	1.85	(2.29)	(4.77)	(1.72)	(1.01)
Diluted earnings per ordinary shares (cents)	(1.42)	0.96	(0.13)	1.62	(1.94)	1.85	(2.29)	(4.77)	(1.72)	(1.01)

[1] EBITDA: Earnings before Interest, Tax, Depreciation and Amortisation.
[2] Adjusted EBITDA: EBITDA less lease payments and add back impairment losses.

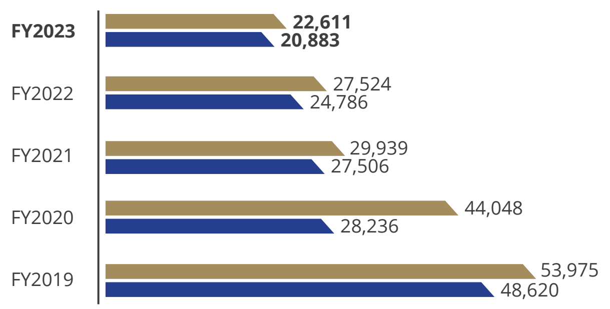
REVENUE ($'000)



ADJUSTED EBITDA[2] ($'000)



TOTAL ASSETS ($'000)



TOTAL LIABILITIES ($'000)

F&B Hospitality

FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE

For management reporting purposes, the Group is organised into business segments based on its services, and has two reportable operating segments as follows:

i. "Food and Beverage ("F&B") business" – specialises in multi-cuisine concepts and restaurant operations.

   The Group has 26 restaurants (31 December 2022: 30) in Singapore and 1 restaurant (31 December 2022: 1) in Indonesia under 6 different F&B brands (31 December 2022: 7).

ii. "Hospitality business" – offers fully furnished corporate serviced apartments under the brand of ST Residences and affordable luxurious co-living hotel under ST Signature.

The Group had approximately 32 units of service apartments (31 December 2022: 67), 1 block of service apartments (31 December 2022: 1) and 5 co-living hotels (31 December 2022: 4).

The Group's revenue for the period ended 31 December 2023 was $59.3 million, a decrease of $5.1 million or 8.0% as compared to $64.4 million for the period ended 31 December 2022 ("FY2022").

Revenue for the Group F&B decreased by $5.2 million or 11.1% from $47.3 million in FY2022 to $42.1 million in FY2023. The decrease was attributed to the decrease in the number of outlets, as well as increased competition, during the period under review.

Revenue for Group Hospitality increased by $0.1 million or 0.6% from $17.1 million in FY2022 to $17.2 million in FY2023. The increase for FY2023 vis-a-vis FY2022 was due to the reopening of borders from 1 April 2022, the start of operations for ST Residences Balestier, a 20 units property in August 2022, as well as the start of operations for ST Signature Bugis Middle in late October 2023.

Cost of sales mainly comprises food and beverages cost, payroll cost, depreciation of property, plant and equipment, depreciation of right-of-use assets, rental expense of premises and utilities expenses for both restaurants' outlets and residential apartments/co-living premises and other restaurant support costs.

The Group's cost of sales decreased by $1.9 million or 3.6% from $53.4 million in FY2022 to $51.5 million in FY2023.

Cost of sales for Group F&B decreased by $2.1 million or 5.1% from $41.8 million in FY2022 to $39.7 million in FY2023. This was largely attributable to the decrease in:

a. food costs of $1.0 million, which is in line with the decrease in revenue;
b. leases on short-term rental of $0.4 million;
c. online platform commission of $0.5 million, which is in line with the decrease in online revenue;
d. payroll expenses of $0.2 million;
e. utilities and repair and maintenance of $0.2 million and $0.1 million respectively, due to reduced number of outlets; and
f. reduction of packaging materials of $0.1 million, which is in line with the reduction in online revenue.

This was offset by the increase in depreciation for right-of-use assets of $0.6 million. Depreciation for right-of-use assets had increased as a number of leases had been renewed at higher rental rates.

Cost of sales for Group Hospitality increased by $0.2 million or 1.7% from $11.6 million in FY2022 to $11.8 million in FY2023. The increase was largely due to the increase in (a) depreciation for right of use assets of $0.5 million, (b) agent commission of $0.2 million, (c) staff cost of $0.2 million, offset by the decrease in short-term rental expense of $0.8 million.

The Group recorded a gross profit of $7.8 million for FY2023 (FY2022: $11.0 million). For FY2023, Group F&B and Group Hospitality reported a gross profit of $2.4 million and $5.4 million respectively.

Other income mainly relates to the government grants, such as the Wage Credit Scheme/Progressive Wage Credit Scheme ("WCS"), as well as cash grants.

Other income decreased by $0.5 million or 27.4% from $1.7 million in FY2022 to $1.2 million in FY2023.

The decrease was largely attributable to a/an:
- decrease in rental rebate of $0.4 million;
- decrease in government grants of $0.2 million;
- decrease in income arising from the cancellation of bookings and expiry of vouchers of $84,000; offset by
- increase in sponsorship received of $63,000, as well as increase in other miscellaneous income of $0.1 million.

FINANCIAL REVIEW

Rental rebates had decreased due to the lower rental rebates received by landlords during this period under review. Government grants had decreased mainly due to the decrease in grants received under the Job Support Scheme of $0.4 million as the government had stopped the grant as well as a decrease in Special Employment Credit of $0.1 million due to reversal of over-accrued grant receivable. This was offset by the increase in grant income from WCS of $0.4 million.

The selling and distribution costs amounted to $0.8 million for both FY2023 and FY2022, decreasing slightly by $45,000 or 5.4%.

The decrease from FY2022 to FY2023 was largely due to the decrease in marketing, advertising and promotion cost and marketing discount of $77,000 and $26,000. These were offset by the increase in payroll costs of approximately $69,000. Selling and distribution costs remain consistent at approximately $0.8 million or 1.3% of revenue.

Administrative expenses decreased minimally by $39,000 or 0.6% from $6.2 million in FY2022 to $6.1 million in FY2023.

Finance costs amounted to $2.8 million for FY2023 and FY2022, decreasing minimally by $34,000 or 1.2%.

The Group recorded other expenses of $1.1 million in FY2023 vis-à-vis other gains of $0.6 million in FY2022. Other expenses mainly relate to the impairment loss on right-of-use assets and property, plant and equipment of $0.4 million each, impairment of amount due from joint venture of $0.1 million due to assessment of recoverability and loss on early termination and modification of leases, net of $0.1 million.

The Group recognised an income tax credit of $0.4 million in FY2023 mainly due to the deferred tax asset recognised in 4Q2023.

As a result of the aforementioned, the Group reported a net loss after tax of $1.3 million in FY2023 vis-à-vis a net profit after tax of $3.5 million in FY2022.

REVIEW OF FINANCIAL POSITION

The Group's non-current assets decreased by $5.8 million from $42.6 million as at 31 December 2022 to $36.8 million as at 31 December 2023.

This was mainly due to the decrease in right-of-use assets of $5.0 million. Right-of-use assets had decreased due to the depreciation of $14.4 million, impairment charge of $0.4 million and early termination of $0.7 million, offset by additions of $5.3 million and lease modification of $5.2 million.

Property, plant and equipment decreased by $0.8 million due to the depreciation charge of $2.1 million and impairment charge of $0.4 million, offset by the additions of $1.8 million.

Refundable deposits (non-current) decreased by $0.3 million.

Investment property decreased by approximately $58,000, which is in line with the depreciation charge for the period.

The above decreases are offset by the increase in deferred tax asset of $0.4 million.

The Group's current assets decreased by $2.8 million from $9.5 million as at 31 December 2022 to $6.7 million as at 31 December 2023.

This was mainly due to (a) a decrease in cash and bank balances of $2.5 million; (b) a decrease in refundable deposits (current) of $0.3 million; and (c) a decrease in other receivables of $0.1 million. The decrease was offset by an increase in prepayments of $0.1 million.

Overall, refundable deposits have decreased by $0.6 million which is in line with the decrease in number of outlets and service apartments, as well as the reduced number of months of refundable deposits required by the landlords upon renewals.

Other receivables have decreased by $0.1 million due to the recovery of $0.5 million arising from the fulfilment of the terms of the agreement in relation to fit-out works, offset by the increase in security deposits receivable of $0.3 million from landlords following the termination of the lease agreements and $0.1 million of finance lease receivable.

FINANCIAL REVIEW

The Group's current liabilities increased by $0.1 million from $29.4 million as at 31 December 2022 to $29.5 million as at 31 December 2023.

Trade and other payables, provision and lease liabilities (current) increased by $1.2 million, $0.1 million and $0.6 million respectively; offset by a decrease in loans and borrowings (current) of $1.4 million and a decrease in contract liabilities of $0.4 million.

Trade and other payables had increased due to (a) increase in amounts due to directors of $1.1 million, (b) increase in amounts due to trade and other creditors of $0.4 million, offset by (c) reduction in security deposits from tenants of $0.3 million. The amounts due to directors had increased due to the working capital requirement.

Contract liabilities primarily relate to the Group's obligation to transfer goods and services to customers for which the Group has received advances from customers, primarily for the hospitality segment. This has decreased due to less advances received from customers during the period ended 31 December 2023.

The Group's non-current liabilities decreased by $7.3 million from $27.9 million as at 31 December 2022 to $20.6 million as at 31 December 2023.

This was mainly due to (a) the decrease in loans and borrowings (non-current) of $1.2 million; and (b) the decrease in lease liabilities (non-current) of $6.0 million.

Overall, loans and borrowings had decreased by $2.6 million. This was due to the repayment of loans and borrowings of $2.7 million, offset by the new hire purchase loan of $0.1 million.

Overall, total lease liabilities had decreased by $5.5 million, largely due to the lease payments made of $17.9 million and early termination of leases of $0.7 million, offset by the addition of new lease liabilities of $5.3 million, accretion of interest of $2.5 million and lease modification of $5.3 million during the period under review.

The Group's shareholders' equity decreased by $1.2 million from negative $5.3 million as at 31 December 2022 to negative $6.5 million as at 31 December 2023. The decrease resulted from the net loss generated during the period.

As at 31 December 2023, the Group was in a negative working capital position of $22.8 million (31 December 2022: $20.0 million). The management has prepared cash flow forecasts which was derived from the financial budget to assess whether the Group can meet its debt obligations as and when they fall due.

The Board of Directors of the Company ("Board") noted that the controlling shareholder has provided a letter of undertaking to provide the financial support to the Group, as and when required, for 15 months from 28 March 2024 to enable the Group to meet its liabilities as and when the Group is unable to meet such liabilities and not to recall the amount advanced to the Group until all liabilities with unsecured creditors have been met. Also, the Group would continue to implement various strategic measures to contain cost and preserve cash liquidity.

REVIEW OF CASH FLOWS

The Group's net cash generated from operating activities in FY2023 was $18.8 million. This was mainly due to operating cash flows before changes in working capital of $18.6 million and working capital inflow of $0.2 million.

Net cash used in investing activities amounted to $1.6 million, mainly arising from purchase of plant and equipment for the F&B segment of $1.5 million and cash paid for restoration cost of $0.1 million.

Net cash used in financing activities of $19.3 million was mainly due to the principal payment of lease payments of $17.9 million, repayment of loan and borrowings and interest of $3.0 million, repayment of amounts due to directors of $0.2 million, offset by the loans from directors of $1.3 million, reduction in cash restricted in use (earmarked for repayment of bank loans) of $0.3 million and proceeds from issuance of shares and warrants of $0.1 million.

The cash and cash equivalents for the period decreased by $2.2 million to $2.0 million as at 31 December 2023 as compared to 31 December 2022.

BOARD OF DIRECTORS

MR ALAN GOH KENG CHIAN
Executive Chairman and CEO

Date of Appointment
31 March 2016

Date of Last Re-Appointment
28 April 2023

Length of Service
7 years

Board committees served
–

Present Directorships in Other Listed Companies and Principal Commitment
–

Skills & Experience

- Co-founded the Group
- More than 25 years of F&B experience
- Technician Diploma in Civil Engineering from Singapore Polytechnic
- Diploma in Marketing Management from Ngee Ann Polytechnic
- Master of Business Administration (General Business Administration) from University of Hull

MS MADALINE CATHERINE TAN KIM WAH
Executive Director

Date of Appointment
31 March 2016

Date of Last Re-Appointment
30 April 2021

Length of Service
7 years

Board committees served
–

Present Directorships in Other Listed Companies and Principal Commitment
–

Skills & Experience

- Co-founded the Group
- More than 25 years of F&B experiences

MR LAM KWONG FAI
Lead Independent Director

Date of Appointment
4 May 2022

Date of Last Re-Appointment
28 April 2023

Length of Service
1 year

Board committees served

- Audit Committee (Chairman)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Present Directorships in Other Listed Companies and Principal Commitment

- Soon Lian Holdings Limited
- China Kunda Technology Holdings Limited
- SDAI Limited (f.k.a. Kitchen Culture Holdings Ltd.)
- Capital World Limited
- Alder Corporate Service Pte. Ltd.

Skills & Experience

- Bachelor of Accountancy from Nanyang Technological University

BOARD OF DIRECTORS

MS JOAN LAU SAU CHEE
Independent Director

Date of Appointment
1 May 2019

Date of Last Re-Appointment
29 April 2022

Length of Service
4 years

Board committees served

- Remuneration Committee (Chairman)
- Audit Committee (Member)
- Nominating Committee (Member)

Present Directorships in Other Listed Companies and Principal Commitment
–

Skills & Experience

- More than 40 years in banking industry, of which 26 years in managerial role in Corporate Finance.
- Fellow of the Institute of Chartered Secretaries
- Associate of the Chartered Institute of Bankers.

MR WONG QUEE QUEE, JEFFREY
Independent Director

Date of Appointment
1 June 2023

Date of Last Re-Appointment
–

Length of Service
7 months

Board committees served

- Nominating Committee (Chairman)
- Audit Committee (Member)
- Remuneration Committee (Member)

Present Directorships in Other Listed Companies and Principal Commitment

- GKE Corporation Limited
- GSS Energy Limited
- Procurri Corporation Limited
- Solitaire LLP
- Hwa Chong Alumni Association
- Singapore Judo Federation
- Management Committee Strata Title 3682
- DHC Capital Pte. Ltd.
- Truth Assets Management (S) Pte. Ltd.
- Truth Wealth Management VCC

Skills & Experience

- Bachelor of Laws (Honours) from the National University of Singapore
- Chartered Valuer and Appraiser programme from Nanyang Technological University
- Diploma in Regulatory Compliance from International Compliance Association
- Advocate and Solicitor of the Supreme Court of Singapore
- Solicitor of the Supreme Court of England and Wales

MS KRYSTAL GOH SHU YAN
Alternate Director

Date of Appointment
1 November 2023

Date of Last Re-Appointment
–

Length of Service
2 months

Board committees served
–

Present Directorships in Other Listed Companies and Principal Commitment
–

Skills & Experience

- Bachelor of Laws (Honours) from the University of Manchester

KEY MANAGEMENT

ALAN GOH KENG CHIAN
Founder, Executive Chairman and CEO

See biography in Board of Directors.

MADALINE CATHERINE TAN KIM WAH
Co-founder and Executive Director

See biography in Board of Directors.

NEO LAY FEN
Chief Financial Officer

Ms Neo Lay Fen joined the Group in June 2021 and is responsible for providing strategic recommendations and financial leadership to the Group. Ms. Neo has over 16 years of experience in audit, accounting and finance. Prior to joining our Group, she has worked with other companies. She started her career as an auditor with Ernst & Young LLP. Ms Neo holds a Bachelor of Accountancy (Hons) from Nanyang Technological University and has been a member of the Institute of Singapore Chartered Accountants since 2007.

ANDREAS LORENZ
Chief Operating Officer

Mr Andreas Lorenz joined the Group as the General Manager of ST Hospitality Pte. Ltd. in February 2022 and was promoted to the Chief Operating Officer of ST Hospitality Pte. Ltd. and its subsidiaries in July 2022. He is responsible for overseeing the operations, sales and marketing and business development of ST Hospitality Pte. Ltd. and its subsidiaries. He has more than 20 years of experience in the F&B and hospitality industries locally as well as overseas.

CORPORATE INFORMATION

BOARD OF DIRECTORS

ALAN GOH KENG CHIAN
(Executive Chairman and CEO)

MADALINE CATHERINE TAN KIM WAH
(Executive Director)

LAM KWONG FAI
(Lead Independent Director)

JEFFREY WONG QUEE QUEE
(Independent Director)

JOAN LAU SAU CHEE
(Independent Director)

KRYSTAL GOH SHU YAN
(Alternate Director)

AUDIT COMMITTEE

LAM KWONG FAI (Chairman)

JEFFREY WONG QUEE QUEE

JOAN LAU SAU CHEE

NOMINATING COMMITTEE

JEFFREY WONG QUEE QUEE (Chairman)

LAM KWONG FAI

JOAN LAU SAU CHEE

REMUNERATION COMMITTEE

JOAN LAU SAU CHEE (Chairman)

LAM KWONG FAI

JEFFREY WONG QUEE QUEE

COMPANY SECRETARIES

NEO LAY FEN

NOR HAFIZA ALWI

REGISTERED OFFICE

180B Bencoolen Street
#11 – 01/05
The Bencoolen
Singapore 189648
Tel: (65) 6292 4748
Fax: (65) 6292 4238
Email: info@katrinagroup.com
Website: www.katrinagroup.com

COMPANY REGISTRATION NO.

201608344N

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08
Prudential Tower
Singapore 049712

CONTINUING SPONSOR

Hong Leong Finance Limited
16 Raffles Quay
#01-05
Hong Leong Building
Singapore 048581

EXTERNAL AUDITOR

Ernst & Young LLP
One Raffles Quay North Tower,
Level 18
Singapore 048583
Partner-in-charge: **Hah Yanying**
(A practising member of the Institute of Singapore Chartered Accountants)
Date of appointment: Effective from financial year ended 31 December 2020
Number of years in-charge: 4 years

BANKERS

DBS Bank Ltd
United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited

SUSTAINABILITY REPORT

1. Board statement

We reaffirm our commitment to sustainability with the publication of this sustainability report ("**Report**"). For this Report, we provide insights into the way we do business, while taking into account our key sustainability factors under the sustainability pillars of economic, environmental, social and governance (collectively as "**Sustainability Factors**"), to provide readers with an accurate and meaningful overview on how sustainability issues are managed. The Board of Directors ("**Board**") of Katrina Group Ltd. ("**Katrina**" or the "**Company**") and its subsidiaries (collectively known as the "**Group**" or "**We**") having considered the Group's sustainability issues as part of its strategic formulation and business strategies, determined the key Sustainability Factors and overseen the management and monitoring of the key Sustainability Factors.

Amidst today's rapid business environment, the Board is committed to supporting the management in upholding good governance and sustainability practices to achieve long-term success and value for our stakeholders.

Our sustainability framework is primarily driven by the concerns of our key stakeholders and communicates our commitment towards supporting the United Nations' Sustainable Development Goals ("**SDGs**"). We work closely with stakeholders in our value chain and their input drives our sustainability focus on the SDGs and key Sustainability Factors as follows:

SOCIAL

- **Occupational health and safety** (3 Good Health and Well-Being) — Employees
- **Labour practices and talent management** (4 Quality Education) — Employees
- **Customer health and safety** (8 Decent Work and Economic Growth) — Customers, Suppliers
- **Diversity and equal opportunity** (10 Reduced Inequalities) — Employees
- **Commitment to data privacy and cybersecurity** (16 Peace, Justice and Strong Institutions) — Customers, Employees, Regulators

ECONOMIC

- **Total customers satisfaction** (8 Decent Work and Economic Growth) — Customers
- **Sustainable business performance** (8 Decent Work and Economic Growth) — Employees, Regulators, Shareholders, Suppliers

OUR SUSTAINABILITY FRAMEWORK

GOVERNANCE

- **Corporate governance and code of ethics** (16 Peace, Justice and Strong Institutions) — Regulators, Shareholders

ENVIRONMENTAL

- **Water conservation** (6 Clean Water and Sanitation) — Communities, Shareholders
- **Energy conservation and GHG emissions reduction** (7 Affordable and Clean Energy) — Communities, Shareholders
- **Responsible waste management** (12 Responsible Consumption and Production) — Communities, Shareholders

2. Sustainability Performance at a Glance

This Report covers the sustainability performance of our food and beverage business (“**F&B**”) and hospitality business (“**Hospitality**”). A summary of our key sustainability performance by financial year (“**FY**”) is as follows:

Sustainability Pillar	Segment	Performance indicator	Sustainability performance	
			FY2023	FY2022
Economic	F&B	Negative customer review rate[1]	Less than 1%	Less than 1%
	Hospitality	Percentage of brands with positive feedback ratings in excess of 80%[2]	100%	100%
	Group	Economic value generated[3]	$60.1 million	$65.4 million[4]
		Operating costs[5]	$22.1 million	$25.4 million[4]
		Employee benefits expenses	$19.8 million	$19.6 million[4]
		Payments to providers of capital[6]	$0.2 million	$0.3 million
		Income taxes paid	$0.003 million	$0.005 million
Environmental	F&B	Total Greenhouse Gas (“**GHG**”) emissions (tonnes CO_2e)	2,068	2,403
	Hospitality		378	523
	F&B	Direct GHG emissions intensity – Scope 1[7] (tonnes CO_2e/ revenue $’000)	0.02	0.03
		Indirect GHG emissions intensity – Scope 2[8] (tonnes CO_2e/ square foot)	0.02	0.02
	Hospitality	GHG emissions intensity (tonnes CO_2e/ occupied room)	0.004	0.005
Social	Group	Number of work-related fatalities	–	–
		Number of high-consequence work-related injuries[9]	–	–
		Average training hours per employee	147 hours	141 hours
		Number of non-compliance incidents with manpower rules and regulations[10]	–	–
	F&B	Number of outlets receiving demerit points from the Singapore Food Agency (“**SFA**”)	4	1
	Group	Number of reported incidents of unlawful discrimination against employees[11]	–	–
		Number of substantiated complaints concerning breaches of customer privacy and violation of regulations	–	–
Governance	Group	Number of reported corruption incidents[12]	–	–

[1] Negative customer review rate for our F&B segment is calculated by dividing the total number of negative customer reviews by the total number of sales transactions. Customer reviews are received via various touchpoints such as email, social media and online delivery platforms. Figure excludes data for the outlet in Indonesia due to non-availability of information and immateriality.
[2] Positive feedback ratings are consolidated from guest reviews on various accommodation booking platforms that are in excess of 80%.
[3] Economic value generated comprises revenue and other income net of government grants.
[4] Figures have been restated due to reclassification.
[5] Operating costs comprise cost of sales, selling and distribution costs, administrative expenses, net of depreciation of property, plant and equipment, right-of-use assets and investment property, and employee-related costs.
[6] Payments to providers of capital comprise interest payments made to providers of loans and dividend payments made to shareholders (if any).
[7] GHG emissions from LPG consumption controlled by the Company’s F&B business segment (Scope 1) are calculated based on the Greenhouse Gas Emissions (GHG) Measurement and Reporting Guidelines published by the National Environment Agency, while GHG emissions from consumption of diesel and petrol controlled by the Company (Scope 1) are calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
[8] GHG emissions from electricity purchased by the Company’s F&B segment (Scope 2) are calculated based on the emissions factors published by the relevant local authorities.
[9] A high-consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within a period of 6 months.
[10] A non-compliance refers to a manpower related incident whereby the relevant authority has completed an investigation which resulted in a penalty to a company (“**Non-Compliance Manpower Incident**”).
[11] An unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to a company.
[12] A corruption incident is defined as one that involves fraud or dishonesty and is being or has been committed against a company by officers or employees of a company. The corruption incident is one that is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than $100,000.

3. Our business

3.1 Value chain

The value chain of our operating business segments is as follows:

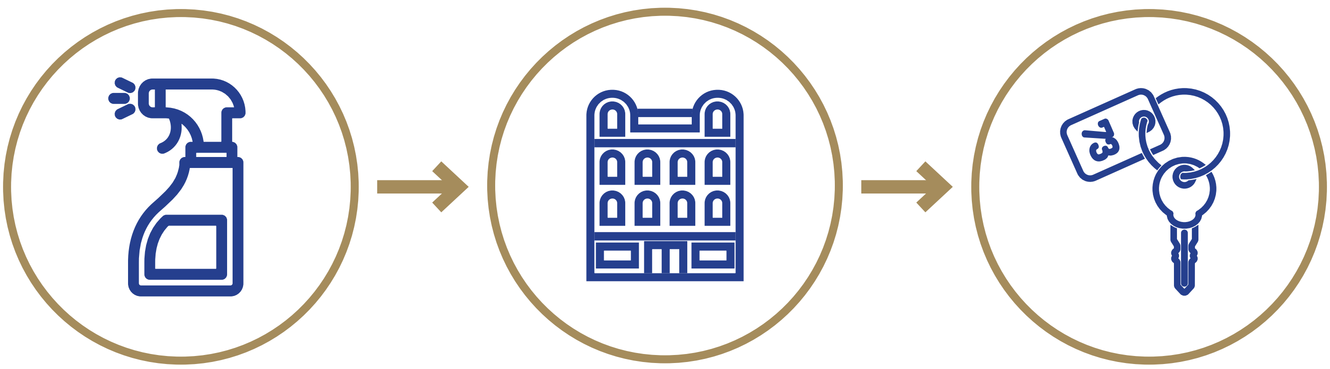
F&B

SUPPLIERS
We procure food ingredients from suppliers.

OPERATIONS
We prepare food and beverage items at our outlets.

CUSTOMERS
We sell to:
- Customers dining in our outlets; and
- Delivery and takeout customers.

HOSPITALITY



SUPPLIERS AND SERVICE PROVIDERS
We procure from:
- Suppliers for items such as housekeeping and cleaning supplies, operating equipment, kitchen equipment, televisions and gym equipment; and
- Service providers for maintenance works.

OPERATIONS
We operate and manage affordable and diverse accommodation solutions.

CUSTOMERS
We serve guests at our co-living hotels and serviced apartments.

3.2 People

As at 31 December 2023, we have a workforce of 475 employees (FY2022: 491 employees) and most of our employees are based in Singapore with breakdown as follows:

Singapore	Indonesia	Total
Overall		
463	12	475
Full-time		
325	12	337
Part-time[13]		
138	–	138

4. Reporting scope

We are pleased to present this Report, which is for the FY ended 31 December 2023 ("**FY2023**" or "**Reporting Period**") and covers the following operating entities within our F&B and Hospitality business segments. Collectively, they contributed to 100% of the Group's revenue for FY2023 (FY2022: 100%):

S/N	Entity
1	Katrina Group Ltd.
2	Katrina Holdings Pte Ltd
3	ST Hospitality Pte. Ltd.
4	Katrina International Pte. Ltd.

S/N	Entity
5	Tomo Izakaya Pte. Ltd.
6	PT. So Pho Food Indonesia
7	SOPL 1 Pte. Ltd.

5. Reporting framework

This Report has been prepared in accordance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company has prepared the Report with reference to the Global Reporting Initiative ("**GRI**") Standards. We have chosen the GRI framework as it is an internationally recognised sustainability reporting standard that covers a comprehensive range of sustainability disclosures. The GRI content index can be found in the appendix.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("**UN Sustainability Agenda**"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are produced based on the 11 recommendations of Task Force on Climate-related Financial Disclosures ("**TCFD**").

Internal review on the sustainability reporting process has been incorporated as part of our internal audit review cycle and we will work towards external assurance for our future sustainability reports.

6. Feedback

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. You may contact us at our office phone number at (65) 6292 4748 or email us at info@katrinagroup.com for feedback relating to our sustainability matters.

[13] Figures for part-time employees include only permanent part-time employees. It excludes casual (hourly-rated) employees as they constituted approximately 2% of the Group's headcount, which is deemed immaterial.

7. Stakeholder engagement

An important starting point in our sustainability journey is to identify our stakeholders and key Sustainability Factors relevant to our business. These include entities or individuals that have an interest that is affected or could be affected by our activities.

Through a stakeholder mapping exercise performed by the senior management, we have identified our key stakeholder groups which we prioritise our engagements with. These key stakeholders include communities, customers, employees, government and regulators ("**Regulators**"), investors or shareholders ("**Shareholders**") and suppliers and service providers ("**Suppliers**").

The concerns of key stakeholders are considered when formulating corporate strategies. We adopt both formal and informal channels of communication to understand the needs of our key stakeholders and incorporate them in our corporate strategies to achieve mutually beneficial relationships.

The table below sets out how we engage our key stakeholders:

S/N	Stakeholder	Engagement platform	Frequency of engagement	Key concerns raised
1	Communities	• Donations • Social events	When needed	• Corporate social responsibility • Building community support
2	Customers	• Advertisements • Customer feedback and surveys • Emails • Hotline • Marketing or product launch events • Social media campaigns	Regularly	Quality of service
3	Employees	Comprehensive trainings	Monthly	• Health and safety • Wage and hiring • Training and development • Incentives and benefits
		Induction and orientation programmes	Regularly	
		Staff appraisals	Annually	
		Open dialogues among teams	Ad-hoc	
4	Regulators	• Face-to-face meetings • Industry workshops • Participation in discussions	When needed	• Corporate governance • Food safety and hygiene • Occupational health and safety
		Regular reports	Annually or when needed	
5	Shareholders	Annual report	Annually	• Sustainable business performance • Market valuation • Dividend payments • Corporate governance
		Annual general meeting	Annually	
		Investor meetings	Annually or when needed	
		Result announcements	Quarterly	
		Corporate announcements/ press releases	When needed	
6	Suppliers	• Email communications • Face-to-face meetings • Phone calls	Regularly	Demand volatility
		Review and feedback sessions	Annually	

8. Policy, practice and performance reporting

In line with our commitment to sustainability, a sustainability reporting policy covering our sustainability strategies, sustainability governance structure, materiality assessment and processes in identifying and monitoring key Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this sustainability reporting policy, we will continue to monitor, review and update our key Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

8.1 Sustainability governance structure

The Board is ultimately responsible for the oversight of the Group's sustainability matters and is primarily supported by an executive level sustainability committee ("**Sustainability Committee**") led by the Executive Chairman cum Chief Executive Officer and Chief Financial Officer. The Sustainability Committee is further supported by selected managers from key business units and corporate functions.

Besides the Sustainability Committee, the Board is also supported by the Audit Committee on specific sustainability matters under their respective terms of reference. As we are still refining our sustainability related metric measuring, tracking and target setting mechanism, we will link the key executives' remuneration to sustainability performance when the mechanism is more matured and stable.

Our sustainability governance structure and the responsibilities of component parties are detailed as follows:

BOARD

- Determines key sustainability factors of the Group
- Oversees the identification and evaluation of climate-related risks and opportunities
- Reviews and approves sustainability strategy and targets, policies, and sustainability report (including materiality assessment process and outcome)
- Ensures the integration of sustainability and climate-related risks and opportunities within the Group's enterprise risk management ("**ERM**") framework
- Monitors implementation of sustainability strategies, policies and performance against targets

AUDIT COMMITTEE

- Reviews the adequacy of the Group's internal controls systems and processes
- Oversees the conduct of assurance activities pertaining to the Company's sustainability reporting processes

SUSTAINABILITY COMMITTEE (EXECUTIVE LEVEL)

- Develops sustainability strategy and policies and recommends revisions to the Board
- Ensures the implementation of sustainability strategy is aligned across business segments
- Evaluate overall sustainability risks and opportunities, with a focus on climate-related risks and opportunities
- Undertakes materiality assessment and review sustainability reports prior to approval by the Board
- Aligns practices on the ground with the organisation-wide sustainability agenda and strategy
- Monitors sustainability activities and performance against targets

BUSINESS UNITS | **CORPORATE FUNCTIONS**

SUSTAINABILITY REPORT

8.2 Sustainability reporting processes

Under our sustainability reporting policy, our sustainability reporting processes begin with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of key Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:

CONTEXT
Understand the Group's context by considering its activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in, including minority interests

IDENTIFICATION
Identify actual and potential impacts on the economy, environment, people and their human rights

RATING
Assess the pervasiveness of Sustainability Factors across the Group and cluster similar Sustainability Factors

PRIORITISATION
Prioritise the impacts based on their significance to determine the key Sustainability Factors for reporting

VALIDATE
Sustainability factors will be internally validated by leadership

REVIEW
In each reporting period, review the key Sustainability Factors from the previous reporting period to account for changes in impacts which can result from feedback received from engagement with stakeholders, organisational and external developments

8.3 Materiality assessment

We constantly refine our management approach to adapt to the changing business landscape. The Group performs an annual materiality assessment to ensure that issues disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Impacts, positive and negative, actual and potential, are assessed based on: (i) the likelihood of the occurrence of actual and potential negative and positive impacts and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development.

8.4 Performance tracking and reporting

We track the progress of our key Sustainability Factors by identifying the relevant data points, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems. A sustainability report is published annually in accordance with our sustainability reporting policy.

9. Material factors assessment

In FY2023, we conducted a stakeholder engagement session[14] and a materiality assessment to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors with significant impacts on the economy, environment, people and their human rights were updated. In this Report, we have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

Our key Sustainability Factors are presented in the table below:

S/N	Key Sustainability Factor	Key stakeholder	SDG
Economic			
1	Total customer satisfaction	Customers	Decent work and economic growth
2	Sustainable business performance	• Employees • Regulators • Shareholders • Suppliers	Decent work and economic growth
Environmental			
3	Water conservation	• Communities • Shareholders	Clean water and sanitation
4	Energy conservation and GHG emissions reduction	• Communities • Shareholders	Affordable and clean energy
5	Responsible waste management	• Communities • Shareholders	Responsible consumption and production
Social			
6	Occupational health and safety	Employees	Good health and well-being
7	Labour practices and talent management	Employees	Quality education
8	Customer health and safety	• Customers • Suppliers	Decent work and economic growth
9	Diversity and equal opportunity	Employees	Reduced inequalities
10	Commitment to data privacy and cybersecurity	• Customers • Employees • Regulators	Peace, justice and strong institutions
Governance			
11	Corporate governance and code of ethics	• Regulators • Shareholders	Peace, justice and strong institutions

We will update the key Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends.

[14] The Company engaged both its internal and external stakeholders of customers, employees and suppliers for the materiality assessment performed.

The details of each key Sustainability Factor are presented as follows:

9.1 Total customer satisfaction

We are committed to retain and build a loyal customer base for our long-term sustainability by maximising customer's experience through the following:

F&B

Offer a wide selection of delicious cuisine

As at 31 December 2023, we operated a total of 26 outlets in Singapore (FY2022: 30 outlets) and 1 outlet in Indonesia (FY2022: 1 outlet). As an operator of restaurants and café chains under different brands and concepts, we constantly strive to meet consumer trends and offer our customers a wide range of cuisines. We own and operate seven (7) different proprietary F&B brands with each brand serving authentic cuisines of different ethnicity. Our mid-range dining brands serve Japanese and Mexican cuisines, while our casual dining brands serve Indonesian, Thai, Hong Kong, Vietnamese, and Yunnan Chinese cuisines. In addition, each brand is accompanied with customised and specially curated décor in our outlets to provide patrons with a comfortable ambience and unique experience.

Proactively gather customer feedback for improvements and develop strategies

We strongly encourage our customers to provide their feedback via various touchpoints such as email, social media and online delivery platforms. Customer feedback is analysed to gather valuable insights into current and future customer requirements. Insights gathered are then discussed during management meetings to drive product and service improvements, enhance operational level and provide inputs for strategies.

During the Reporting Period, we successfully maintained a negative customer review rate of less than 1% (FY2022: less than 1%).

Render good customer service

Our staff training and development programmes include customer service courses and soft skill trainings which are designed to prioritise customer experience. For details on staff training and development programmes, refer to Section 9.7.

Bring convenience for our customers with efficient ordering

In light of increasing customer demand for more efficient and convenient ordering process, we have a digital ordering website which allows our customers to choose the desired dining brand, cuisine and opt for delivery or pickup order. Our partnerships with online delivery platforms such as GrabFood, Foodpanda and Deliveroo also allow more customers to access our food offerings.

To enhance the efficiency and convenience of the ordering process and relieve the workload of employees, a QR code ordering system is implemented at our outlets in Singapore to allow our customers to order after browsing our digital menu.

During the Reporting Period, we derived 13.6% (FY2022: 16.0%) of our revenue from online ordering and we believe that our online strategy will provide more dining options for our customers.

Hospitality

Provide excellent hospitality experience with a wide selection of booking options

We believe that our guests prefer a wide selection of booking options on the level of comfort and the length of stay. To meet their needs, we provide the following service offerings under our hospitality brands:

- ST Residences brand that offers fully furnished serviced apartments targeted at business travellers that require accommodation with contract flexibility; and
- ST Signature brand that offers co-living hotels for targeted travellers who are looking for short stay periods and flexible hours stay.

Highly accessible locations

Our guests are mostly travellers that seek accommodation at convenient locations. To cater to their needs, we offer the following:

- ST Residences, which operates a portfolio of furnished serviced apartments island-wide in prime and highly accessible locations; and
- ST Signature, which operates co-living hotels and is conveniently located in the heart of the city with added comfort of living in a home.

Continuous innovation to hospitality services

Information technology is widely adopted in our co-living business to deliver service offerings to our guests in a more convenient and cost-effective manner as follows:

- Our self-check-in experience is completely automated via the ST Signature Chat-In™ app. With the app, our guests can retrieve their booking, upload identification, complete payment, and obtain PIN to gain access to their room upon successful check-in;
- Smart locks are paired and linked to the app as guests are granted unique passwords to access their rooms upon check-in; and
- Hotel guests have access to a virtual chat feature that allows them to interact with our hosts in the event they require assistance.

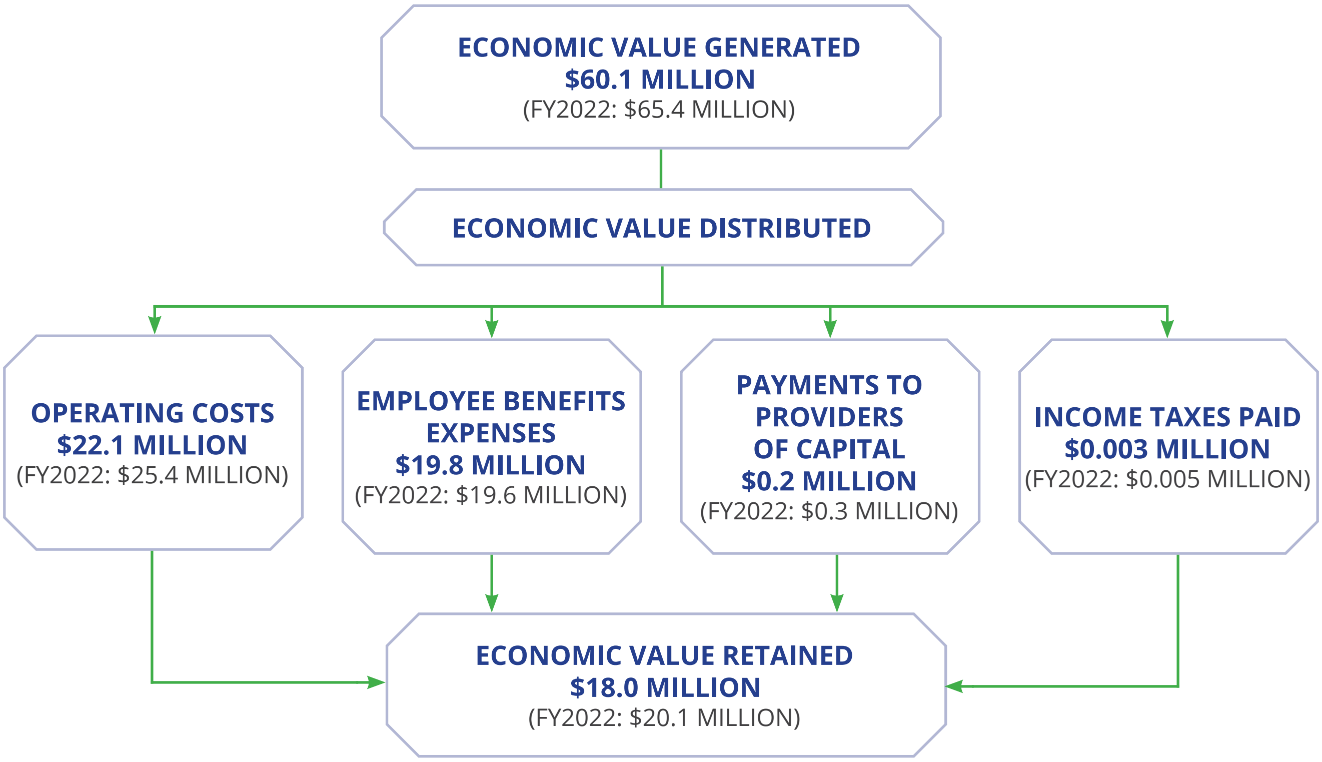
Proactively gather customer feedback for improvements and develop strategies

We pay close attention to guest feedback collected from various booking sites. Our operations team ensures that guest feedback is reviewed regularly and discussed during management meetings to help us in improving our customer experience.

During the Reporting Period, all our brands have positive feedback ratings in excess of 80% (FY2022: all of our brands had positive feedback ratings in excess of 80%). In addition, we were awarded with the Booking.com Traveller Review Awards 2023 and Tripadvisor Travellers' Choice 2023.

9.2 Sustainable business performance

We are committed to provide value to various stakeholders through relevant and meaningful ways. In line with this commitment, economic value in FY2023 is distributed as follows to enable a more sustainable future:



Further details of our economic performance can be found in the financial contents and audited financial statements of this Annual Report.

9.3 Water conservation

In water-scarce Singapore, water management is vital. In line with our core value to be environmentally responsible, we are committed to responsible usage of water resources through enhancing our water consumption efficiency. For both our F&B and Hospitality business segments, we source our water supply mainly from municipal water suppliers.

F&B

We rely on water resources to run our operations primarily in the following areas:

- Use in the preparation of our products such as soup base;
- Dishwashing; and
- Kitchen and dining area cleaning.

Key statistics on water consumption during the Reporting Period are as follows:

Resource	Water consumption (CuM)		Water consumption intensity (CuM/ revenue $'000)	
	FY2023	FY2022	FY2023	FY2022
Water	66,892	86,633	1.6	1.8

The reduction in water consumption intensity is mainly due to a reduction in number of outlets and temporary closure of two outlets for renovation. The closure of lesser-performing outlets resulted in more than proportional decrease in water consumption as compared to the decrease in revenue.

Our water conservation initiatives include performing regular tracking and review on water consumption and periodic inspections to check faucets and pipes for leakages.

Hospitality

We keep a card in all the guest rooms to educate guests about water conservation tips for their rooms ("**Eco-Cards**"). With the use of Eco-Cards, guests are notified that bed linens are changed every three days during the tenure of their stay or upon each check-out.

In addition, water savings taps are installed and we closely monitor the monthly water usage. Leakages are promptly checked should there be a sudden spike in water consumption.


ST RESIDENCES
SERVICED APARTMENTS
SINGAPORE

HELP US PROTECT THE ENVIRONMENT

ST Residences Novena is an eco-friendly serviced apartment. Please join us in our efforts to conserve energy and water. Should you not wish for your towels and linens to be changed, kindly hang your towels up on the towel rack and leave this card on the bed.

Thank you for being a part of this worthy cause.

Your Sincerely,
ST Residences Novena

Key statistics on water consumption during the Reporting Period are as follows:

Resource	Water consumption (CuM)		Water consumption intensity (CuM/ occupied room)	
	FY2023	FY2022[15]	FY2023	FY2022[15]
Water	27,112	28,353	0.3	0.3

9.4 Energy conservation and GHG emissions reduction

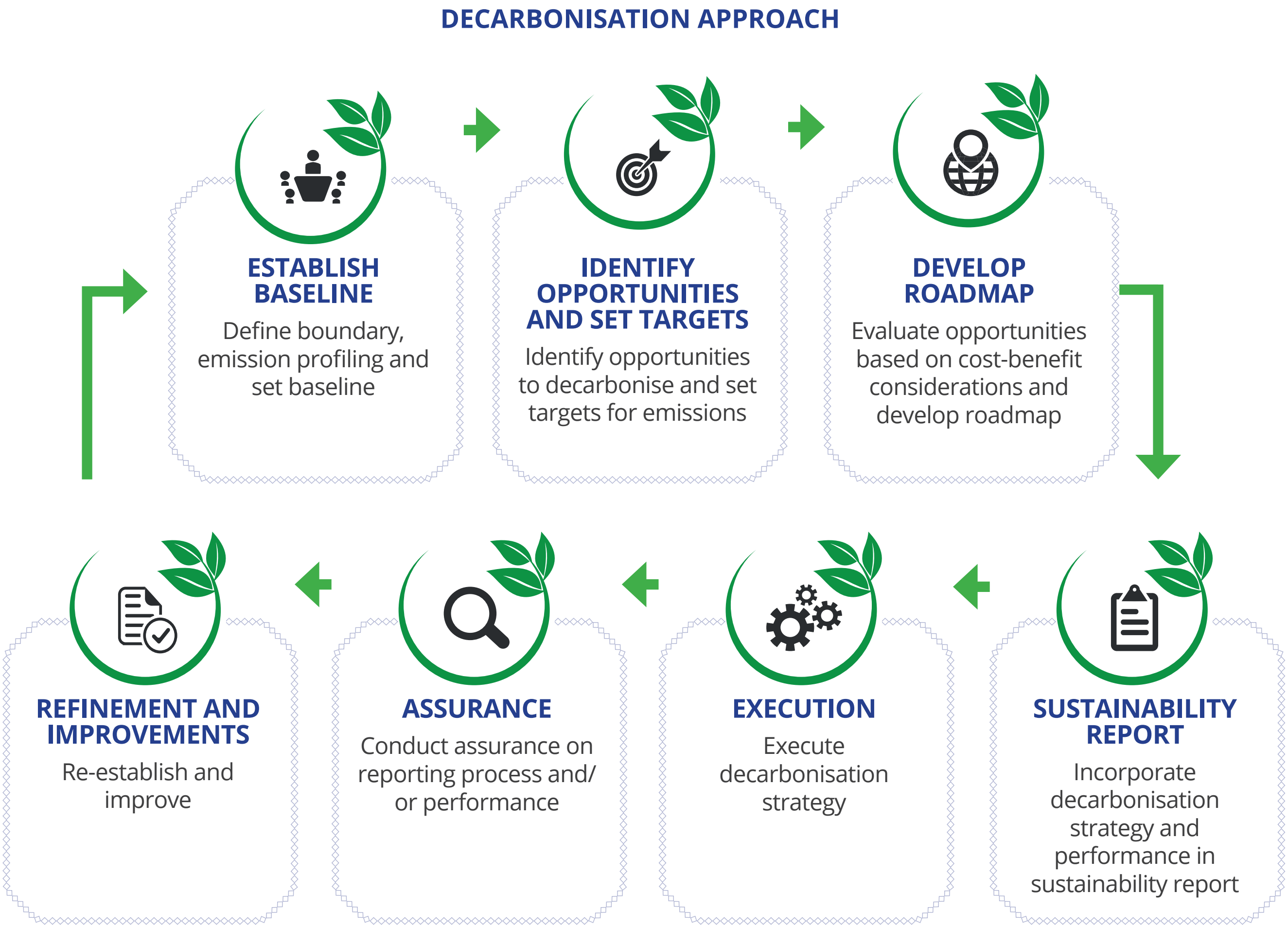
We acknowledge that our energy consumption and the resultant GHG emissions contribute to climate change. Accordingly, we are committed to reduce our carbon footprint whilst open to capitalise on opportunities that may arise as we transit to become a low-carbon organisation.

We aim to reduce our environmental footprints and at the same time, establish operational resilience to deliver long-term and sustainable value to our stakeholders of communities, shareholders, employees, customers and suppliers. We adopt a balanced approach in effectively managing and minimising the impacts arising from our business operations.

[15] Figure has been restated as a corrections.

Decarbonisation approach

To achieve our decarbonisation goals, we have set up a 7-step continuous circular process for our decarbonisation efforts as follows:

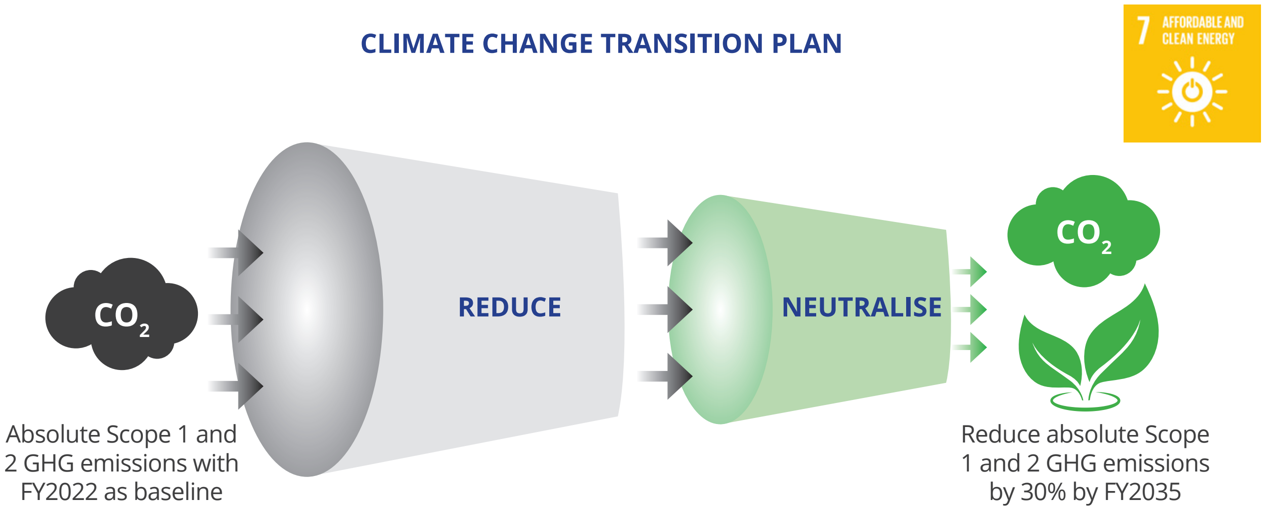


This year, we conducted a GHG emissions profiling exercise for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanism to track our other categories of our Scope 3 GHG emissions, where relevant and practicable. We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review.

Climate change transition plan

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce our absolute Scope 1 and 2 GHG emissions by 30% by FY2035, with FY2022 as our baseline. Our climate change transition plan is focused on two (2) strategic levers of reduce and neutralise as follows:

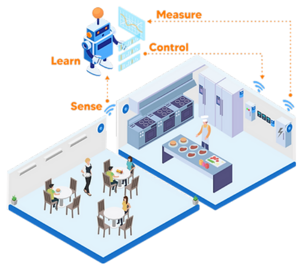
CLIMATE CHANGE TRANSITION PLAN



Details of our strategic levers are as follows:

Lever	Reduce	Neutralise
Description	• Reduce absolute emissions first within our operations and followed by our supply chain • Replace existing energy source with low or zero-carbon sources	Neutralise unavoidable residual emissions
Focus area	• Energy efficiency - Equipment - Lighting - Cooling • Behavioural changes • Clean energy	• Renewable energy certificates ("**REC**") • Carbon credits

We track and review spending on energy consumption regularly to control usage and take corrective actions when unusual consumption patterns are observed. We continuously strive to improve our energy use and efficiency through the following initiatives and aspirations:

Lever	Key initiative	Description
Reduce	Energy efficiency – Machinery & equipment	**F&B** • From the third quarter of FY2022, we engaged an energy solution provider to progressively implement an intelligent energy management technology platform ("**Platform**") that is integrated with the kitchen exhaust system of our outlets.  • The Platform leverages on smart energy monitors, smart sensors and artificial intelligence to monitor operating patterns of equipment tracked and gather detailed energy consumption and operations data across our outlets. By gathering operating patterns of the equipment, detailed energy consumption and operations data, the Platform helps us to manage the energy consumption of our equipment and generate energy savings. • We use wok burners which maximise the heat energy produced by combustion and minimise liquefied petroleum gas ("**LPG**") losses that occur as a result of incomplete combustion.
	Energy efficiency – Lighting	**F&B** We converted from the use of traditional lighting to LED lighting for all our outlets.
	Energy efficiency - Cooling	**Hospitality** As an initiative to conserve energy and reduce emissions, our hospitality business invested in SensorFlow system ("**SensorFlow**") for our selected co-living hotels and serviced apartments. SensorFlow uses wireless sensors to gather real time data within hotel rooms, providing insights, automating decision making and optimising hotel's energy efficiency. SensorFlow also adopts internet of things and artificial intelligence technologies to optimise hotels' system performance, reduce energy wastage and automate room temperature control according to guests' behaviour. With this system, air conditioners in guest rooms are switched off when guests are not detected in the room. We are also able to regulate the temperature so that the air conditioners are able to function at optimal energy usage level.
	Behavioural changes	We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use, enabling power saving modes and optimising operating temperatures.
	Clean energy	We are constantly exploring opportunities to source for clean and/or renewable energy where we operate in.

Lever	Key initiative	Description
Neutralise	REC	**Hospitality** From the second quarter of FY2022, the electricity supplied by the energy retailer for our operated premises at ST Signature Tanjong Pagar and ST Signature Jalan Besar is generated from renewable hydropower with zero carbon emissions through the redemption of RECs on behalf of our subsidiary, SOPL 1 Pte. Ltd., by the energy retailer.
	Carbon credits	The Group will explore the procurement of carbon credits to offset unavoidable residual emissions when the relevant markets mature and if needed.

F&B

To run our operations, we rely mainly on the following energy sources:

- LPG for operating cooking equipment;
- Diesel and petrol for distribution of purchased goods between outlets ("**Fuel Consumption**"); and
- Electricity for running equipment for refrigeration, lighting, office work, cooling and ventilation.

Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022
Energy consumption			
LPG consumption	kWh	4,290,667	5,292,043
Fuel Consumption	litres	2,398	Not available
Purchased electricity consumption	kWh	2,602,731	2,978,243
Energy consumption intensity			
LPG consumption intensity	kWh/ revenue $'000	102.0	111.8
Fuel Consumption intensity	litres/ revenue $'000	0.1	Not available
Purchased electricity consumption intensity	kWh/ square foot	51.4	50.7
GHG emissions			
Direct GHG emissions (Scope 1)	tonnes CO_2e	982	1,203
Indirect GHG emissions (Scope 2)	tonnes CO_2e	1,086	1,200
Total GHG emissions	tonnes CO_2e	2,068	2,403
GHG emissions intensity			
Direct GHG emissions intensity (Scope 1)	tonnes CO_2e/ revenue $'000	0.02	0.03
Indirect GHG emissions intensity (Scope 2)	tonnes CO_2e/ square foot	0.02	0.02

The reduction in LPG consumption intensity is mainly due to a reduction in number of outlets and temporary closure of two outlets for renovation. The closure of lesser-performing outlets resulted in more than proportional decrease in LPG consumption as compared to the decrease in revenue.

During the Reporting Period, we started to track selected Scope 3 emissions for our F&B business segment in Singapore as follows:

Category	Coverage	Unit of Measurement	FY2023[16]
Category 1: Purchased goods and services	Water consumption	tonnes CO_2e	85.9
Category 6: Business travel	Air travel	tonnes CO_2e	0.3
Category 7: Employee commuting	Transportation of employees between their homes and their worksites	tonnes CO_2e	40.0

Hospitality

To run our operations, we rely mainly on the following energy sources:

- Diesel for our technicians to travel around hospitality properties for repair and maintenance of equipment and premises; and
- Electricity for lighting and cooling.

Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022[17]
Energy consumption			
Diesel consumption	litres	2,212	Not available
Purchased electricity consumption	kWh	891,492	1,299,728
Electricity consumption attributed to renewable source (hydropower)	kWh	1,046,728	780,469
Total electricity consumption	kWh	1,938,221	2,080,197
Energy consumption intensity			
Diesel consumption intensity	litres/ occupied rooms	0.02	Not available
Electricity consumption intensity	kWh/ occupied rooms	20.7	20.8
GHG emissions			
Direct GHG emissions (Scope 1)[18]	tonnes CO_2e	6	Not available
Indirect GHG emissions (Scope 2)[19]	tonnes CO_2e	372	523
Total GHG emissions	tonnes CO_2e	378	523
GHG emissions intensity	tonnes CO_2e/ occupied room	0.004	0.005

[16] No comparative data is available as we have only started tracking Scope 3 emissions in FY2023. Scope 3 emissions were calculated using a mix of emission factors from "Life cycle assessment of water supply in Singapore — A water-scarce urban city with multiple water sources" and calculation tools comprising International Civil Aviation Organization Carbon Emissions Calculator and Carbon and Emissions Recording Tool.
[17] Figure has been restated as a correction.
[18] GHG emissions from consumption of diesel controlled by the Company's Hospitality business segment (Scope 1) are calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
[19] GHG emissions from electricity purchased by the Company's Hospitality business segment (Scope 2) are calculated using the market-based method which accounts for the reduction in emissions from the consumption of renewable electricity. Using the location-based method based on the average emissions factors published by the Energy Market Authority, our Scope 2 emissions for FY2023 is 808 tonnes CO_2e (FY2022: 837 tonnes CO_2e).

During the Reporting Period, we started to track selected Scope 3 emissions for our Hospitality business segment as follows:

Category	Coverage	Unit of Measurement	FY2023[20]
Category 1: Purchased goods and services	Water consumption	tonnes CO_2e	35
Category 6: Business travel	Air travel	tonnes CO_2e	–
Category 7: Employee commuting	Transportation of employees between their homes and their worksites	tonnes CO_2e	15

9.5 Responsible waste management

We recognise that environmental preservation through efficient waste management such as reduce and recycling allows us to operate in a conducive and sustainable environment. Through the implementation of proper waste management processes, we are committed to minimising wastage in both our F&B and Hospitality business segments and minimise the potential impact of our operations on the environment.

F&B

We aim to be environmentally friendly and dispose used cooking oil via a licensed used oil collector so that it can be properly treated before being recycled. All oil waste generated from operations are disposed through a licensed used oil collector and amounted[21] to 7,997kg in FY2023 (FY2022: 8,087kg).

In addition, we adopt biodegradable cutleries and encourage our customers to bring their own containers for takeaways. We also encourage our customers to opt for no cutlery for takeaways and online orders.

Ingredient waste generated from our operations is deemed not material as the food products we serve are fast-moving and ingredients can be used interchangeably for different dishes whilst the dishes are cooked only when ordered. In addition, we track our purchases regularly to minimise occurrence of over ordering and to reduce wastage.

Hospitality

After assessing our impact on the environment, waste management is not deemed to be a key Sustainability Factor for our hospitality business segment. Nonetheless, we constantly explore viable eco-alternatives for single-use plastic items used on our property. For example, our hospitality business has stopped providing bottled water in guests' rooms daily to reduce plastic waste. As a substitute, we provide kettles in the cook laboratories or guest rooms for our guests. We also use refillable toiletries in the hotels instead of individual bottles to reduce plastic waste and wastage of the toiletries.

[20] No comparative data is available as we have only started tracking Scope 3 emissions in FY2023. Scope 3 emissions were calculated using a mix of emission factors from "Life cycle assessment of water supply in Singapore — A water-scarce urban city with multiple water sources" and calculation tool comprising the Carbon and Emissions Recording Tool.
[21] Figure excludes data for the outlet in Indonesia due to non-availability of information. We will strengthen our data collection process and include the relevant information in the future.

9.6 Occupational health and safety

We are committed to safeguard our employees' health and safety against any potential workplace hazards as it is a basic need for our workers to work in a safe environment. A safe environment also helps to increase our productivity so that we can give our best to our customers. We aim to provide a hazard-free workplace by implementing the following job safety guidelines and procedures:

- A set of workplace safety and health procedures is in place for permanent and part-time employees;
- A methodological documentation of key occupational health and safety issues and measures at the employee level is in place. The documentation is developed based on employees' safety concerns and suggestions;
- A risk assessment committee is in place and tasked to conduct regular risk assessments to identify work hazards that are likely to harm employees at their working environment and establish related preventive measures. Findings from risk assessments conducted are shared with relevant employees;
- Our employees are trained on safety consciousness and potential hazard identification in the workplace;
- New employees undergo safety training and drills to familiarise themselves with relevant safety precautions and procedures; and
- We conduct regular safety checks and enforce key relevant health and safety rules.

We encountered zero work-related fatalities, zero high-consequence work-related injuries, 5 recordable work-related injuries and zero recordable work-related ill health cases in FY2023 (FY2022: zero work-related fatalities, zero high-consequence work-related injuries, 13 recordable work-related injuries and zero recordable work-related ill health cases). The recordable work-related injuries are mainly associated with cut and burn injuries. We have strengthened the relevant policies and procedures to reinforce workplace safety measures.

9.7 Labour practices and talent management

We recognise our role in providing equitable, quality education for our employees. Our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for all our people.

We respect the protection of internationally proclaimed human rights of our employees, support the elimination of all forms of forced and compulsory labour, especially child labour, and do not tolerate any discrimination in respect of employment and occupation.

In addition, we care for our employees' well-being through employee benefits and activities to promote healthy living and work-life balance. Employee benefits such as work injury insurance for all employees and hospitalisation, surgical insurance for foreign employees and key management employees, reimbursements for medical consultation made by full-time and part-time employees in polyclinics and government hospitals, dental benefits for all confirmed employees. We promote staff wellness and healthy lifestyle through organising ongoing recreational and team building activities such as handicraft activities and cycling sessions.

We also provide pro-family benefits to eligible confirmed full-time and permanent part-time employees which include maternity leave, childcare leave and paternity leave. Key statistics on maternity leave and paternity leave (collectively as "**Parental Leave**") taken by confirmed full-time employees are as follows:

Disclosure	FY2023[22]	
	Male	Female
Number of employees entitled to Parental Leave	1	2
Number of employees who took Parental Leave	1	2
Number of employees who returned to work after Parental Leave ended	1	1
Return to work rate of employees who took Parental Leave	100%	50%

We are committed to fostering a culture of corporate social responsibility to enhance employee morale, promote team bonding, and instil a sense of volunteerism among our staff. During the Reporting Period, a group of our dedicated employees visited Gladiolus Place - Girls' Home for befriending the residents, decorating a Christmas tree and Christmas carolling, reflecting our dedication to making a positive impact in the community.

Furthermore, we are proud to have supported significant community events, such as the Kwong Wai Shiu Hospital Charity Gala Dinner 2023 and the Cheng Hong Welfare Service Society Charity Gala Dinner. Through our sponsorship packages, we aim to contribute to the success of these events, which play a vital role in addressing community needs and fostering a spirit of unity and compassion. We look forward to continuing our efforts in supporting similar community events.

To equip our employees with the right capabilities, we offered a wide range of internal and external training courses which includes the following:

Business segment	Training course
F&B	• Soft skill trainings • Leadership and supervisory skills • Food hygiene and safety courses • Customer service courses • Halal Foundation • Standard Operating Procedures ("**SOP**") training • Work Study Diploma in Culinary Arts • F&B hospitality operations • Payroll year end workshop • Workplace safety and health • Excel and data analytics • Refresher of policies for selected employees
Hospitality	• Soft skill trainings • Leadership and supervisory skills • Customer service courses • SOP training • Work Study Diploma in Hotel and Restaurant Management • Payroll year end workshop • Refresher of policies for selected employees

[22] No comparative data is available due to non-availability of information.

A total of 70,016 training hours were provided for our full-time and permanent part-time employees during FY2023 (FY2022: 69,040 hours). All full-time and permanent part-time employees received an average of 147 training hours (FY2022: 141 training hours) per employee during FY2023. Key statistics on training hours are as follows:

Disclosure	FY2023[23]
Overall	
Total training hours	70,016
Average training hours per employee	147
Gender (Male)	
Total training hours	29,928
Average training hours per employee	161
Gender (Female)	
Total training hours	40,088
Average training hours per employee	139
Management	
Total training hours	2,427
Average training hours per employee	27
Non-management	
Total training hours	67,589
Average training hours per employee	176

We provide competitive remuneration based on merit to our employees. Our confirmed full-time employees receive regular feedback on their performance and career development. Key statistics on confirmed full-time employees who received regular performance and career development reviews are as follows:

Disclosure	FY2023	FY2022
Overall	98%	98%
Gender		
Male	98%	98%
Female	97%	97%
Employee category		
Management	88%	91%
Non-management	100%	100%

Our employees are not covered by collective bargaining agreements but are given the right to exercise freedom of association. Employees are given a minimum of one month's notice prior to any implementation of significant operational changes that could substantially affect them.

We are committed to talent retention to accelerate our success. A periodic employee engagement survey is conducted to determine the level of employee satisfaction and gather feedback. Employees' inputs are taken into consideration for the formulation of human resource practices and programmes such as Corporate Social Responsibility or Workplace Health Promotion activities.

[23] No comparative data is available for training hours by gender and employee category due to non-availability of information. We strengthened our data collection process and included the relevant information in FY2023.

Key statistics on new hires and turnover of full-time and permanent part-time employees are as follows:

New Hires

Disclosure	FY2023		FY2022	
	Number of new hires	Rate of new hires	Number of new hires	Rate of new hires
Gender				
Male	70	38%	100	50%
Female	109	38%	173	60%
Age				
Below 30	75	61%	125	92%
30 to 50	87	34%	95	37%
Above 50	17	17%	53	52%
Overall new hires	179	38%	273	56%

Turnover

Disclosure	FY2023		FY2022	
	Number of turnovers	Rate of turnover	Number of turnovers	Rate of turnover
Gender				
Male	86	46%	120	59%
Female	109	38%	196	68%
Age				
Below 30	70	57%	115	85%
30 to 50	86	34%	141	56%
Above 50	39	39%	60	59%
Overall turnover	195	41%	316	64%

Due to the nature of our business, we experience high employee turnover and we will continuously work towards lowering our turnover rate.

During the Reporting Period, there were zero (FY2022: zero) Non-Compliance Manpower Incidents.

As part of our continual efforts to enhance and upgrade the knowledge of our Directors on sustainability reporting and to meet the requirement of SGX-ST under Catalist Rule 720(6), we confirm that 6 Directors or 100% of our Directors have attended at least one of the approved sustainability training courses.

9.8 Customer health and safety

We are committed to deliver the best to our customers by providing customers with safe products and services for long-term business sustainability. Key measures taken by us on this front are as follows:

F&B

Commitment to hygiene and food safety

Food safety and hygiene are of utmost importance to us. We work with our partners from procurement, warehouse and logistics, quality assurance, and operations to achieve this objective. To ensure consistent food quality, quality checks are performed by outlet managers and customer feedback are monitored. Staff attends both internal and external workshops together with extensive on-the-job-training, covering a wide range of areas on food safety and hygiene.

We also adopt market best practices in our operations to ensure food quality and safety. The markets standards adopted by our outlets are as follows:

Standard/ certification	Standard/ certification attained by	Focus of relevant standard/ certification
SFA grade "A" and "B"	All outlets	Overall hygiene, cleanliness and housekeeping standards of our premises
Halal certificate	• Bali Thai • So Pho • Streats	Compliance with Islamic dietary requirements

During the Reporting Period, demerit points were issued by SFA to four of our outlets mainly due to hygiene issues (FY2022: one outlet). The Company has taken corrective actions such as thorough cleaning of premises, engaging pest control services and enhancing food safety practices.

Proactive supplier quality management

To uphold our standard on food quality and safety, we implemented the following measures:

- A list of approved suppliers is established for outlet managers to place orders;
- Strategic suppliers are constantly evaluated through measures such as annual assessments; and
- A set of receiving inspection procedures is in place for food ingredients.

Hospitality

Maintain effective fire safety measures in our buildings

We place our priorities in our customer health and safety measures. We ensure that the certification of fire safety, in accordance with the Fire Safety Act (Chapter 109A), Section 29(3)(b), is obtained before the opening of our hotels. Fire escapes routes are established in the buildings managed by us and fire extinguishers are monitored regularly for expiry dates and their working conditions.

To date, there were zero (FY2022: zero) reported incidents of non-compliance with the Fire Safety Act.

9.9 Diversity and equal opportunity

A diverse workforce is an asset in today's ever-changing global marketplace. Our goal is to cultivate an inclusive culture that fosters highly motivated, engaged, and connected employees from diverse backgrounds. This commitment is evident in our comprehensive employee handbook and human resources policies and procedures, which cover areas such as recruitment and selection, compensation and benefits, and promotion based on merit and competency.

In addition to promoting diversity, we are dedicated to creating an inclusive workplace where individuals with disabilities are afforded opportunities to lead independent and meaningful lives in society. As part of this commitment, we participate in the School-To-Work Programme, providing a work attachment for a student from Metta School during the Reporting Period. Through this collaboration, we strive to integrate students with mild intellectual disabilities into the workplace settings of selected outlets. This initiative not only prepares these students for the demands of a working environment but also enhances their prospects for future employment. By actively embracing diversity and inclusion, we aim to create a workplace that reflects the richness of human experiences and talents.

Gender (%)

We view gender diversity in the Board as an essential element in supporting sustainable development. We have a female representation of three Directors (FY2022: two) in the Board or 50% (FY2022: 40%) of the Board, with one being the Executive Director, the others being an Independent Director and Alternate Director to the Executive Director. Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2023		FY2022	
	Male	Female	Male	Female
Overall	39%	61%	41%	59%
Employee category				
Management	54%	46%	56%	44%
Non-management	36%	64%	38%	62%
Employment type				
Full-time	52%	48%	54%	46%
Part-time	8%	92%	13%	87%

Age (%)

We value mature workers for their experience, knowledge and skills. Key statistics on age diversity of our employees are as follows:

Disclosure	FY2023			FY2022		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Overall	26%	53%	21%	28%	52%	20%
Employee category						
Management	7%	77%	16%	11%	73%	16%
Non-management	30%	48%	22%	32%	47%	21%
Employment type						
Full-time	31%	54%	15%	33%	52%	15%
Part-time	11%	51%	38%	16%	52%	32%

To maintain a sustainable workforce with a well-balanced age group structure, we look to attract the younger generation by reaching out to vocational institutes with internship programmes, sponsorships, and providing more career advancement opportunities. We also adhere to the Tripartite Alliance for Fair and Progressive Employment Practices (“**TAFEP**”) guidelines on reemployment of older employees. We signed the TAFEP Pledge of Fair Employment Practices to adopt the five principles of fair employment practices on 5 July 2018. Although the current statutory retirement age is 63, eligible employees from 64 years old to 69 years old will be offered a re-employment contract on a yearly renewable basis.

During the Reporting Period, there were zero (FY2022: zero) incidents of unlawful discrimination against employees.

9.10 Commitment to data privacy and cybersecurity

In this increasingly digital environment, which we live and work in, technological developments carry significant risks for our privacy and the exercise of human rights in general.

We are committed to the privacy and security of data collected or generated in the course of our operations. Our approach to protect data is as follows:

Proactive management of personal data

We have appointed a Data Protection Officer and set up a Data Protection Committee to oversee the Personal Data Protection Act ("**PDPA**") obligations of the Group. The requirements of our PDPA policy form part of our staff induction programme to raise staff awareness on data protection. This policy also applies to our recruitment process whereby the privacy of all applicants is safeguarded and access to personal data is restricted to authorised personnel and senior management on a need-to-know basis.

Implement cybersecurity measures to protect our data

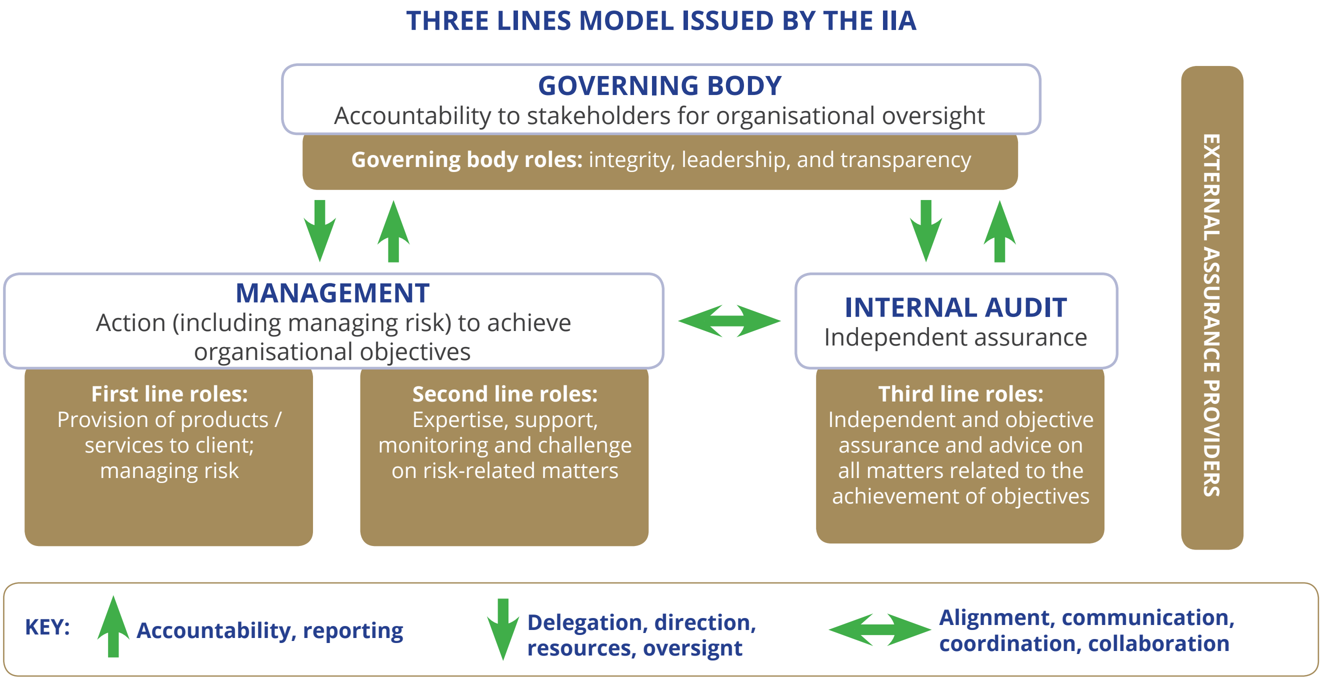
We take measures to guard against cyber risks for both our internal and external stakeholders. Such measures include regular review of our information security policy, installation of firewalls and restricting the display of full personal digital data such as identification numbers to last four digits on service agreements as well as restricting access to systems that collect and store personal data. In our office, we take precautionary steps such as installing privacy screen on computers that handle personal data and caution employees not to leave sensitive data on desks or printer areas.

During the Reporting Period, there were no (FY2022: zero) reported substantiated complaints concerning breaches of customer privacy and violation of regulations.

9.11 Corporate governance and code of ethics

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets, as well as manage risks. We manage risks under an overall strategy determined by the Board and supported by a Management Risk Committee. The Management Risk Committee, formed by the Board, comprises the Executive Chairman cum Chief Executive Officer and senior management of the Company. The Board and the Management Risk Committee oversee and ensure that such framework is appropriately implemented and monitored.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("**IIA**"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



On risk management, we have in place an enterprise risk management framework ("**ERM Framework**") to track and manage the risks in which we are exposed. Such risks include financial, operational, compliance and information technology risks. We regularly assess and review our businesses and operational environment to identify and manage emerging and strategic risks that may impact our sustainability. With a positive and proactive attitude, we believe that risks faced by our Group could be converted into opportunities and favourable results.

We believe that our constant drive for corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Group to our stakeholders.

Our code of conduct clearly spells out our expectations from our staff and consequences if any of the rules are violated or standards not met. In addition, we also have clear and fair grievances procedures stipulated in our employee handbook.

Business ethics are communicated to all our heads of business units regularly and they are fully aware that compliance with rules and regulations is a key part of running a responsible business. We regularly update key staff with developments in international and local regulations.

We prohibit corruption in all forms, including extortion and bribery. This has been made clear to all our employees, our suppliers and our business partners. Our whistleblowing policy provides a mechanism for employees and external parties to report concerns over alleged wrongful acts. The procedures for whistleblowing are also stored in our cloud-storage folders, which are accessible by our employees, and they can file a complaint by emailing it directly to members of the Audit Committee. The follow-up procedures regarding matters raised are also stated and whistle-blowers are assured that all actions in good faith will not affect them in their work and staff appraisals. A fraud management policy is also in place for employees to report suspected fraudulent activities to the Department Head, human resources or any of the management staff anonymously. We conducted a fraud management training for 100% of outlet-in-charge and kitchen-in-charge in FY2023. We will assess and increase the scope of anti-corruption training in the future.

During the Reporting Period, we had zero (FY2022: zero) reported corruption incidents. We will regularly review policies on whistleblowing and fraud management.

You may refer to the Corporate Governance Report of this Annual Report for details on our corporate governance practices.

10. Targets and progress

To measure our ongoing sustainability performance and drive continuous improvement, we have developed a set of targets related to our key sustainability factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

LEGEND: PROGRESS TRACKING

- ○○○ New target
- ●●● Target achieved
- ●●○ On track to meet target
- ●○○ Not on track, requires review

S/N	Sustainability Factor	Business segment	Target[24]	Current year's performance against progressive target set for FY2023[25]
Economic				
1	Total customer satisfaction	F&B	**Short-term** Maintain or improve customer review rate	●●● Our negative customer review rate is less than 1% (FY2022: less than 1%)
		Hospitality	**Short-term** Maintain or improve feedback rating collected from various booking sites	●●● All our brands have positive feedback ratings in excess of 80% (FY2022: all our brands had positive feedback ratings in excess of 80%)

[24] Time horizons for target setting are (1) short-term: before FY2025, (2) medium-term: FY2025 – FY2035, (3) long-term: after FY2035, (4) ongoing: continuous time horizon.
[25] You may refer to the FY2022 sustainablitity report for details on targets set for FY2023.

S/N	Sustainability Factor	Business segment	Target[24]	Current year's performance against progressive target set for FY2023[25]
2	Sustainable business performance	All business segments	**Short-term** Maintain or improve our economic value generated subject to economic conditions	●○○ Economic value generated decreases to $60.1 million (FY2022: $65.4 million) mainly attributable to a decrease in the revenue of the F&B segment as a result of a decline in number of outlets and increased market competition. Business consolidation will be one of the key focus of the F&B segment, with the Group looking to channel resources to new outlets or better performing outlets and close non-performing outlets
Environment				
3	Water conservation	F&B	**Short-term** Water consumption intensity does not exceed 3 CuM/ revenue ($'000)	●●● Water consumption intensity per revenue $'000 is 1.6 CuM/ revenue $'000 (FY2022: 1.8 CuM/ revenue $'000). The reduction in water consumption intensity is mainly due to a reduction in number of outlets and temporary closure of two outlets for renovation. The closure of lesser-performing outlets resulted in more than proportional decrease in water consumption as compared to the decrease in revenue
		Hospitality	**Short-term** Maintain or improve water consumption intensity	●●● Water consumption intensity per occupied room remains at 0.3 CuM/ occupied room (FY2022: 0.3 CuM/ occupied room)
4	Energy conservation and GHG emissions reduction	F&B	**Short-term** Maintain or reduce GHG emissions intensity **Medium-term** Reduce our absolute Scope 1 and 2 GHG emissions by 30% by FY2035, with FY2022 as our baseline	●●● • Direct GHG emissions intensity (Scope 1) decreases to 0.02 tonnes CO_2e/revenue $'000 (FY2022: 0.03 CO_2e/revenue $'000) The reduction in GHG emissions intensity is mainly due to a reduction in number of outlets and temporary closure of two outlets for renovation. The closure of lesser-performing outlets resulted in more than proportional decrease in LPG consumption as compared to the decrease in revenue • Indirect GHG emissions intensity (Scope 2) remains at 0.02 tonnes CO_2e/square foot (FY2022: 0.02 tonnes CO_2e/square foot)

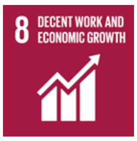
S/N	Sustainability Factor	Business segment	Target[24]	Current year's performance against progressive target set for FY2023[25]
4		Hospitality	**Short-term** Maintain or reduce GHG emissions intensity **Medium-term** Reduce our absolute Scope 1 and 2 GHG emissions by 30% by FY2035, with FY2022 as our baseline	●●● GHG emissions intensity decreases to 0.004 tonnes CO2e/occupied room (FY2022: 0.005 tonnes CO2e/occupied room)
5	Responsible waste management	F&B	**Short-term** Maintain or improve the proportion of oil waste generated from operations that is properly disposed	●●● All oil waste generated from operations is handled by a licensed used oil collector and amounted to 7,997kg (FY2022: all oil waste which amounted to 8,087kg)
Social				
6	Occupational health and safety	All business segments	**Ongoing and long-term** • Reduce the number of recordable work-related injuries • Maintain zero work-related fatalities, zero high-consequence work-related injuries and zero recordable work-related ill health cases	●●● • We recorded 5 recordable work-related injuries (FY2022: 13 recordable work-related injuries). The recordable work-related injuries are mainly associated with cut and burn injuries. We have strengthened the relevant policies and procedures to reinforce workplace safety measures • We recorded zero fatalities, zero high-consequence work-related injuries and zero recordable work-related ill health cases (FY2022: zero fatalities, zero high-consequence work-related injuries and zero recordable work-related ill health cases)

S/N	Sustainability Factor	Business segment	Target[24]	Current year's performance against progressive target set for FY2023[25]
7	Labour practices and talent management	All business segments	**Short-term** Maintain or improve average training hours per employee	●●● All full-time and permanent part-time employees received an average of 147 training hours per employee (FY2022: 141 training hours per employee)
			Ongoing and long-term Maintain zero incidents of Non-Compliance Manpower Incident	●●● We have no reported incidents of Non-Compliance of Manpower Related Rules and Regulations (FY2022: zero incident)
8	Customer health and safety	F&B	**Ongoing and long-term** Maintain zero rate of non-compliance with food safety and hygiene rules and regulations	●○○ SFA issued demerit points to four outlets and we have put in place additional procedures to keep our premises hygienic (FY2022: one outlet)
		Hospitality	**Ongoing and long-term** Maintain zero incidents on non-compliance with Fire Safety Act	●●● We have no incidents of non-compliance with Fire Safety Act (FY2022: zero incidents
9	Diversity and equal Opportunity	All business segments	**Ongoing and long-term** Maintain zero incidents of unlawful discrimination against employees	●●● We have zero incidents of unlawful discrimination against employees (FY2022: zero incidents)
10	Commitment to data privacy and cybersecurity	All business segments	**Ongoing and long-term** Maintain zero incidents of substantiated complaints concerning breaches of customer privacy and violation of regulations	●●● We have no reported substantiated complaint concerning breaches of customer privacy and violation of regulations (FY2022: zero complaints)
Governance				
11	Corporate governance and code of ethics	All business segments	**Ongoing and long-term** Maintain zero incidents of corruption	●●● We have zero incidents of corruption (FY2022: zero incidents)

SUSTAINABILITY REPORT

11. Supporting the UN Sustainable Development Goal

We have incorporated the SDGs under the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our Sustainability Factors relate to these SDGs:

SDG	Our effort (Sustainability Factor)
 Ensure healthy lives and promote well-being for all at all ages	We implement measures such as safety checks, safety training and job safety guidelines and procedures to provide a hazard-free workplace for our employees and ensure the well-being of both our employees and the working environment. **(Section 9.6 Occupational health and safety)**
 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	We offer our employees extensive on-the-job training and opportunities to attend internal and external workshops as we believe in creating a rewarding working environment for our employees. **(Section 9.7 Labour practices and talent management)**
 Ensure availability and sustainable management of water and sanitation for all	We implement checks and measures to reduce water wastage, which in turn help us to work towards achieving sustainable management and efficient use of natural resources. **(Section 9.3 Water conservation)**
 Ensure access to affordable, reliable, sustainable and modern energy for all	We implement measures to reduce our energy consumption as not only does it help to improve our energy efficiency, it also helps us to reduce our emissions and save costs incurred to support our business operations. **(Section 9.4 Energy conservation and GHG emissions reduction)**
 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• We place heavy emphasis on customer satisfaction as we understand that a high level of customer satisfaction is essential to the continued success of our business. This also helps to contribute to economic growth as well as the protection and creation of jobs. **(Section 9.1 Total customer satisfaction)** • We contribute to economic growth through creating long-term value for our stakeholders. **(Section 9.2 Sustainable business performance)** • We ensure compliance to market standards with regards to the quality and safety of our food as such factors also help us to maintain customer satisfaction and the continued success of our business. This in turn helps to contribute to economic growth and the protection and creation of jobs. **(Section 9.8 Customer health and safety)**

SDG	Our effort (Sustainability Factor)
Reduce inequality within and among countries	We ensure equal opportunity and pay fairly for all regardless of gender and age by establishing various human resource related policies to facilitate this goal. **(Section 9.9 Diversity and equal opportunity)**
Ensure sustainable consumption and production patterns	We implement measures to help prevent and reduce waste that is generated from our business operations. **(Section 9.5 Responsible waste management)**
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	• We are committed to the privacy and security of data collected or generated in the course of our operations. Our PDPA policy requirements form part of our staff induction programme to raise staff awareness on data protection. We also appointed an officer and set up a committee to oversee PDPA obligations and regularly review our information security policy. **(Section 9.10 Commitment to data privacy and cybersecurity)** • We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring sustainability of our businesses as well as safeguarding shareholders' interests and maximising long-term shareholder's value and carry our business with integrity by avoiding corruption in any form. **(Section 9.11 Corporate governance and code of ethics)**

12. Supporting the TCFD

Our climate-related disclosures are produced based on the 11 recommendations of TCFD.

Governance

a. Describe the board's oversight of climate-related risks and opportunities.

The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Our sustainability strategy is developed and directed by the Sustainability Committee in consultation with the Board. The Sustainability Committee includes representatives from various support units and is led by the Group's Executive Chairman cum Chief Executive Officer and Chief Financial Officer. The responsibilities of the Sustainability Committee include considering climate-related issues in the development of sustainability strategy, evaluation of sustainability risks and opportunities, as well as collection, monitoring and reporting of performance data.

Strategy

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

The climate-related risks and opportunities identified by the Group during the ERM exercise includes the following:

- **Enhanced emissions-reporting obligations** - With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are requiring the disclosure of climate-related information. Failure to comply with enhanced emissions reporting obligations may lead to adverse impacts on the Group's reputation and financial performance. On the other hand, it also creates opportunities by raising climate awareness amongst our employees. With more defined job responsibilities and training, the Group will be in a better position to use energy resources responsibly and meet the rising needs and expectations of regulators and our shareholders on the environment; and

- **Increased severity of extreme weather events** - Adverse changes in climate patterns such as rising temperatures and extreme weather events (such as floods and droughts) may affect the availability of food ingredients. As a result, the Group may face adverse impacts on financial performance due to the escalating cost of ingredients and sub-standard product quality. In view of the potential environmental risks and the resultant emerging needs for energy efficiency and lower emissions, the Group realises the opportunity to invest in energy-efficient technologies and renewable energy use.

The Group's assessment on potential implications of the above climate-related risks was undertaken based a range of climate scenarios using the Representative Concentration Pathway ("**RCP**") adopted by the Intergovernmental Panel on Climate Change ("**IPCC**").

Scenario	Description
IPCC RCP 2.6/1.5°C	This scenario is in line with Paris Agreement to limit global warming to below 2°C by 2100 as a result of efficiency enhancements and behaviour changes as key mitigation strategy
IPCC RCP 8.5/4°C	The "business-as-usual" scenario assumes that emissions continue to rise with significant increases in global temperatures, as no concerted efforts are made to reduce emissions

We selected 1.5°C and > 4°C warming scenarios for the purpose of our inaugural qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short term (before FY2025), medium term (FY2025 - FY2035) and long term (after FY2035) with details as follows:

Warming scenario 1: 1.5°C warming (RCP 2.6)

Risk	Significance of financial impact[26]		
	Short term	Medium term	Long term
Key transition risk identified			
Enhanced emissions-reporting obligations	●	●	●
Key physical risk identified			
Increased severity of extreme weather events	●	●	●

[26] Significance of financial impact is determined based on the risk appetite established in accordance with the Group's ERM framework.

Warming Scenario 2: > 4°C Warming (RCP 8.5)

Risk	Significance of financial impact		
	Short term	Medium term	Long term
Key transition risk identified			
Enhanced emissions-reporting obligations	NA[27]	NA[27]	🟢
Key physical risk identified			
Increased severity of extreme weather events	NA[27]	NA[27]	🔴

Legend:
🟢 Minor 🟡 Moderate 🔴 Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans and explore allocating resources towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

Strategy

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario > 4°C warming) may result in a severe financial impact in the long-term. Under the warming scenario 1.5°C, the vast majority of the impact will be attributable to transition risks from enhanced emissions-reporting obligations. To address the risks and capitalise on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

Risk Management

a. Describe the organisation's processes for identifying and assessing climate-related risks

b. Describe the organisation's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

An ERM framework is in place to guide the Group in the identification, analysis and evaluation of risks, implementation of risk treatment plans and continuous monitoring of risks.

The Group's climate related risks and opportunities are identified and assessed through an ERM exercise. Together with the related treatment plans, they are reviewed by the Audit Committee and the Board, along with the other Group's enterprise-wide risks. Climate-related performance indicators are set and tracked to monitor climate-related risks.

[27] Not applicable as this scenario is unlikely in the short and medium term.

Metrics and Targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management and disclose related metrics in our sustainability reports. Monitoring and reporting these metrics help us in identifying areas with key climate-related risks and enabling us to be more targeted in our efforts.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

To support the climate change agenda, we disclose our Scope 1, 2 and selected Scope 3 GHG emissions in this Report and set climate-related targets such as those related to energy, GHG emissions, water and waste management. We will continue to monitor our emissions and expand our disclosure for our Scope 3 GHG emissions wherever applicable and practicable.

Our disclosure on indirect Scope 3 emissions includes purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7) in FY2023.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As a commitment towards mitigating climate change, we have set climate-related targets related to energy consumption and GHG emissions. For further details, please refer to Section 9.4.

SUSTAINABILITY REPORT

Appendix GRI Content Index

Statement of use	Katrina Group Ltd. has reported the information cited in the GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure		Location
GRI 2: General Disclosures 2021	2-1	Organisational details	23, 31-32, 118, 166-168
	2-2	Entities included in the organisation's sustainability reporting	26
	2-3	Reporting period, frequency and contact point	26, 30
	2-4	Restatements of information	24, 34, 39
	2-5	External assurance	26
	2-6	Activities, value chain and other business relationships	25
	2-7	Employees	26, 46
	2-8	Workers who are not employees	We have approximately 19 workers who are not employees as at 31 December 2023. They include agency workers who provide cleaning, housekeeping, customer service and handle reservations. There is no significant fluctuation in the number of workers who are not employees as compared to FY2022.
	2-9	Governance structure and composition	19-20, 28, 65
	2-10	Nomination and selection of the highest governance body	68-71, 74-77
	2-11	Chair of the highest governance body	22, 28, 72-73
	2-12	Role of the highest governance body in overseeing the management of impacts	28, 62
	2-13	Delegation of responsibility for managing impacts	28
	2-14	Role of the highest governance body in sustainability reporting	28
	2-15	Conflicts of interest	61
	2-16	Communication of critical concerns	48, 91
	2-17	Collective knowledge of the highest governance body	44, 63-64
	2-18	Evaluation of the performance of the highest governance body	71-78
	2-19	Remuneration policies	78-82
	2-20	Process to determine remuneration	78-82
	2-21	Annual total compensation ratio	Information is not provided due to confidentiality constraints
	2-22	Statement on sustainable development strategy	12-13, 23
	2-23	Policy commitments	47-48, 52-56
	2-24	Embedding policy commitments	47-48

GRI standard	Disclosure		Location
	2-25	Processes to remediate negative impacts	48, 91
	2-26	Mechanisms for seeking advice and raising concerns	48, 91
	2-27	Compliance with laws and regulations	44-48
	2-28	Membership associations	None
	2-29	Approach to stakeholder engagement	27
	2-30	Collective bargaining agreements	43
GRI 3: Material Topics 2021	3-1	Process to determine material topics	28-29
	3-2	List of material topics	30
	3-3	Management of material topics	30-48
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	33
	201-3	Defined benefit plan obligations and other retirement plans	127, 137, 158
	201-4	Financial assistance received from government	134
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	48
	205-2	Communication and training about anti-corruption policies and procedures	48
	205-3	Confirmed incidents of corruption and actions taken	48
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	38-39
	302-3	Energy intensity	38-39
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	33
	303-3	Water withdrawal	33
	303-5	Water consumption	33
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	38-39
	305-2	Energy indirect (Scope 2) GHG emissions	38-39
	305-3	Other indirect (Scope 3) GHG emissions	39-40
	305-4	GHG emissions intensity	38-39
	305-5	Reduction of GHG emissions	37-38
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	40
	306-2	Management of significant waste-related impacts	40
	306-3	Waste generated	40
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	44
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	41-42
	401-3	Parental leave	42

GRI standard	Disclosure		Location
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	41
	403-2	Hazard identification, risk assessment, and incident investigation	41
	403-3	Occupational health services	41
	403-4	Worker participation, consultation, and communication on occupational health and safety	41
	403-5	Worker training on occupational health and safety	41
	403-6	Promotion of worker health	41
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	41
	403-8	Workers covered by an occupational health and safety management system	41
	403-9	Work-related injuries	41
	403-10	Work-related ill health	41
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	43
	404-2	Programs for upgrading employee skills and transition assistance programs	42
	404-3	Percentage of employees receiving regular performance and career development reviews	43
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	46
	405-2	Ratio of basic salary and remuneration of women to men	Information is not provided due to confidentiality constraints
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	46
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	42
	413-2	Operations with significant actual and potential negative impacts on local communities	33-40
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	45
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	47

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") is committed to ensure that high standards of corporate governance are practiced throughout the Group, as a fundamental part of its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

This report ("**Report**") outlines the Group's corporate governance practices that were in place during the financial year ended 31 December 2023 ("**FY2023**") with specific reference made to the Principles of Code of Corporate Governance 2018 (the "**Code 2018**") and the disclosure guide developed by SGX-ST in January 2015 (the "**Guide**"). The Group strives to comply with the provisions set out in Code 2018 and the Guide and where it has deviated from the Code 2018 and/or the Guide, appropriate explanations are provided.

The Group also ensures that all applicable laws, rules and regulations, including the Companies Act 1967 (the "**Act**"), the Securities and Futures Act 2001 of Singapore (the "**Securities and Futures Act**") and the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), are duly complied with.

Provision	**Code Description**	**Company's Compliance or Explanation**
General	(a) Has the Company complied with all the principles and provisions of the new 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 and provisions as set out in the Code 2018 and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code 2018 and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the provisions of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2023.
BOARD MATTERS **The Board's Conduct of Affairs** ***Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company***		
1.1	**Directors' duties and responsibilities**	All Directors objectively discharge their duties and responsibilities as fiduciaries and make decisions in the best interests of the Group at all times. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture and ensures proper accountability within the Group. The Board has clear policies and procedures for dealing with conflicts of interest. Where the Director faces a conflict of interest, he or she will recuse himself or herself from discussions and decisions involving the issues of conflict. The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. The Board oversees the management staff of the Company (the "**Management**") and affairs of the Group's business and oversees processes for evaluating the adequacy and effectiveness of the Group's internal controls and risk management systems. It focuses on strategies and policies, with particular attention paid to growth and financial performance. The Board works with the Management to achieve this, and the Management remains accountable to the Board.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>Directors' duties and responsibilities (cont'd)</td><td>
Apart from its statutory and fiduciary responsibilities, the primary functions of the Board are to perform their roles and responsibilities laid out under the Code 2018 and the Board's terms of reference.
The primary functions of the Board are as follows:
a. to provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
b. to establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets;
c. to review the performance of Management;
d. to identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
e. to set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
f. to consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.
As at the date of this Report, the Board comprises five (5) members and one (1) Alternate Director as follows:
<table>
<tr><th colspan="3">Table 1.1 – Composition of the Board</th></tr>
<tr><th>Name of Director</th><th>Designation</th><th>Date of Appointment</th></tr>
<tr><td>Alan Goh Keng Chian ("Alan Goh")</td><td>Executive Chairman and Chief Executive Officer</td><td>31 March 2016</td></tr>
<tr><td>Madaline Catherine Tan Kim Wah ("Catherine Tan")</td><td>Executive Director</td><td>31 March 2016</td></tr>
<tr><td>Lam Kwong Fai</td><td>Lead Independent Director</td><td>4 May 2022</td></tr>
<tr><td>Joan Lau Sau Chee</td><td>Independent Director</td><td>1 May 2019</td></tr>
<tr><td>Wong Quee Quee, Jeffrey</td><td>Independent Director</td><td>1 June 2023</td></tr>
<tr><td>Krystal Goh Shu Yan</td><td>Alternate Director to Catherine Tan</td><td>1 November 2023</td></tr>
</table>
</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
1.2	**Induction, Training and Development**	All Directors understand the Company's business and their directorship duties, as set out in Provision 1.1 of this Report. The Company provides an orientation programme to familiarise Directors (who are new to the Group) with the Group's businesses, accounting control policies, procedures and internal control policies and procedures, including an overview of the policies and procedures in relation to the financial, operational and compliance controls; as well as the Group's history, core values, strategic direction and industry-specific knowledge so as to assimilate them into their new roles. For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, they will attend relevant training courses organised by the Singapore Institute of Directors pursuant to Catalist Rule 406(3)(a) and Practice Note 4D of the Catalist Rules within one year from the date of their appointment, as well as other courses relating to accounting, legal and industry-specific knowledge, where appropriate, organised by other training institutions, in connection with their duties, and such training will be funded by the Company. During FY2023, at the recommendation of the Nominating Committee, the Board had appointed the following new Directors on the Board: ● Mr Wong Quee Quee, Jeffrey as an Independent Director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committees of the Company, on 1 June 2023; and ● Ms Krystal Goh Shu Yan as an Alternate Director to Ms Catherine Tan, on 1 November 2023. Mr Wong Quee Quee, Jeffrey has prior experience as a Director of other listed companies in Singapore. Ms Krystal Goh Shu Yan does not have prior experience as a Director of a public listed company in Singapore and has attended and completed the relevant mandatory director training organised by the Singapore Institute of Directors in March 2024. All the Directors have completed the mandatory sustainability training courses to equip themselves with the basic knowledge on sustainability matters. For the board nomination process for re-electing incumbent Directors, please refer to Provisions 4.3/4.4.

Provision	Code Description	Company's Compliance or Explanation
	Induction, Training and Development (cont'd)	The Directors are updated regularly when there are changes to the Catalist Rules, the Code of Corporate Governance, insider trading and the key changes in the relevant regulatory requirements and international financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. The external auditors, Ernst & Young LLP ("**EY**" or "**EA**"), briefs the AC and the Board on changes and amendments to the accounting standards. The Company Secretary would also inform the Directors of the upcoming conferences and seminars relevant to their roles as Directors of the Company. The Directors are encouraged to attend seminars and training to update or refresh themselves in respect of Directors' duties and responsibilities, at the expense of the Company. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors with the business activities of the Group during Board and Board Committees' meetings. The Directors may, at any time, visit the Group's restaurants and/or properties under ST Residences and ST Signatures to gain a better understanding of the Group's business.
1.3	**Matters reserved for the Board**	The Board has put in place internal guidelines for matters reserved for the Board's approval and clear directions to the Management in writing on matters that must be approved by the Board. Specifically, matters and transactions that require the Board's approval include, among others, the following: a. Allotment and issuance of new shares of the Company; b. Grant of share options under Share Option Scheme, if any; c. Issuance of convertible bonds and warrants; d. Bank matters including opening of bank accounts, change of bank signatories, acceptance of banking facilities and issuance of corporate guarantees; e. Acquisition and realisation of shares in subsidiaries and any other companies; f. Major acquisition and disposal of assets and any proposal for investment and divestment of interests; g. Incorporation of subsidiaries, subscription of shares in subsidiaries, capitalisation of loan due from subsidiaries and appointment of corporate representative; h. Sales and purchase agreement and any other agreement entered on acquisition or disposal of assets outside ordinary course of business; i. Approving announcements, quarterly, half-yearly and year-end financial results announcements for public release;

Provision	Code Description	Company's Compliance or Explanation
	Matters reserved for the Board (cont'd)	j. Conducting general meetings; k. Financial and secretarial matters including approval of audited financial statements, Directors' statements, approval of annual capital expenditure, change of registered office and any proposed alteration to the Constitution of the Company; and l. Appointment of Directors, Executive Officers, Auditors, Power of Attorney. The Board's approval is also required of matters such as major funding proposals, investment and divestment proposals, major acquisitions and disposals, corporate or financial restructuring, share issuance and dividends.
1.4 Rule 406(3)(e) of the Catalist Rules	**Board Committees**	To assist in the execution of its responsibilities, the Board is supported by three board committees, namely the Audit Committee (the "**AC**"), Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**") (collectively, the "**Board Committees**"). As the Board retains ultimate responsibility on all decisions, all matters discussed at the Board Committee meetings are presented and reported to the Board for approval prior to its implementation. The Board Committees function within clearly defined terms of reference and operating procedures and play an important role in ensuring good corporate governance in the Group. The terms of reference of the Board Committees are reviewed by the Board from time to time to enhance the effectiveness of these Board Committees. The terms of reference of the respective Board Committees, as well as other relevant information on the Board Committees, can be found in the subsequent sections of this Report. The compositions of the Board Committees as at the date of this Report are as follows:

Table 1.4 – Composition of the Board Committees

	AC [1]	**NC** [1]	**RC** [1]
Chairman	Lam Kwong Fai	Wong Quee Quee, Jeffrey	Joan Lau Sau Chee
Member	Joan Lau Sau Chee	Lam Kwong Fai	Lam Kwong Fai
Member	Wong Quee Quee, Jeffrey	Joan Lau Sau Chee	Wong Quee Quee, Jeffrey

Note:

1. Each of the AC, the NC and the RC comprises three (3) members, all of whom (including the Chairman) are independent.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>1.5</td><td>Board and Board Committees meeting</td><td>
The Board will meet at least quarterly, and on an ad-hoc basis, if required, as deemed appropriate by the Board members, to review and discuss the performance of the Group, to approve the quarterly and full year results announcements, as well as to oversee the business affairs of the Group. The calendar of all the Board and Board Committees meetings are scheduled in advance. The Board is free to seek clarification and information from the Management on all matters within their purview. Ad-hoc meetings are convened as may be necessary to address any specific significant matters that may arise. The Constitution of the Company and terms of reference for each individual Board Committee allow the Directors to participate in Board and Board Committees meetings by means of telephonic, video conferencing or other communication facilities to communicate with each other simultaneously and instantaneously. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions.
During FY2023, the number of Board and Board Committee meetings held and the attendance of each Board member at such meetings are set out below:
<table>
<tr><th></th><th></th><th colspan="3">Board Committees</th><th rowspan="2">Annual General Meeting</th></tr>
<tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Number of meetings held</td><td>5</td><td>4</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td colspan="6">Directors in service as at 31 December 2023</td></tr>
<tr><td>Alan Goh</td><td>5</td><td>4*</td><td>–</td><td>–</td><td>✓</td></tr>
<tr><td>Catherine Tan</td><td>2</td><td>–</td><td>–</td><td>–</td><td>✓</td></tr>
<tr><td>Lam Kwong Fai</td><td>5</td><td>4</td><td>1</td><td>1</td><td>✓</td></tr>
<tr><td>Joan Lau Sau Chee</td><td>5</td><td>4</td><td>1</td><td>1</td><td>✓</td></tr>
<tr><td>Tan Juay Hiang[1]</td><td>1</td><td>1</td><td>1</td><td>1</td><td>✓</td></tr>
<tr><td>Wong Quee Quee, Jeffrey[2]</td><td>3</td><td>2</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Krystal Goh Shu Yan[3] (Alternate Director to Catherine Tan)</td><td>1</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
</table>
Notes:
* By invitation
1. Mr Tan Juay Hiang retired as a Director of the Company on 28 April 2023.
2. Mr Wong Quee Quee, Jeffrey was appointed as an Independent Director, Chairman of the NC and member of the AC and the RC on 1 June 2023.
3. Ms Krystal Goh Shu Yan was appointed as an Alternate Director on 1 November 2023.
</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
	Multiple board representation	Directors with multiple Board representations would ensure that sufficient time and attention are given to the affairs of the Company. During FY2023, the NC has reviewed the multiple board representations of each Director and noted that the Directors who are holding multiple board representations have adequately carried out their duties as Directors of the Company and have devoted sufficient time and attention to the affairs of the Group.
1.6	**Board information**	The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company. Key information comprises, among others, properly organised board papers (with background or explanatory information relating to the matters brought before the Board, where necessary), updates to Group operations and the markets in which the Group operates in, budgets and/or forecasts, management accounts, auditors reports and reports on on-going or planned corporate actions. Where the situation requires, Directors are entitled to request for additional information from Management and such information are provided to the Directors in a timely manner.
1.7	**Board's access**	The Board has separate and independent access to the Management, external advisers (where necessary) and the Company Secretary at all times. The Company Secretary and/or her representative(s) attend all Board and Board Committee meetings. The responsibilities of the Company Secretary include advising the Board on governance matters, facilitating the process of appointment of new Directors and assisting the Chairman of the Board in ensuring information flows within the Board and the Board Committees and between the Management and the Directors. The Company Secretary will also provide the Board with updates to regulations and legislations that the Company are required to comply with, as required. The appointment and removal of the Company Secretary is to be decided by the Board as a whole. Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Directors may direct the Company to appoint external advisers to enable it or the Independent Directors to discharge their responsibilities effectively, the cost of which will be borne by the Company.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td colspan="3">Board Composition and Guidance
Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company</td></tr>
<tr><td>2.1
Rule 1204(10B) of the Catalist Rules</td><td>Board composition – independence and diversity</td><td>As at the date of this report, the Company is in compliance with Provision 2 of the Code 2018.

The Board comprises five (5) members, of which two (2) are Executive Directors, three (3) are Independent Directors, and an Alternate Director. Non-Executive Directors, who are also the Independent Directors, make up the majority of the Board.

Alan Goh – Executive Chairman and Chief Executive Officer
Catherine Tan* – Executive Director
Lam Kwong Fai – Lead Independent Director
Joan Lau Sau Chee – Independent Director
Wong Quee Quee, Jeffrey – Independent Director

*Ms Krystal Goh Shu Yan was appointed as the alternate director to Catherine Tan on 1 November 2023.

The Board assesses the independence of each Director in accordance with the guidance provided in the Code 2018 as well as Rule 406(3)(d) of the Catalist Rules. An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement in the best interests of the Company.

On an annual basis, each Independent Director is required to complete a “Confirmation of Independence” form to confirm his/her independence. The said form was drawn up based on the definitions and guidelines set forth in the Code 2018. The Directors are required to disclose to the Board any relevant relationship as and when it arises, and the Board will state the reasons if it determines that a director is independent notwithstanding the existence of a relationship or circumstances which may appear relevant to the Board’s determination.

The NC will also examine the different relationships identified by the Code 2018 that might impair each Independent Director’s independence and objectivity. For FY2023, the NC has reviewed and concluded that all the Independent Directors are able to exercise independent business judgement in the best interests of the Company and its shareholders.

The Independent Directors have confirmed their independence in accordance with the Code 2018 and Rule 406(3)(d) of the Catalist Rules.</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
	Board composition – independence and diversity (cont'd)	The NC has reviewed the independence status of the Independent Directors and is satisfied that Mr Lam Kwong Fai, Mr Wong Quee Quee, Jeffrey and Ms Joan Lau Sau Chee are independent in accordance with the Provision 2.1 of the Code 2018 and Rule 406(3)(d) of the Catalist Rules, and they have no relationship including immediate family relationships, with the other Directors, the Company, its related corporations, the substantial shareholders or officers of the Company. The Board, having taken into account the view of the NC, concurred that the above referred Directors are independent. None of the Independent Directors have served on the Board for more than nine years as of FY2023 and as at the date of this Report.
2.2	**Independent Directors**	As the Chairman of the Board and the CEO is the same person, the Company has ensured that it complies with Provision 2.2 of the Code by ensuring that majority of the Board comprises Independent Directors.
2.3	**Non-Executive Directors**	To facilitate a more effective review of Management, the Non-Executive Directors will communicate on an ad-hoc basis without the presence of the Management and the Executive Directors to discuss the performance of the Management and any matters of concern. The current Board composition complies with Provision 2.3 of the Code 2018 where Non-Executive Directors make up a majority of the Board.
2.4	**Board size and diversity**	The size and composition of the Board is reviewed at least annually to ensure that the Board has the appropriate mix of expertise, skills, knowledge, experience and gender diversity for effective decision-making. The Board, in concurrence with the NC, is of the view that the current board of five (5) Directors and the composition are appropriate and effective, taking into consideration the scope and nature of the Company's operations. No individual or small group of individuals dominates the Board's decision-making. The Company has put in place a Board Diversity Policy (the "**Policy**") that addresses diversity in terms of experience, skills, gender, age, tenure, and qualities, as well as any other relevant aspects of diversity. The Policy also sets out the approach which the Company takes towards diversity on its Board. The Company believes in diversity and values the benefits diversity can bring to the Board in its deliberations and the Board's effectiveness – in particular, it believes that a balance and mix of skills, experiences and individual attributes of Board members which shape the composition and promote the effectiveness of the Board as a whole and that of the Board committees, will support the Company's achievement of strategic objectives and long-term sustainable development and success.

Provision	Code Description	Company's Compliance or Explanation
	Board size and diversity (cont'd)	The Board observes and applies the Policy to ensure that the Board has an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. In this regard, the Board, supported by the NC, encourages the emergence of diverse candidates by ensuring that the Board is made up of a diversity of candidates (including consideration of a diversity of skills, knowledge, experience, gender, ethnicity and age). The NC will review the Policy as and when appropriate to ensure its effectiveness and will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval. As at the date of this Report, the Board comprises two (2) female Directors, namely (i) Ms Catherine Tan, an Executive Director, and (ii) Ms Joan Lau Sau Chee, an independent Director who is also the Chairman of the RC and a member of the AC and the NC. The Company has also appointed a female alternate director to Ms Catherine Tan, Ms Krystal Goh Shu Yan. As the incumbent Board comprises three (3) male Directors and three (3) female Directors (including the Alternate Director), female Directors represent 50% of the Board. In addition, the Board comprises a good mix of Directors across the age group of 30's to 70's. The Company has met its objectives in ensuring a diversity of age and gender on the Board. Each Director has been appointed based on the strength of his or her calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. The goal is to cultivate a Board with a wide range of perspectives and experiences that contribute to the success of the Company and steer the Company forward. The NC has assessed the current level of diversity on the Board to be satisfactory and given the current size of the Board and the nature of the business at present, the Board does not propose to set specific diversity targets or concrete timelines for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity is an ongoing process which may need to be updated as the business of the Group develops.

Provision	Code Description	Company's Compliance or Explanation
	Board size and diversity (cont'd)	The NC, having conducted its reviews, was satisfied that current Board members consist of a group with diverse professional expertise and possess the relevant core competencies in areas such as accounting, finance, strategic planning, legal or corporate governance, relevant industry knowledge or experience, business management and industry knowledge. In particular, the Executive Directors and the Alternate Director of the Company, possess good industry knowledge while the Independent Directors, who are professionals in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent judgment during Board deliberations. The Board, taking into account the view of the NC, considers that the current composition of the Board and Board Committees comprise a balance and mix of skills, experiences and individual attributes which promote the effectiveness of the Board as a whole and that of the Board Committees, and the current size of the Board is appropriate in leading and governing the Company effectively considering the scope and nature of its operation. The Board met its objectives in ensuring diverse skills and experience given that the existing Board members comprise of Directors with a mix of expertise and knowledge and diverse background. The key information of the Directors are set out in pages 19 to 20 of this annual report and their shareholdings in the Company are also disclosed in the Directors' Statement on pages 106 and 107.
2.5	**Regular meetings for Independent and Non-Executive Directors**	Where appropriate, the Independent and Non-Executive Directors meet periodically with the each other without the presence of the Management to discuss concerns or matters such as the effectiveness of the Management. The chairman of such meetings provides feedback to the Board and/or Chairman of the Board, as appropriate, after such meetings. The Independent Directors held periodic discussion and met at least once in the absence of Management in FY2023. Independent Directors fulfil a pivotal role in corporate accountability. Their presence is particularly important as they provide unbiased and independent views, advice and judgement to take care of the interests, not only of the Company but also of the shareholders, employees, customers, suppliers and the many communities with which the Company conducts business with.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
Chairman and Chief Executive Officer ***Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making***		
3.1, 3.2 and 3.3	**The Chairman and CEO are separate persons**	The Chairman and the CEO of the Company is Mr Alan Goh. Mr Alan Goh is the founder of the Group and has played a key role in developing the Group's business. He is being assisted by the other Executive Director and the Management in carrying out his executive duties and responsibility for the Group's operation and business. The NC, with the concurrence of the Board, is of the opinion that vesting the roles of both Chairman and CEO in the same person who is knowledgeable in the business of the Group provides strong and consistent leadership, thus allowing for more effective planning and execution of long-term business strategies. As such, there is no need for the role of the Chairman and CEO to be separated. All major proposals and decisions on the matters listed under Provision 1.3, made by the Chairman and CEO are discussed and reviewed by the Board as a whole. The Board is of the view that there is adequate accountability and transparency as Independent Directors make up a majority of the Board. The Board is able to exercise its power objectively and independently from Management. No individual or small group of individuals dominates the Board's decision making. The role of the Chairman is separate from that of the CEO and there is a clear division of responsibilities between the roles of Chairman and CEO under the term of reference of the Board. In addition, the Board has reserved the matters which specifically require the Board's approval or guidance which are laid out under the terms of reference of the Board. These are to ensure an appropriate balance of power, increased accountability and greater capacity for the Board in terms of independent decision making. The Chairman is primarily responsible for the effective working of the Board while overseeing the overall management, strategic planning and business development of the Group. His responsibility include, amongst other, the following: ● effective working of the Board; ● schedule meetings to enable the Board to perform its duties and responsibilities; ● prepare agenda of meetings and ensure adequate time is available for discussion of all agenda items; ● ensure proper conduct of meetings and accurate documentation of the proceedings; ● encourage constructive relations within the Board and between the Board and Management;

Provision	Code Description	Company's Compliance or Explanation
	The Chairman and CEO are separate persons (cont'd)	● ensuring the smooth and timely flow of information between the Board and Management; ● ensure effective communication with shareholders; ● promote a culture of openness and debate at the Board; and ● promote high standards of corporate governance. The CEO has overall responsibility over the business operations of the Group and day-to-day management of the Company, organisational effectiveness and implementation of Board policies. The CEO may delegate aspects of his authority or power but remains accountable to the Board for the Company's performance and is required to report regularly to the Board on the progress being made by the Company's business units. His responsibility include, amongst other, the following: ● develop strategic direction of the Group; ● implement Board policies; ● ensure the efficiency and effectiveness of the operations of the Group; ● assess business opportunities which are of potential benefit to the Group; ● regularly review the heads of divisions who are responsible for all functions contributing to the success of the Group; ● monitor performance results against plans; and take remedial action, where necessary. As the Executive Chairman and the CEO is the same person, the Company has appointed Mr Lam Kwong Fai as the Lead Independent Director of the Company to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. Mr Lam Kwong Fai avails himself to address shareholders' concerns and acts as a counterbalance in the decision-making process. Shareholders with concerns may contact him directly through the whistle-blowing email address at auditcommittee@katrinagroup.com in the event contact through the normal channels via the Chairman and the Management has not provided the shareholders with satisfactory resolution, or when such normal channels of communication are not appropriate. Where necessary, the Lead Independent Director will chair meetings without involvement of the Executive Directors and provide feedback to the Chairman of the Board, to aid and facilitate well-balanced viewpoints on the Board.

Provision	Code Description	Company's Compliance or Explanation
Board Membership ***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board***		
4.1	**Nominating Committee role**	The NC is guided by key terms of reference of the NC and the responsibilities of the NC, based on the written terms of reference, are as follows: a. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendation to the Board with regard to any changes; b. make recommendations to the Board on all board appointments having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation, candour and any other salient factors); c. determine annually whether a Director is independent; d. decide whether a Director is able to and has adequately carried out his duties as a Director of the Company in particular where the Director concerned has multiple board representations. Where possible, the NC shall formulate internal provisions that can address the competing time commitments that are faced when directors serve on multiple boards; e. decide on how the Board's performance may be evaluated and propose objective performance criteria. Such performance criteria, that allow comparison with its industry peers, should be approved by the Board and address how the Board has enhanced long term shareholders' value. These performance criteria should not be changed from year to year and where circumstances deem necessary for any of the criteria to be changed, the onus should be on the Board to justify such changes; f. give full consideration to succession planning for Directors, in particular, the Chairman and CEO and recommend to the Board; g. review the results on Board performance evaluation process that relate to the composition of the Board; h. review the process and criteria for evaluation of the Board's committees and Directors; i. review and make recommendation to the Board concerning membership of the various Board Committees, in consultation with the Chairmen of those Committees; and j. review training and professional development programs for the Board.

Provision	Code Description	Company's Compliance or Explanation
4.2	**Nominating Committee composition**	The Board has established the NC that comprises three (3) Independent Directors who have been tasked with the authority and responsibility to devise an appropriate process to review and evaluate the performance of the Board as a whole and each of the Board Committees. The composition of the NC is as follows: Mr Wong Quee Quee, Jeffrey – Chairman Mr Lam Kwong Fai – Member Ms Joan Lau Sau Chee – Member
4.3 and 4.4 Rule 720(4) of the Catalist Rules	**Appointment and re-appointment of Directors**	The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where new directors are required, the NC will identify the key attributes that an incoming director should have, which is based on a matrix of the attributes of the existing Board and the requirements of the Group. After the Board endorsed the key attributes, the NC taps on the resources of the Directors' contacts and/or engage external consultants to source for potential candidates. The NC will review and shortlist candidates and provide a recommendation for Board approval. The NC also conducts an annual review of the independence of a Director having regard to the circumstances set forth in Provision 2.1 of the Code 2018 and Rule 406(3)(d) of the Catalist Rules. Sufficient information will accompany all resolutions for the Directors' appointments and re-appointments to enable the Board to make informed decisions. Pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to Regulation 117 of the Company's Constitution, at each AGM, at least one-third of the Directors for the time being, or if their number is not three or multiple of three, then the number nearest to one-third but not less than one-third shall retire by rotation and that all Directors shall retire at least once every three years and such retiring Director shall be eligible for re-election. In addition, pursuant to Regulation 122 of the Company's Constitution, new Directors appointed during the financial year, either to fill a casual vacancy or as an additional Director, are required to submit themselves for re-election at the next AGM. The NC has recommended to the Board that Ms Catherine Tan and Mr Wong Quee Quee, Jeffrey (the "**Retiring Directors**") be nominated for re-election at the forthcoming AGM. The Retiring Directors have offered themselves for re-election at the forthcoming AGM. Ms Joan Lau Sau Chee, an Independent Director of the Company who is also subject to retirement by rotation at the forthcoming AGM has indicated to the Board of her decision of not seeking re-election at the AGM. Ms Joan Lau Sau Chee will retire as an Independent Director of the Company and concurrently relinquish her roles as Chairman/member of the Board Committees of the Company at the conclusion of the AGM.

Provision	Code Description	Company's Compliance or Explanation
	Appointment and re-appointment of Directors (cont'd)	The Board had accepted the NC's recommendation. Please refer to the Notice of AGM for the resolutions put forth in relation to the respective re-elections and details of the Retiring Director including the information required under Appendix 7F of the Catalist Rules disclosed in pages 99 to 105 of this Annual Report.
4.5	**Multiple Directorships**	The NC is responsible for reviewing the ability of Directors to devote sufficient time and attention to the affairs of the Company and in particular to take into account multiple directorships and significant principal commitments held by the Directors. The NC requires each Director to declare any new additional directorships or significant principal commitments during the year to enable the ongoing monitoring of the time commitment, attendance and contributions of the Directors to the Company. The Board has not imposed any limit as it is of the view that the number of directorships and principal commitments that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors. The NC also does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. Save for Mr Lam Kwong Fai and Mr Wong Quee Quee, Jeffrey who each have other listed company board representations, the other Directors do not have any other listed board representations. Based on its assessment, the NC and the Board concluded that the nature of the organisations in which the Directors with multiple directorships hold appointments in and the Board Committees on which they serve are of different complexities. Accordingly, each Director would in consultation with the NC, personally determine the demands of his/her competing directorships and obligations and assess the number of listed company directorships they could hold and serve effectively. During FY2023, the Directors and Board Committee members also attended the Board and Board Committees meetings and have dedicated sufficient time and attention and discharged their responsibilities towards the affairs of the Company. The NC has reviewed and is satisfied that the other directorships and principal commitments of the Directors did not impede their respective performance nor hindered them from carrying out their duties as Directors of the Company and each of them has diligently and adequately carried out his/her duties as a Director of the Company since their appointments.

Provision	Code Description	Company's Compliance or Explanation
	Multiple Directorships (cont'd)	The key information of the Directors, including their appointment dates, academic and professional qualifications, Board Committees served on, principal commitment(s) and directorships in other listed company(ies) are set out on page 19 to 20 of this annual report.
	Alternate Directors	Ms Krystal Goh Shu Yan is the Alternate Director to Ms Catherine Tan , and she was appointed on 1 November 2023. Ms Krystal Goh Shu Yan is the daughter of Mr Alan Goh and Ms Catherine Tan.
Board Performance ***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors***		
5.1	**Performance criteria and process for evaluation of the effectiveness of the Board**	As recommended by Provision 5.1 of the Code 2018, the NC has implemented a process that requires each Director to assess the performance and effectiveness of the Board as a whole and each of the Board Committees, and for assessing the contribution by the Chairman and each individual Directors to the effectiveness of the Board, for each financial year. Objective performance criteria used to assess the performance of the Board include both quantitative and qualitative criteria. The performance criteria for the Board and Board Committees' evaluation, as determined by the NC, cover the following areas: a. Board Composition and Structure; b. Conduct of Meetings; c. Corporate Strategy and Planning; d. Risk Management and Internal Control; e. Measuring and Monitoring Performance; f. Training and Recruitment; g. Compensation; h. Financial Reporting; i. Chairman of the Board; j. Board Committees; and k. Communication with Shareholders. The abovementioned performance criteria do not change from year to year. The NC also conducted individual Directors' assessment. The assessment parameters for each Director include their knowledge and abilities, attendance records at the meetings of the Board and Board Committees, the intensity and quality of participation at meetings, contribution to the decision-making procedures, compliance with the Company's policies and procedures, and disclosure of interests. The Board and the NC believe that the financial indicators are mainly used to measure the Management's performance and hence are less applicable to the Directors.

Provision	Code Description	Company's Compliance or Explanation
5.2	**Disclosure of assessment of the Board, Board Committees and each Director**	The board assessment questionnaire has been developed for the Board to implement a formal annual process for assessing the effectiveness of the Board as a whole and the contribution of each of the Board Committees and each individual Director to the effectiveness of the Board. The Company Secretary will collate the results and the summary of the assessment will be presented to the Chairman of the Board and the NC for review and collective discussion with other Board members to address or recommend any areas for improvement and follow-up actions. The appraisal process focuses on a set of performance criteria for the Board, Board Committees and individual Directors' assessment which includes the evaluation of the size and composition of the Board, the Board's access to information, the Board's processes and accountability, Board's performance in relation to discharging its principal responsibilities, communication with shareholders. The NC makes recommendations to the Board aimed at helping the Board to discharge its duties effectively. The Chairman of the Board acts on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation/termination of directors may be sought. The NC has full authority to engage an external facilitator to assist the NC to carry out the evaluation process, if the need arises. The NC has reviewed the overall performance of the Board, the Board Committees and individual Director for FY2023 and is satisfied that the Board as a whole and the Board Committees have met the performance evaluation criteria and objectives and each Director has contributed effectively and demonstrated commitment to his/her respective roles, including commitment of time for the Board and Board Committee meetings and any other duties in FY2023. Each of the NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance or re-appointment as a Director of the Company. No external facilitator was used in the evaluation process.
REMUNERATION MATTERS **Procedures for developing remuneration policies** ***Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***		

Provision	Code Description	Company's Compliance or Explanation
6.1	**Remuneration Committee role**	The RC is established for the purposes of ensuring that there is a formal and transparent process for fixing the remuneration packages of individual Directors and key executives and makes recommendations to the Board on all remuneration matters. The RC has a formal set of terms of reference approved by the Board. A summary of the RC's key responsibilities includes: a. review and recommend the framework of remuneration for the Executive Directors and key management personnel with a view to structure the remuneration for the Executive Directors and key management personnel so as to link rewards to group or corporate and individual performance, to align their interests with those of shareholders and give these Directors keen incentives to perform at the highest levels; b. review the terms of appointment and remuneration of the Executive Directors and key management personnel of the Company, including termination terms and when deem appropriate to make any recommendation in relation thereto; c. review and recommend to the Board the terms of renewal for those Executive Directors and key management personnel whose current employment will expire or had expired; d. review the remuneration of employees who are related to Directors or Substantial Shareholders annually to ensure that their remuneration package are in line with the Company's staff remuneration provision and to commensurate with their respective job scope and level of responsibility; e. review the compensation package of the Non-Executive Directors; f. consider the various disclosure requirements for Director's remuneration, particularly those required by regulatory bodies such as the SGX-ST, and ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties; g. retain such professional consultancy firm as the committee may deem necessary to enable it to discharge its duties hereunder satisfactorily; h. consider long-term incentives schemes for Executive Directors and key management personnel and review eligibility for benefits of Executive Directors and key management personnel under long-term incentive schemes; i. function as the committee referred to in the KGL Performance Share Plan (the "**KGL PSP**") and shall have all the powers as set out in the KGL PSP; and j. carry out such other duties as may be agreed to by the RC and the Board.

Provision	Code Description	Company's Compliance or Explanation
6.2	**Remuneration Committee composition**	The Board has established the RC that comprises three (3) Independent Directors who have been tasked with the authority and responsibility to devise an appropriate remuneration framework, process and policy for the Directors and key management personnel remuneration packages. The composition of the RC is as follows: Ms Joan Lau Sau Chee – Chairman Mr Lam Kwong Fai – Member Mr Wong Quee Quee, Jeffrey – Member The recommendations of the RC are submitted for endorsement by the Board. Each member of the RC will abstain from voting on any resolution in respect of his/her own remuneration package.
6.3	**Termination clauses**	The RC reviews all aspects of remuneration, including the Company's obligations arising from termination clauses and termination processes in relation to the Executive Directors' and key management personnel's contracts of service to ensure that such clauses and processes are fair and reasonable.
6.4	**Remuneration experts**	The RC may consider seeking external expert advice and data, as and when necessary, to assist in the evaluation of its compensation recommendations. No remuneration consultants were engaged by the Company during FY2023. None of the RC members or Directors are involved in deliberations in respect of any remuneration, compensation or any form of benefit to be granted to him/her or someone related to him/her.
Level and Mix of Remuneration ***Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company***		
7.1 and 7.3	**Remuneration framework**	In reviewing and determining the remuneration packages of the Executive Directors and the key management personnel, the RC considers the Executive Directors' and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. The performance criteria used to assess the remuneration of Executive Directors is based on the profitability of the Group, leadership, as well as the Executive Directors' and key management personnel compliance in all audit matters. There are currently no long-term incentives for the Executive Directors and key management personnel and no shares have been issued to the Executive Directors under the KGL PSP since its implementation in June 2020.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td>Remuneration framework (cont’d)</td><td>Executive Directors do not receive director’s fees. The remuneration policy for Executive Directors and key management personnel consists of fixed cash component and an annual variable component. The fixed component includes salary, CPF contributions, annual wage supplement (for the Executive Directors) and other allowances. The variable component comprises bonus and profit sharing, payable on the achievement of corporate and individual performance targets. Executive Directors have allowances and other benefits. The annual wage supplement has been terminated since 30 June 2022.

The Company has entered into a service agreement with the Executive Directors, Mr Alan Goh and Ms Catherine Tan. The service agreement can be terminated by either party giving not less than six months’ notice and both parties have the option to pay salary in lieu of any required period of notice. The Executive Directors’ service agreements do not contain onerous removal clauses.</td></tr>
<tr><td></td><td>Long-term incentives</td><td>The Company has in place the KGL PSP, which was approved by the shareholders at the general meeting of the Company held on 23 June 2020. The KGL PSP was introduced to promote higher performance goals, recognise exceptional achievement and retain key Directors and employees within the Group. There was no issuance of shares pursuant to the KGL PSP during FY2023.

<table>
<tr><th>Name of participant</th><th>Award granted during financial year under review (including terms)</th><th>Aggregate Award granted since commencement of scheme to end of financial year under review</th><th>Aggregate Award exercised since commencement of scheme to end of financial year under review</th><th>Aggregate Award outstanding as at end of financial year under review</th></tr>
<tr><td>Mr Goh Keng Hong</td><td>–</td><td>960,000</td><td>960,000</td><td>–</td></tr>
</table></td></tr>
<tr><td>7.2</td><td>Non-Executive Director remuneration</td><td>The RC has adopted a framework which consists of a base fee to remunerate Independent Directors based on their appointments and roles in the respective Board Committees, taking into account the level of contribution and factors such as effort, time spent and responsibilities and the fees paid by comparable companies. Directors’ fees to be paid to the Independent Directors will be tabled for shareholders’ approval. The Directors’ fees are reviewed annually to ensure that the Independent Directors are not overcompensated to the extent that their independence may be compromised.</td></tr>
<tr><td></td><td>Contractual provisions to reclaim incentives</td><td>Based on the service agreements of the Executive Directors, the Board will use contractual provisions or other measures to reclaim the incentives or any related payments from the parties involved should there be any misstatements of financial results, or of misconduct resulting in financial loss to the Group.</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
Disclosure on Remuneration ***Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation***		
8.1	**Company's remuneration policy and criteria for setting remuneration**	The Company's remuneration policy is one that seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Executive Directors and key management personnel to achieve the Company's business vision and create sustainable value for its stakeholders. The remuneration policy adopted by the Group comprises a fixed component and a performance-related variable component. The fixed component is in the form of a base salary. The variable component is in the form of a bonus and depends on the relative performance of the Company and the performance of each individual Executive Director and key management personnel, allowing for the alignment of their interests with that of shareholders. Fixed bonuses are paid to the Executive Directors until 30 June 2022, following which only variable bonuses are paid to them. There are no fixed bonuses to be paid to the key management personnel but only variable bonus in FY2023. The Executive Directors do not receive additional directors' fees from the Company and its subsidiaries if they are appointed to the board of any member of the Group. The performance criteria used to assess the remuneration of Executive Directors is based on the profitability of the Group, leadership, as well as the Executive Directors' and key management personnel's compliance in all audit matters. The Independent Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as efforts, time spent and the individual responsibilities of the respective Directors. The Directors' fees are recommended by the RC and endorsed by the Board for approval by shareholders of the Company at the AGM. Each member of RC abstains from making recommendation on his/her remuneration. The Board has recommended the following Directors' Fees which will be tabled and subject to the Shareholders' approval at the upcoming AGM of the Company: (1) an amount of $159,712.33 for FY2023; and (2) an interim* amount of $154,000.00 for the financial year ending 31 December 2024 ("**FY2024**") to be paid quarterly in arrears in 2024. * Any additional Directors' Fee payable for FY2024 will be tabled and subject to Shareholders approval at the subsequent AGM of the Company to be held in 2025.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>8.1(a) and 8.3</td><td>A breakdown showing the level and mix of each Director's and Key Management Personnel's remuneration</td><td>
A breakdown, showing the level and mix of each individual Director's remuneration for FY2023 is as follows:
<table>
<tr><th colspan="5">Table 8.1 (a) – Remuneration of Directors</th></tr>
<tr><th>Name</th><th>Salary[1] (%)</th><th>Directors Fees (%)</th><th>Variable bonus, allowance and other benefits (%)</th><th>Total (%)</th></tr>
<tr><td colspan="5">Remuneration Band $500,000 to below $750,000</td></tr>
<tr><td>Alan Goh</td><td>86.1</td><td>–</td><td>13.9</td><td>100.0</td></tr>
<tr><td colspan="5">Remuneration Band $250,000 to below $500,000</td></tr>
<tr><td>Catherine Tan</td><td>85.7</td><td>–</td><td>14.3</td><td>100.0</td></tr>
<tr><td colspan="5">Remuneration Band below $250,000</td></tr>
<tr><td>Lam Kwong Fai</td><td>–</td><td>100.0</td><td>–</td><td>100.0</td></tr>
<tr><td>Joan Lau Sau Chee</td><td>–</td><td>100.0</td><td>–</td><td>100.0</td></tr>
<tr><td>Tan Juay Hiang[2]</td><td>–</td><td>100.0</td><td>–</td><td>100.0</td></tr>
<tr><td>Wong Quee Quee, Jeffrey[3]</td><td>–</td><td>100.0</td><td>–</td><td>100.0</td></tr>
<tr><td>Krystal Goh Shu Yan[4] (Alternate Director)</td><td>N.A.</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
</table>
Notes:
1. The salary includes statutory contributions.
2. Mr Tan Juay Hiang retired as a Director on 28 April 2023.
3. Mr Wong Quee Quee, Jeffrey was appointed as Director of the Company on 1 June 2023.
4. Ms Krystal Goh Shu Yan was appointed as an Alternate Director on 1 November 2023 and she is not entitled to director's remuneration in her position as the Alternate Director.

The NC recommends Directors' fees for the Board's endorsement and approval by shareholders at the Company's AGM and the fees are determined having regard to the scope and extent of the responsibilities and obligation to the Company. Directors' fees will be paid after approval is obtained from shareholders at the AGM.

No Director is involved in deciding his/her own remuneration. Each RC member has abstained from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

The total remuneration of each Director, Executive Directors, and key management personnel has not been disclosed in dollar terms given the sensitivity of remuneration matters and competitive reasons.

Total remuneration paid to the Directors for FY2023 was approximately $1,286,000.
</td></tr>
</table>

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>8.1(b) and 8.3</td><td>Remuneration of top 5 key management personnel (who are not directors or CEO)</td><td>As at the date of this Report, the Company has only two (2) top key management personnel, namely Ms Neo Lay Fen, Chief Financial Officer (the "CFO") and Mr Andreas Lorenz, Chief Operating Officer (Hospitality). The disclosure for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2023 is as follows:
<table>
<tr><th colspan="4">Table 8.1(b) – Remuneration of key management personnel</th></tr>
<tr><th>Name</th><th>Salary[1] (%)</th><th>Variable bonus, allowance and other benefits (%)</th><th>Total (%)</th></tr>
<tr><td colspan="4">Remuneration Band below $250,000</td></tr>
<tr><td>Andreas Lorenz</td><td>95.0</td><td>5.0</td><td>100.0</td></tr>
<tr><td>Neo Lay Fen</td><td>93.2</td><td>6.8</td><td>100.0</td></tr>
</table>
Note:
[1] The salary includes statutory contributions.

Total remuneration paid to the key management personnel for FY2023 was approximately $414,000.

There were no termination, retirement and post-employment benefits granted to Directors and key management personnel during FY2023.</td></tr>
<tr><td>8.2</td><td>Remuneration of employees who are substantial shareholders, immediate family members of Director, CEO or substantial shareholder</td><td>Mr Donovan Goh Shen Shu and Ms Krystal Goh Shu Yan are respectively the son and daughter of Mr Alan Goh and Ms Catherine Tan. Mr Alan Goh is the Executive Chairman and CEO whereas Ms Catherine Tan is the Executive Director of the Company. Both Mr Alan Goh and Ms Catherine Tan are also substantial shareholders of the Company.
<table>
<tr><th colspan="2">Table 8.2 – Remuneration of Related Employees</th></tr>
<tr><th>Name</th><th>Relationship</th></tr>
<tr><td colspan="2">Remuneration Band below $100,000</td></tr>
<tr><td>Donovan Goh Shen Shu</td><td>son of Alan Goh (Executive Chairman and CEO) and Catherine Tan (Executive Director)</td></tr>
<tr><td>Krystal Goh Shu Yan</td><td>daughter of Alan Goh (Executive Chairman and CEO) and Catherine Tan (Executive Director)</td></tr>
</table>
There is no employee of the Group who is a substantial shareholder, or an immediate family member of a Director, CEO or substantial shareholder who were paid more than $100,000 during FY2023.</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT **Risk Management and Internal Controls** ***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders***		
9.1	**Risk governance**	The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. The Board is primarily responsible for the governance of risk, including determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board has formed a Management Risk Committee comprising the CEO and senior management of the Company (i.e. the CFO, Operations Director (F&B), Chief Operating Officer (Hospitality), Human Resource Director, Chief Technology Officer and Marketing Manager) to assume the responsibilities of the risk management function. The Management Risk Committee assesses and reviews the Group's business and operational environment to identify areas of significant financial, operational, compliance and information technology risks annually. The AC was tasked by the Board to oversee the Risk Management Framework ("**ERM**") process including the Management Risk Committee. The Group has established a risk management framework approved by the AC which oversees and ensures that the systems of risk management and internal controls are being appropriately designed, implemented and closely monitored for its adequacy and effectiveness. In relation to the URA Investigation as announced by the Company in June and July 2022, the Investigation is still ongoing, and no charges have been filed against the Group nor any of the Relevant Persons (as defined in the announcements dated 25 June 2022 and 22 June 2022). The Group is cooperating with the Investigation and will make further announcement(s) as and when there are material developments on this matter. The Management, the internal auditor BDO Advisory Pte. Ltd ("**BDO**" or the "**IA**") and the external auditor (the "**EA**") conduct reviews and audits on a regular basis that involve testing the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions will be reported to the AC. At least annually, the Board, with the assistance from the AC, will review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology risks.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.2(a) and 9.2(b)</td><td>CEO and CFO assurance</td><td>For FY2023, the Board has also received assurance from the CEO and the CFO confirming that

a. that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
b. the Group's risk management systems and internal control systems, including financial, operational, compliance and information technology controls are adequate and effective.</td></tr>
<tr><td></td><td>Board conclusion</td><td>The Board has received assurance from the CEO and the CFO that (a) the financial records have been properly maintained and the financial statements for FY2023 give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal controls system is adequate and effective.

In addition, the EA has not highlighted any internal control weaknesses which have come to their attention during the course of their statutory audit. All external and internal audit findings and recommendations were reported to the AC and discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns. The Board noted there were no major adverse findings on risk management and internal control systems relating to the agreed internal audit scope.

Based on the risks identified from the ERM exercise performed by the Group in FY2023, the Management's actions in relation to those risks, and the follow on actions and measures implemented by the Management in response to the findings by the IA and the EA, and the assurance from the CEO and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems, addressing key financial, operational, compliance, information technology and risk management objectives were adequate and effective to meet the needs of the Group in its business environment as at FY2023.</td></tr>
<tr><td colspan="3">Audit Committee
Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively</td></tr>
<tr><td>10.1</td><td>Duties of the AC</td><td>In performing its functions in accordance with a set of terms of reference, the AC's principal responsibilities include, amongst others the following:

a. review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
b. review the audit plan of the EA;
c. review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the EA, and to review with the EA, his audit report;</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
	Duties of the AC (cont'd)	d. review the nature and extent of such services, where the EA also supplies a substantial volume of non-audit service to the Group; e. review the financial statements of the Company and the consolidated financial statements of the Group before submission to the Board for approval; f. review the assistance given by the Group's officers to the EA and the IA; g. review the independence of the EA and the IA annually; h. consider the appointment, re-appointment and removal of the EA and approve the remuneration and terms of engagement of the EA; i. review and discuss with the EA any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Company's response and at appropriate times, report the matter to the Board and to the Sponsor; j. ensure that the internal audit function is adequately resourced and has appropriate standing within the Group. For the avoidance of doubt, the internal audit function can be either in-house, outsourced to a reputable accounting/auditing firm or performed by major shareholder, holding company, parent company or controlling enterprise with an internal audit staff; k. review with the IA its evaluation of the system of internal accounting controls; l. review the adequacy, effectiveness, independence, scope and results of the audit and objectivity of the internal auditor, and to review with the internal audit, his audit report; m. review the scope and results of the internal audit procedures; n. annually ensure the adequacy of the audit function o. ensure that a review of the adequacy and effectiveness of the Group's internal controls, including financial, operational and compliance controls, and risk management is conducted at least annually; p. meet with the EA and the IA without the presence of the Management at least once a year; q. commission an annual internal control audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal weakness (if any); r. review interested person transactions and potential conflicts of interest (if any);

Provision	Code Description	Company's Compliance or Explanation
	Duties of the AC (cont'd)	s. commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our operating results and/ or financial position; t. review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and to ensure that arrangement are in place for the independent investigation of such matters and for appropriate follow up action; u. undertake such other reviews and projects as may be requested by the Board, and to report to the Board its findings from time to time on matters arising and requiring the attention of the AC; v. undertake such other functions and duties as may be required by the legislation, regulations or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time; and w. (a) monitoring the Company's risk of becoming subject to, or violating, any sanctions-related law or regulation; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities, and to include an assessment on whether there is a need to obtain independent legal advice or appoint a compliance adviser in relation to the sanctions-related risks applicable to the issuer and continuous monitoring of the validity of the information provided to shareholders and the SGX-ST. The AC has authority to investigate any matter within its term of reference and have been given full access to the Management and reasonable resources to enable it to discharge its functions properly. The AC has full discretion to invite any Director or key management personnel to attend its meetings. The AC typically meets at least four times in a year to review the quarterly financial results announcements of the Group and the audited annual financial statements, SGXNet announcements and all related disclosures to shareholders before recommending the same to the Board for approval. In the process, the AC reviews the basis and reasoning of the Management in the preparation of the financial statements, critical accounting policies and any significant changes that would have an impact on the Company's financials. The AC evaluates on a yearly basis the adequacy and effectiveness of the internal controls including risk management system, financial, operational, compliance and information technology controls and regulatory compliance of the Group through discussion with Management and the IA and the EA.

Provision	Code Description	Company's Compliance or Explanation
10.2 and 10.3	**AC composition**	All members of the AC are Independent Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previously partners or directors of the Company's external audit firm within a period of two [2] years commencing on the date of him/her ceasing to be a partner or director of the external audit firm or hold any financial interest in the external audit firm. The composition of the AC is as follows: Lam Kwong Fai – Chairman Joan Lau Sau Chee – Member Wong Quee Quee, Jeffrey – Member The AC Chairman, Mr Lam Kwong Fai has relevant accounting and related financial management background and experience. Mr Wong Quee Quee, Jeffrey, in his professional career, has gathered extensive financial management experience from his directorships in other listed companies and his previous roles as senior management, as well as corporate financier. As for Ms Joan Lau Sau Chee, she is a Fellow of the Chartered Institute of Secretaries and an Associate of the Chartered Institute of Bankers. She has more than 40 years' experience in the banking industry including 26 years' in management roles in the corporate finance industry. The AC assesses the independence of the external auditors annually. The aggregate amount of fees paid/payable to EY as the EA, for audit services rendered for the audit of the financial statements of the Group for FY2023 is $191,000. There were no non-audit services performed by EY in FY2023. Having reviewed, amongst others, the scope and quality of the audit and independence of the external auditor, the AC has recommended, and the Board has approved the nomination for re-appointment of EY as the external auditors of the Company at the forthcoming AGM.
10.4	**Internal Audit function**	The Group has engaged BDO, a member of the international BDO network of independent member firms as the internal auditors of the Company. The AC, in consultation with Management, approves the hiring, removal, evaluation and the fees of the IA. The IA reports directly to the AC and administratively to the CFO. BDO has unrestricted access to the AC as well as the Group's documents, records, properties and personnel that are relevant to their work. The AC has approved the engagement, evaluation, and compensation of BDO as the internal auditors of the Company. The role of BDO is to provide independent assurance to the AC that the Group maintains adequate and effective Risk Management and internal control systems.

Provision	Code Description	Company's Compliance or Explanation
	Internal Audit function (cont'd)	The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit plan complements that of the external auditors and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems. The AC is satisfied that the internal audit function is independent, effective and adequately resourced, has the appropriate standing within the Group to perform its function effectively, and is staffed by suitably qualified and experienced professionals. The internal audit work carried out is guided by the BDO Global International Audit methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal audit team is well-resourced and is led by an engagement partner who is also the Head of Risk Advisory Services in BDO Singapore with more than 20 years of audit and advisory experience and is a Chartered Accountant (Singapore), Certified Internal Auditor and Certified Information System Auditor. BDO is staffed with professionals with relevant experience and qualifications such as the Certified Internal Auditor and Certification in Risk Management Assurance with the Institute of Internal Auditors. The internal audit function plans its internal audit schedules in consultation with, but independent of, the Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assurance of the internal auditors in specific areas of concerns. Based on the risks identified from the ERM exercise performed by the Group in FY2023 and the Management actions in relation to those risks, and the follow on actions and measures implemented by the Management in response to the findings by the internal auditors and external auditors, and the assurance from the CEO and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems, addressing key financial, operational, compliance, information technology and risk management objectives were adequate and effective to meet the needs of the Group in its business environment as at FY2023.
10.5	**Independent Session with the EA & IA**	The AC meets with the internal and external auditors at least once annually to discuss audit findings and recommendations, without the presence of the Management. For FY2023, the AC has met with the internal auditors and external auditors once without the presence of the Management.
Rule 712, 715	**Auditors**	The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of external auditors.

Provision	Code Description	Company's Compliance or Explanation
	Whistleblowing	The Company has put in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report on misconduct or wrongdoing relating to the Company and its officers. The AC has reviewed the whistleblowing policy that the Group has established and is responsible for the oversight and monitoring of whistleblowing. The Company publicly discloses through its website, and clearly communicates with employees, the existence of the whistleblowing policy which is in compliance with Catalist Rule 1204(18B) as elaborated below. a. The Company has procedures for raising such concerns to the AC Chairman at auditcommittee@katrinagroup.com.and has an independent function, comprising the AC Chairman and AC members, to investigate whistleblowing reports made in good faith; b. The Company has clear channels through which staff and other persons may, in confidence, raise their concerns about possible improprieties, fraudulent activities or malpractices within the Company in a responsible and effective manner; c. The Company has arrangements and processes to facilitate independent investigation of such concerns and for appropriate follow-up action; d. The Company has confidentiality clauses that protect identification of the whistleblower and ensures that the identity of the whistleblower is kept confidential; and e. The Company is committed to ensuring the protection of the whistleblower against any detrimental and unfair treatment. For FY2023 and up to the date of this report, there were no complaints, concerns or issues received by the AC.
	Summary of Audit Committee activities	The AC has reviewed the annual financial statements of the Group, the quality and reliability of information for inclusion in financial reports, policies and practices put in place by the Management, reviewed the volume and nature of Interested Person Transactions (if any), nominated and recommended the re- appointment of the external auditors and reviewed the adequacy, effectiveness and independence of the internal and external auditors. The AC has assisted the Board in reviewing the adequacy and effectiveness of the risk management and internal control systems, addressing financial, operational, compliance and information technology risks of the Group. Changes to the accounting standards and issues that have direct impact on financial statements were reported to and discussed with the AC by the external auditors, for the AC members to keep abreast of changes to such accounting standards and issues.

Provision	Code Description	Company's Compliance or Explanation
	Summary of Audit Committee activities (cont'd)	In the review of the Group's financial statements, the AC discussed with the Management the accounting principles that were applied and considered the clarity of key disclosures in the financial statements. The AC also considered the report from the external auditors, including their findings on the significant risks and audit focus areas. The AC agreed that the Key Audit Matters ("**KAM**") highlighted by the external auditors were appropriate areas to focus on. The AC examined the findings on these and other areas together with the external auditors and Management. The AC reviewed and accepted the judgmental assumptions made, models used, and accounting treatments adopted by the Management in the KAM. The AC concurred with the external auditors regarding the KAM.
SHAREHOLDER RIGHTS AND ENGAGEMENT **Shareholder Rights and Conduct of General Meetings** ***Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects***		
11.1	**Shareholder rights**	All shareholders are treated fairly and equitably, and the Group strives to disclose information on all major developments that could materially impact the Group in a timely manner. Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. The Group informs shareholders of the rules governing general meetings of shareholders.
11.2	**Resolutions**	The Company ensures that there are separate resolutions at general meetings on each distinct issue. Separate resolutions are proposed for substantially separate issues at Shareholders' meetings for approval. "Bundling" of resolutions is done only where the resolutions are interdependent and linked so as to form one significant proposal and only where there are reasons and material implications involved. In such cases of "bundling", the Company ensures that explanations as to the reasons and implications are given to Shareholders in the notice of meeting. All resolutions proposed at general meetings shall be put to vote by way of a poll pursuant to Rule 730A(2) of the Catalist Rules. All votes cast, for or against or abstain, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNet after the general meetings.

Provision	Code Description	Company's Compliance or Explanation
11.3	**Attendance at general meetings**	All Directors, particularly the Chairman of the Board, the respective Chairman of the AC, the NC and the RC, the CFO and Company Secretary will be present and available to address shareholders' queries at the general meetings. The external auditor will also be present to address queries regarding the conduct of the audit and the preparation and content of the auditor's report. The attendance of the Board for the Company's AGM held on 28 April 2023 is disclosed under Provision 1.5 of this Report.
11.4	**Voting procedures**	At general meetings, all shareholders are encouraged to attend, participate effectively and vote in person or by proxy. The Company's Constitution provides for a shareholder or a depositor to appoint not more than two (2) proxies to attend and vote at the general meetings of the Company. Where the member is a "Relevant Intermediary" as defined under Section 181(6) of the Act, the said member can appoint more than two (2) proxies. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors. Proxies need not be a shareholder of the Company. Shareholders are informed of such meetings through the annual report or circulars sent to all shareholders, notices published in the newspapers and announcements released via SGXNet. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. Results of voting are announced in a timely manner via SGXNet. Voting in absentia by email, mail or fax is not implemented due to authentication and other security related concerns.
11.5	**Minutes of general meetings**	Minutes of general meetings which include the substantial and relevant comments and queries relating to the agendas of the general meetings raised by shareholders, together with responses from the Board and Management, are prepared by the Company Secretary. The Company will publish the minutes of the general meetings on the Company's website and SGXNet within one month from the date of the respective meeting.
11.6	**Dividend Policy**	The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the Company's shares will depend on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may, in their absolute discretion, deem appropriate. The Board is not recommending any dividends for FY2023 in view of prevailing business and financial conditions of the Group.

Provision	Code Description	Company's Compliance or Explanation
Engagement with Shareholders ***Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company***		
12.1	**Communication**	The Company believes in high standards of transparent corporate disclosure and is committed to disclosing to its shareholders, the information in a timely and fair manner via SGXNet and the Company's website. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all stakeholders as soon as practicable. Communication is made through: a. the annual report prepared and issued to all shareholders. The Board ensures that the annual report includes all relevant information of the Company and the Group, including future developments, if any, and other disclosures required by the Companies Act 1967 of Singapore, Singapore Financial Reporting Standards and the Catalist Rules; b. quarterly announcements containing a summary of the financial information and affairs of the Group for the corresponding period; c. press releases on major developments of the Group; and d. analysts briefings and roadshows. AGMs will be held within four months after the end of each financial year. The Company will be holding its AGM for FY2023 on 29 April 2024, details of which are as disclosed in the Notice of AGM. The Notice of AGM is also advertised in a national newspaper within the prescribed period. For FY2023, shareholders of the Company will receive the Annual Report 2023, the AGM notice and proxy form via mail. The documents are also accessible via the Company's corporate website and at the SGXNet. Shareholders can access the financial information, corporate announcements, press releases, annual reports, circulars and profile of the Group on the Company's website at https://katrinagroup.com/investor-updates/.
	Conduct of Shareholder meeting	At general meetings, shareholders are given opportunities to voice their views and direct their questions to the Directors or the Management regarding the Company. The Chairman of the Board, Board members and the respective Chairman of the AC, the NC and the RC are present and available to address questions at general meetings. The Chief Financial Officer, the Company Secretary and the external auditor are also present.

Provision	Code Description	Company's Compliance or Explanation
	Conduct of Shareholder meeting (cont'd)	For the forthcoming AGM, shareholders may submit questions relating to resolutions to be tabled for approval at the AGM by no later than 6.00 p.m. on 19 April 2024. The Company shall only address relevant and substantial questions and any subsequent clarifications sought, or follow-up questions in respect of such questions and will publish its response to those questions on the SGXNet and the Company's website by 24 April 2024. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after 19 April 2024 which have not already been addressed prior to the AGM, at the AGM itself. Shareholders who are attending the AGM may also submit their substantial and relevant queries relating to the agenda of the meeting during the meetings, which the Management and the Board of Directors will address accordingly. All resolutions are put to vote by poll in all the Company's general meetings and are integral in the enhancement of corporate governance. For cost effectiveness, the voting of the resolutions at the general meetings are conducted by manual polling and their detailed results are announced at the meeting. The voting results of each of the resolutions tabled are announced on the same day after the general meeting via SGXNet.
12.2	**Investor Relations Policy**	The Company does not have an investor relations policy in place and there is no investor relations team engaged as the Board is of the view that the current communication channels are sufficient and cost-effective. However, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Act.
12.3	**Investor engagement**	The Board encourages shareholders' participation at the AGMs and the EGMs as such meetings represent the principal forum of dialogue and interaction with the shareholders. Shareholders may provide feedback through the Company's designated email address info@katrinagroup.com provided in the Company's corporate website.

Provision	Code Description	Company's Compliance or Explanation
MANAGING STAKEHOLDERS RELATIONSHIPS **Engagement with Stakeholders** ***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served***		
13.1, 13.2 and 13.3		The Board considers the Company's obligations to its shareholders and also the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified its stakeholders as customers, employees, suppliers, regulators, shareholders and suppliers. The Company maintains its Company's website at https://katrinagroup.com/investor-updates/ to communicate and engage with the stakeholders. Stakeholders can also contact the Company through phone or email, the details of which can be found on the Company's website. In addition, to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy, the Group has prepared its sustainability report for financial year ended 31 December 2023 details of which is set out in pages 23 to 59 of this annual report. Communication with shareholders is managed under the direction of the Board. All announcements are released via SGXNet, including the quarterly and full-year financial results, distribution of notices, press releases, analyst briefings, presentations, and announcement on acquisitions, corporate development and other material developments. The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Catalist Rules. In addition, all shareholders will receive the Company's annual reports together with the notices of AGM, which are also accessible through SGXNet. The notice of AGM is also advertised in a newspaper. Apart from the SGXNet announcements and its annual report, the Company will also conduct media interviews as and when appropriate to give shareholders and the public deeper insights of the Group's business and strategies when opportunities present themselves. Further, the Company may, if it considers necessary and appropriate, release press releases or organise media/analyst briefings to keep shareholders informed of its corporate development. The Company's CEO and Executive Director are responsible for the Company's communication with shareholders. The Company maintains a corporate website where shareholders can access financial information, corporation announcements, press releases, annual reports and profile of the Group at https://katrinagroup.com/investor-updates/

Provision	Code Description	Company's Compliance or Explanation
COMPLIANCE WITH APPLICABLE CATALIST RULES		
712 and 715	**Appointment of Auditors**	The Company confirms its compliance with Catalist Rules 712 and 715.
1204(8)	**Material Contracts**	There were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	**Confirmation of adequacy of internal controls**	The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at FY2023 based on the assurance from the CEO and the CFO, the internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit.
1204(17)	**Interested Persons Transaction ("IPTs")**	The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The AC shall review all IPTs at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures and to ensure that the prevailing rules and regulations in particular, Chapter 9 of the Catalist Rules are complied with. The Group has not obtained a general mandate from shareholders for IPTs. There were no interested person transactions of $100,000 and above during FY2023.
1204(19)	**Dealing in Securities**	The Company has adopted an internal compliance code of conduct to guide and advise Directors and all executives of the Company with regard to dealings in the Company's securities in compliance with Rule 1204(19) of the Catalist Rules. The Company, Directors and executives shall not deal in the Company's shares on short-term considerations or if they are in possession of price sensitive information and during the period commencing one (1) month prior to release of the full-year financial results announcement and 2 weeks prior to its interim financial results announcements and ending on the date of the announcement of the results. Directors and senior management are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods while in possession of price-sensitive information.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>Dealing in Securities (cont'd)</td><td>In general, the Group's policy encourages Directors and employees of the Group to hold the Company's securities and not deal in the Company's securities on short term considerations. The policy is to ensure that the Company's Directors, officers and employees of the Group are aware of their legal obligations in respect of the dealings in securities of the Company. Persons who are in possession of unpublished material price sensitive information and use such information for their own material gain are committing an offence of insider trading.</td></tr>
<tr><td></td><td>Use of Proceeds</td><td>
For the proposed renounceable non-underwritten rights issue of warrants undertaken by the Company in 2023, the Company has raised net proceeds of $92,481 (net of Rights Issue of Warrant expenses of $140,000) from the Warrants (the "Subscription Proceeds"). As at the date of this report, the status on the use of (a) the Rights Issue of Warrants subscription proceeds[1] is as follows:
<table>
<tr><th>Use of Subscription Proceeds</th><th>Amount allocated
$</th><th>Amount utilised
$</th><th>Balance
$</th></tr>
<tr><td>To fund renovation of new outlets in the F&B business</td><td>92,481</td><td>(92,481)</td><td>–</td></tr>
<tr><td>Estimated expenses in connection with the Rights Issue of Warrants</td><td>140,000</td><td>(140,000)</td><td>–</td></tr>
<tr><td>Total</td><td>232,481</td><td>(232,481)</td><td>–</td></tr>
</table>
(b) Exercise proceeds of $38,160 is as follows:
<table>
<tr><th>Use of Subscription Proceeds</th><th>Percentage
$</th><th>Allocated
$</th><th>Amount utilised
$</th><th>Balance
$</th></tr>
<tr><td>To fund business expansion in the F&B and hospitality businesses</td><td>70</td><td>26,712</td><td>(26,712)</td><td>–</td></tr>
<tr><td>General working capital for the Group – payment of trade creditors</td><td>30</td><td>11,448</td><td>(11,448)</td><td>–</td></tr>
<tr><td>Total</td><td>100</td><td>38,160</td><td>(38,160)</td><td>–</td></tr>
</table>
The use of proceeds is in accordance with the stated use and is in accordance with the percentage allocated in the Offer Information Statement of the Company dated 18 September 2023. The Subscription Proceeds are not used for general working capital purposes.
Note:
1. Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed thereto in the Company's Offer Information Statement dated 18 September 2023.
</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
711A	**Sustainability Report**	The Group has issued its sustainability report for FY2023 to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy. The sustainability report is set out in pages 23 to 59 of this annual report.
1204(21)	**Non-sponsor fees**	During the year, non-sponsor fees of $65,000 was paid to the Sponsor. The non-sponsor fees paid was in relation to advisory fees for a rights issue of warrants conducted by the Company. Please refer to the Company's announcements dated 30 June 2023, 24 July 2023, 27 July 2023, 4 September 2023, 18 September 2023, 6 October 2023 and 10 October 2023 for further details.

ADDITIONAL INFORMATION ON DIRECTORS' RE-ELECTION AND CONTINUED APPOINTMENT- pursuant to Catalist Rule 720(5) and Appendix 7F

Details	Ms Catherine Tan	Mr Wong Quee Quee, Jeffrey
Date of Appointment	31 March 2016	1 June 2023
Date of last re-appointment (if applicable)	30 April 2021	–
Age	64	48
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Ms Catherine Tan's contribution as the Executive Director of the Company, and has recommended that Ms Catherine Tan be re-elected as Director of the Company.	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Wong Quee Quee, Jeffrey's contribution as the Independent Director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committees of the Company, and has recommended that Mr Wong Quee Quee, Jeffrey be re-elected as Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Ms Catherine Tan is responsible for the formulation and introduction of the Group's new concept ideas and menus for the new and existing brands. She assists the CEO in managing the Group's F&B business development and operations.	Non-executive.

Details	Ms Catherine Tan	Mr Wong Quee Quee, Jeffrey
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)	Executive Director.	Independent Director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committees.
Professional qualifications	NA	CMFAS Module 4A (Rules and Regulations for Advising on Corporate Finance) from The Institute of Banking & Finance in Singapore CMFAS Module 1B (Rules and Regulations for Dealing in Securities (Non-SGX-ST Members)) from The Institute of Banking & Finance in Singapore CMFAS Module 6 (Securities Products & Analysis) from The Institute of Banking & Finance in Singapore Advocate and Solicitor of the Supreme Court of Singapore Solicitor of the Supreme Court of England and Wales Singapore
Working experience and occupation(s) during the past 10 years	Executive Director of Katrina Group Ltd.	January 2023 to present – Partner, Solitaire LLP February 2023 to April 2023 – Senior Advisor, Soochow CSSD Capital Markets (Asia) Pte. Ltd. April 2018 to January 2023 – Chief Executive Officer, Soochow CSSD Capital Markets (Asia) Pte. Ltd. December 2017 to April 2018 – Head of Investment Banking, Soochow CSSD Capital Markets (Asia) Pte. Ltd. November 2014 to November 2017 – Head of Investment Banking, Religare Capital Markets Corporate Finance Pte. Limited November 2012 to November 2014 – Managing Director, Investment Banking, Religare Capital Markets Corporate Finance Pte. Limited
Shareholding interest in the listed issuer and its subsidiaries	Ms Catherine Tan is deemed to be interested in 97,860,504 ordinary shares registered in the name of HSBC (Singapore) Nominees Pte Ltd. She is also deemed to be interested in 107,914,504 ordinary shares held by her spouse Mr Alan Goh.	Nil

Details	Ms Catherine Tan	Mr Wong Quee Quee, Jeffrey
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Catherine Tan is the spouse of Mr Alan Goh (Executive Chairman and CEO and controlling shareholder of the Company)	None
Conflict of Interests (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
Other Principal Commitments* Including Directorships# *"Principal Commitments" has the same meaning as defined in the Code, and includes 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.		
Past (for the last 5 years)	*Directorship in non-listed company* Bayang At The Quay Pte. Ltd.* Renn Thai Pte Ltd* Katrina Holdings Sdn Bhd* ** Struck off*	*Directorship in listed company* Rich Capital Holdings Limited *Directorship in non-listed company* Honestbee Pte. Ltd.# Solum Capital Limited The Cub SG Pte. Ltd. Sunstone Capital Markets Private Limited Soochow CSSD Capital Markets (Asia) Pte. Ltd. *# In liquidation*
Present	*Directorship in non-listed company* Katrina Holdings Pte Ltd Bali Thai Food Catering Pte. Ltd. Katrina International Pte. Ltd. PT. So Pho Food Indonesia as Commissioner	*Directorship in listed company* GKE Corporation Limited GSS Energy Limited Procurri Corporation Limited *Directorship in non-listed company* Truth Assets Management (S) Pte. Ltd. Truth Wealth Management VCC *Other principal commitments* Solitiare LLP - Partner Hwa Chong Alumni Association – Deputy Secretary General Singapore Judo Federation – Secretary General DHC Capital Pte. Ltd. – Senior Advisor Management Committee Strata Title 3682 - Secretary

Details	Ms Catherine Tan	Mr Wong Quee Quee, Jeffrey
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(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	Yes. Mr Wong was previously a non-executive board director of Honestbee Pte. Ltd. ("**Honestbee**") and resigned from such position with effect from 15 August 2019. Subsequent to his resignation, the Singapore courts had, on 7 July 2020, issued an order for Honestbee to be wound up
(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

Details	Ms Catherine Tan	Mr Wong Quee Quee, Jeffrey
(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
(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

Details	Ms Catherine Tan	Mr Wong Quee Quee, Jeffrey
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (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 (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 (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, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	Yes Mr Wong was previously an executive board director of Soochow CSSD Capital Markets (Asia) Pte. Ltd. ("**SCCM**"). In February 2023, SCCM received a supervisory reminder from the Monetary Authority of Singapore (the "**Authority**") to maintain its base capital at or above the minimum requirement required by the Authority. Mr Wong is an Independent Non-Executive Director of Procurri Corporation Limited ("**Procurri**"). On 4 August 2020, the Authority issued a reminder to Procurri to comply with Section 137G(1) of the Securities and Futures Act. Mr Wong was an executive board director of Religare Capital Markets Corporate Finance Pte. Limited ("**RCMCF**") between December 2010 and November 2017. In July 2016, RCMCF received a supervisory reminder from the Authority informing RCMCF in respect of its breach of Regulation 6(1)(a) of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations ("**SF(FRM)R**"), which required the holder of the capital markets services licence granted under the Securities and Futures Act to ensure that its financial resources do not fall below its total risk requirement. In July 2017, another breach of the SF(FRM)R by RCMCF was discovered. After his resignation as executive board director of RCMCF in November 2017, he was informed by RCMCF that the Authority had, in February 2018, issued another supervisory reminder to RCMCF to ensure compliance with all applicable regulations at all times.

Details	Ms Catherine Tan	Mr Wong Quee Quee, Jeffrey
(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
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. 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. 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).	Not applicable as this is for re-election of a director.	Not applicable as this is for re-election of a director.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Katrina Group Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company 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 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due, as the Directors are of the view that the Group will be able to generate sufficient cash flows from operations, and obtain continuing support from the director, who is also the controlling shareholder, to not recall from the Company and its subsidiaries the loans provided until all liabilities with unsecured creditors have been met.

Directors

The directors of the Company in office at the date of this statement are:

Alan Goh Keng Chian	
Madaline Catherine Tan Kim Wah	(Alternate director, Krystal Goh Shu Yan)
Joan Lau Sau Chee	
Lam Kwong Fai	
Wong Quee Quee, Jeffrey	(Appointed 29 May 2023)

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

	Direct interest			Deemed interest		
Names of directors	**At 1.1.2023**	**At 31.12.2023**	**At 21.1.2024**	**At 1.1.2023**	**At 31.12.2023**	**At 21.1.2024**
Number of shares in Katrina Group Ltd.						
Alan Goh Keng Chian	392,600	392,600	392,600	205,382,408**	205,382,408**	205,382,408**
Madaline Catherine Tan Kim Wah	–	–	–	205,775,008^^	205,775,008^^	205,775,008^^

Directors' interest in warrants

On 9 October 2023, the Company issued 232,481,008 warrants pursuant to a renounceable non-underwritten rights issue on the basis of one warrant for every one existing ordinary shares held in the capital of the Company. On 12 October 2023, the warrants were listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Each warrant entitles the warrant holder to subscribe for one new ordinary share in the Company at the exercise price of S$0.02 for each new share.

At the end of the financial year, details of the unissued ordinary shares of the Company under warrants are as follows:

Date of issue	Warrants issued	Warrants exercised	Warrants outstanding	Date of expiry
9 October 2023	232,481,008	1,908,000	230,573,008	8 October 2028

	Direct interest			Deemed interest		
Names of directors	**At 1.1.2023**	**At 31.12.2023**	**At 21.1.2024**	**At 1.1.2023**	**At 31.12.2023**	**At 21.1.2024**
Alan Goh Keng Chian	–	392,600	392,600	–	205,382,408**	205,382,408**
Madaline Catherine Tan Kim Wah	–	–	–	–	205,775,008^^	205,775,008^^

** This represents Mr Alan Goh Keng Chian's deemed interest held in the name of HSBC (Singapore) Nominees Pte. Ltd. and in the shares which his spouse holds or has an interest in.

^^ This represents Ms Madaline Catherine Tan Kim Wah's deemed interest held in the name of HSBC (Singapore) Nominees Pte. Ltd. and in the shares which her spouse holds or has an interest in.

By virtue of section 7 of the Singapore Companies Act 1967, both Alan Goh Keng Chian and Madaline Catherine Tan Kim Wah are deemed to have interests in shares of all the subsidiaries to the extent held by the Company.

Except as disclosed in this statement, no other director who held office at the end of the financial year had interests in shares, shares options, or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Options

No options were issued by the Company during the financial year. As at 31 December 2023, there were no options on the unissued shares of the Company or any other body corporate which were outstanding.

Audit Committee

The Audit Committee ("AC") carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, the SGX listing manual and the Singapore Code of Corporate Governance 2018. The functions performed are detailed in the Report on Corporate Governance.

DIRECTORS' STATEMENT

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Alan Goh Keng Chian
Director

Madaline Catherine Tan Kim Wah
Director

Singapore
3 April 2024

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023
Independent auditor's report to the members of Katrina Group Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Katrina Group Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the 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, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") 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 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the 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 Auditor's 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 to the financial statements. The Group incurred a net loss of $1,349,000 for the financial year ended 31 December 2023 and as at that date, the Group's net liabilities and current liabilities exceeded its net assets and current assets by $6,540,000 and $22,806,000 respectively. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as going concern. As disclosed in Note 2.1, the ability of the Group and Company to continue as a going concern is dependent on the Group generating sufficient cash flows from its operations, and the continuing support from two of the directors, both are controlling shareholders who are deemed to have interest in each other's shares, not to recall the amount advanced to the Group until all liabilities with unsecured creditors have been met for 15 months from 28 March 2024.

In the event that the Group is unable to continue operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the balance sheets. In addition, the Group may have to reclassify certain non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

On-going investigation by the Urban Redevelopment Authority

We draw attention to Note 31(C) which describes the uncertainty related to the outcome of an on-going investigation by the Urban Redevelopment Authority into possible breaches of the minimum stay requirement in respect of the provision of short-term accommodation provided by ST Hospitality Pte. Ltd..

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023
Independent auditor's report to the members of Katrina Group Ltd.

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. In addition to the matters described in the Material Uncertainty Related to Going Concern and Emphasis of Matter sections, we have determined the matters described below to be key audit matters to be communicated in our report. For the matters below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment loss on right-of-use assets and property, plant and equipment

At 31 December 2023, the carrying amounts of right-of-use assets and property, plant and equipment were $27,765,000 and $4,193,000, which represents 64% and 10% of Group's total assets, respectively. The assets are allocated to the respective cash-generating unit ("CGU").

Management has assessed that there were indicators of impairment or reversal of impairment on certain CGUs in the hospitality and food and beverages segments.

Management performed impairment tests on the right-of-use assets and property, plant and equipment of the CGUs exhibiting impairment or reversal of impairment indicators and determined their recoverable amounts based on value in use calculations. Based on the outcome of this impairment test, the Group has recognised an impairment charge of $448,000 to the right-of-use assets and $445,000 to the property, plant and equipment respectively. This area was significant to our audit because the impairment assessment involved significant management judgement and required the management to make various assumptions in the underlying cash flow forecasts. Considering the level of management judgment involved and heightened degree of estimation uncertainty associated with current market and economic condition in the assessment, we engaged our internal valuation specialists to assist us in evaluating the reasonableness of certain key assumptions such as pre-tax discount rates.

As part of our audit, we reviewed management's identification of impairment or reversal of impairment indicators relating to the respective CGUs by assessing management's review of the financial performances on the CGUs. Where an impairment or reversal of impairment indicator is identified, we reviewed the discounted cash flow prepared by management and evaluated the reasonableness of key assumptions used in the impairment analysis, in particular the sales growth rates and discount rates. We tested the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results and the performances of the CGUs after the year end. We reviewed management's sensitivity analysis of the carrying amounts of the right-of-use assets and property, plant and equipment to reasonably possible changes in certain key assumptions based on the overall industry outlook.

In addition, we assessed the adequacy of the disclosures on the right-of-use assets and property, plant and equipment, and the assumptions used in the impairment tests and the outcome of the impairment tests in Note 3.2 *Key sources of estimation uncertainty*, Note 15 *Right-of-use assets* and Note 13 *Property, plant and equipment* of the financial statements.

Other information

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

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), 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.

Auditor's 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 auditor's 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.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report is Hah Yanying.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

3 April 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Revenue	4	59,315	64,458
Cost of sales	5	(51,500)	(53,443)
Gross profit		7,815	11,015
Other income	6	1,217	1,677
Selling and distribution costs		(790)	(835)
Administrative expenses		(6,143)	(6,182)
Finance costs	7	(2,782)	(2,816)
Other (expenses)/gains	8	(1,098)	615
(Loss)/profit before tax	9	(1,781)	3,474
Income tax credit/(expense)	11	433	(10)
(Loss)/profit for the year, representing (loss)/profit for the year attributable to owners of the Company		(1,348)	3,464
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1)	16
Other comprehensive income for the year, net of tax		(1)	16
Total comprehensive income for the year, representing total comprehensive income attributable to owners of the Company		(1,349)	3,480
(Loss)/profit per share (cents per share)			
Basic	12	(0.58)	1.49
Diluted	12	(0.46)	1.49

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023 $'000	2022 $'000	2023 $'000	2022 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	4,193	4,982	3	2
Intangible assets	14	–	–	–	–
Right-of-use assets	15	27,765	32,803	–	–
Investment property	16	744	802	–	–
Investment in subsidiaries	17	–	–	6,061	6,061
Investment in joint venture	18	–	–	–	–
Deferred tax asset	11	425	–	–	–
Refundable deposits	19	3,708	3,980	–	–
		36,835	42,567	6,064	6,063
Current assets					
Inventories	20	139	146	–	–
Other assets		2	–	2	–
Trade receivables	21	1,006	1,066	–	–
Other receivables	22	466	614	–	110
Refundable deposits	19	1,509	1,794	9	9
Prepayments		386	260	9	8
Amount due from a joint venture	22	120	103	–	–
Amounts due from subsidiaries	22	–	–	6,520	4,936
Cash and bank balances	23	3,031	5,490	176	417
		6,659	9,473	6,716	5,480
Total assets		43,494	52,040	12,780	11,543
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	24	8,052	6,838	1,890	538
Amounts due to subsidiaries	24	–	–	96	–
Other liabilities	25	2,346	2,381	244	462
Lease liabilities	15	14,973	14,430	–	–
Provision	26	393	312	–	–
Contract liabilities	4	402	783	–	–
Loans and borrowings	27	3,299	4,704	–	–
		29,465	29,448	2,230	1,000
Net current (liabilities)/assets		(22,806)	(19,975)	4,486	4,480
Non-current liabilities					
Other payables	24	92	157	–	–
Lease liabilities	15	19,047	25,046	–	–
Provision	26	716	742	–	–
Deferred tax liabilities	11	–	11	–	–
Loans and borrowings	27	714	1,940	–	–
		20,569	27,896	–	–
Total liabilities		50,034	57,344	2,230	1,000
Net (liabilities)/assets		(6,540)	(5,304)	10,550	10,543
Equity attributable to owners of the Company					
Share capital	28	8,321	8,283	8,321	8,283
Warrant reserve	29	75	–	75	–
Foreign currency translation reserve	29	30	31	–	–
Retained earnings		(14,966)	(13,618)	2,154	2,260
Total equity		(6,540)	(5,304)	10,550	10,543
Total equity and liabilities		43,494	52,040	12,780	11,543

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Attributable to owners of the Company				
	Share capital (Note 28)	**Warrant reserve (Note 29)**	**Foreign currency translation reserve (Note 29)**	**Retained earnings**	**Total equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
Opening balance at 1 January 2022	8,192	–	15	(17,082)	(8,875)
Issuance of shares	91	–	–	–	91
Profit for the year	–	–	–	3,464	3,464
Other comprehensive income:					
Foreign currency translation	–	–	16	–	16
Total comprehensive income for the year	–	–	16	3,464	3,480
Closing balance at 31 December 2022	8,283	–	31	(13,618)	(5,304)
Opening balance at 1 January 2023	8,283	–	31	(13,618)	(5,304)
Issuance of warrants, net of transaction costs	–	75	–	–	75
Exercise of warrants	38	–	–	–	38
Loss for the year	–	–	–	(1,348)	(1,348)
Other comprehensive income:					
Foreign currency translation	–	–	4	–	4
Striking off of foreign subsidiary	–	–	(5)	–	(5)
Total comprehensive income for the year	–	–	(1)	(1,348)	(1,349)
Closing balance at 31 December 2023	8,321	75	30	(14,966)	(6,540)

	Attributable to owners of the Company			
	Share capital (Note 28)	**Warrant reserve (Note 29)**	**Retained earnings**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Company				
Opening balance at 1 January 2022	8,192	–	2,347	10,539
Issuance of shares	91	–	–	91
Loss for the year, representing total comprehensive income for the year	–	–	(87)	(87)
Closing balance at 31 December 2022	8,283	–	2,260	10,543
Opening balance at 1 January 2023	8,283	–	2,260	10,543
Issue of warrants, net of transaction costs	–	75	–	75
Exercise of warrants	38	–	–	38
Loss for the year, representing total comprehensive income for the year	–	–	(106)	(106)
Closing balance at 31 December 2023	8,321	75	2,154	10,550

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Operating activities			
(Loss)/profit before tax		(1,781)	3,474
Adjustments for:			
Bad debts	8	42	23
Depreciation of property, plant and equipment	9	2,101	2,061
Depreciation of investment property	9	58	58
Depreciation of right-of-use assets	9	14,421	13,317
Interest income	6	(34)	(4)
Income from subleasing right-of-use assets	6	(40)	–
Impairment loss/(write back of) impairment loss on right-of-use assets, net	8	448	(130)
Impairment loss/(write back of) impairment loss on property, plant and equipment, net	8	445	(711)
Impairment loss on amount due from a joint venture	8	103	–
Write-off of property, plant and equipment	8	16	435
Reversal of provision for restoration cost	9	(21)	(34)
Gain on disposal of property, plant and equipment	8	(1)	–
Finance costs	7	2,782	2,816
(Loss)/gain on early termination and modification of leases, net	8	45	(246)
Currency realignment		(2)	16
Total adjustments		20,363	17,601
Operating cash flows before changes in working capital		18,582	21,075
Changes in working capital			
(Increase)/decrease in:			
Inventories		7	9
Trade and other receivables		46	819
Refundable deposits		597	970
Prepayments		(126)	40
Other assets		(2)	–
(Decrease)/increase in:			
Trade and other payables		52	(1,838)
Other liabilities		(35)	66
Amounts due to directors		–	(100)
Contract liabilities		(381)	277
Total changes in working capital		158	243
Cash flows from operations		18,740	21,318
Income taxes paid		(3)	(5)
Interest received		34	4
Net cash flows generated from operating activities		18,771	21,317

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Investing activities			
Purchase of property, plant and equipment	A	(1,495)	(417)
Cash paid for restoration cost	26	(137)	(178)
Proceeds from disposal of property, plant and equipment		1	–
Proceeds from net investments in subleases		40	–
Net cash flows used in investing activities		(1,591)	(595)
Financing activities			
Exercise of warrants		38	–
Proceeds from issuance of warrants		75	–
Repayments of loans and borrowings		(2,707)	(3,655)
Interest paid		(245)	(292)
Lease payments	15	(17,880)	(18,485)
Bank deposits pledged		300	(800)
Loans from directors		1,330	–
Repayment of amounts due to directors		(250)	–
Net cash flows used in financing activities		(19,339)	(23,232)
Net change in cash and cash equivalents		(2,159)	(2,510)
Cash and cash equivalents at 1 January		4,190	6,700
Cash and cash equivalents at 31 December	23	2,031	4,190

A. Property, plant and equipment

	Note	2023 $'000	2022 $'000
Current year additions to property, plant and equipment	13	(1,773)	(417)
Less: Financing arrangement	27	76	–
Less: Provision for restoration cost	26	202	–
Net cash outflow for purchase of property, plant and equipment		(1,495)	(417)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. Corporate information

1.1 *The Company*

Katrina Group Ltd. (“the Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 180B, Bencoolen Street, #11-01/05, The Bencoolen, Singapore 189648.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 17 to the financial statements.

2. Material accounting policy information

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (“SGD” or “$”) and all values in the tables are rounded to the nearest thousand (“$’000”), except when otherwise indicated.

Fundamental accounting concept

The financial statements of the Group have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of $1,349,000 (2022: net profit of $3,480,000) for the financial year ended 31 December 2023 and as at that date, the Group’s net liabilities and current liabilities exceeded its net assets and current assets by $6,540,000 (2022: $5,304,000) and $22,806,000 (2022: $19,975,000) respectively. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as going concern.

The directors are of the view that it is appropriate to prepare the Group’s financial statements on a going concern basis on the following bases:

(a) the Group will be able to generate sufficient cash flows from its operations to pay its liabilities as and when they fall due;

(b) the management intends to manage cashflow of the subsidiaries on overall Group basis, where necessary;

(c) there are no changes in the Group’s ability to request for the extension of credit terms granted by suppliers and the Group intends to adhere to the trade payables turnover days consistent with the current financial year;

(d) the Group’s ability to continue to roll over its revolving credit facilities;

(e) two of the directors, both are controlling shareholders who are deemed to have interest in each other’s shares, have indicated through a letter of undertaking not to recall the amount advanced to the Group until all liabilities with unsecured creditors have been met for 15 months from 28 March 2024; and

(f) one of the directors who is also the controlling shareholder has indicated through a letter of undertaking to provide financial support to the Group to meet its liabilities as and when they fall due until all liabilities with unsecured creditors have been met for 15 months from 28 March 2024.

2. Material accounting policy information (cont'd)

2.2 ***Changes in accounting policies and disclosures***

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 ***Basis of consolidation and business combinations***

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest, where applicable, even if that results in a deficit balance.

2. Material accounting policy information (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(a) *Basis of consolidation (cont'd)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquire, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. Material accounting policy information (cont'd)

2.5 ***Foreign currency***

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Computers	3 years
Furniture and fittings	3 – 5 years
Kitchen and restaurant equipment	3 – 5 years
Office equipment	3 – 5 years
Renovation	3 – 9 years
Motor vehicle	5 years

Construction in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2. Material accounting policy information (cont'd)

2.6 ***Property, plant and equipment (cont'd)***

Change in estimates

During the financial period, the Group conducted an operational review on the useful lives of its renovation for the F&B segment. The Group revised the estimated depreciation rate of the renovation for the F&B segment by applying an estimated useful life of 3 years (previously 5 years) and revising the residual values of the renovation for the F&B segment. The revision in estimate was applied on a prospective basis from 1 January 2023. The effect of the above revision on depreciation charge in current year to 2025 is as shown below.

	2023 $'000	2024 $'000	2025 $'000
Increase/(decrease) in depreciation expenses	231	(127)	(109)

2.7 ***Intangible assets***

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Favourable agreement and customer contracts

The favourable agreement and customer contracts were acquired in a business combination. These costs are amortised to profit or loss using the straight line basis over the estimated finite useful life of 1 year. As at 31 December 2023 and 2022, they have been fully amortised.

2.8 ***Investment property***

Investment property is property that is owned by the Group held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprise completed investment property.

Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

2. Material accounting policy information (cont'd)

2.8 ***Investment property (cont'd)***

Investment property is de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Investment property – 25 years

2.9 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 ***Subsidiaries***

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 ***Joint arrangements***

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

2. Material accounting policy information (cont'd)

2.11 ***Joint arrangements (cont'd)***

Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.12.

2.12 ***Joint venture***

The Group account for its investment in a joint venture using the equity method from the date on which it becomes a joint venture.

Under the equity method, the investment in joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in a joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint venture is prepared at the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.13 ***Financial instruments***

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Material accounting policy information (cont'd)

2.13 ***Financial instruments (cont'd)***

(a) *Financial assets (cont'd)*

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. Material accounting policy information (cont'd)

2.14 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and finance lease receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments exceed a prescribed number of days past due, as established within the Group's credit risk management practices. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.16 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase costs accounted for on a first-in-first out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Material accounting policy information (cont'd)

2.18 ***Government grants***

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants shall be recognised in profit or loss on a systematic basis over the periods which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss, under "Other income".

2.19 ***Employee benefits***

(a) *Defined contribution plans*

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The undiscounted estimated liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.20 ***Leases***

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

<u>Right-of-use assets</u>

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

	Years
Restaurant premises	1 – 6 years
Residential apartments and co-living hotels	1 – 9 years

The right-of-use assets are also subject to impairment. Refer to section 2.9 *Impairment of non-financial assets*.

2. Material accounting policy information (cont'd)

2.20 ***Leases (cont'd)***

<u>Lease liabilities</u>

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the remaining lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

<u>Short-term leases and leases of low value assets</u>

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases in which the Group transfer substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments, and presented as a receivable at an amount equal to the net investment in the lease. The finance costs of such leases are charged to the consolidated statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

2. Material accounting policy information (cont'd)

2.21 ***Borrowings***

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current liabilities in the balance sheet even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current liabilities in the balance sheet.

2.22 ***Borrowing costs***

Borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds. Borrowing costs recognised in profit or loss as incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of a qualifying asset if they are directly attributable to the acquisition, construction, or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

2.23 ***Financial guarantee***

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.24 ***Revenue***

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue is recognised when the Group has satisfied a performance obligation by transferring a promised good or service to customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sales of food and beverages*

Revenue is recognised when the food and beverages are delivered to the customer and all criteria for acceptance have been satisfied at a point in time.

(b) *Licence fee*

Licence fee is recognised over the licence period of 10 years upon completion of transfer of know-how to the licensee in accordance with the terms stated in the trademark licence agreement.

2. Material accounting policy information (cont'd)

2.24 ***Revenue (cont'd)***

(c) *Rental income*

Rental income from (i) hospitality segment and (ii) investment property is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Interest income*

Interest income is recognised using the effective interest method.

2.25 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Material accounting policy information (cont'd)

2.25 ***Taxes (cont'd)***

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

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

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.26 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 ***Contingencies***

A contingent liability is:

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

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

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

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

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

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2. Material accounting policy information (cont'd)

2.28 ***Segment reporting***

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. Significant accounting judgments and estimates

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 ***Judgments made in applying accounting policies***

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determination of lease term of contracts with extension options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whenever there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the extension option in the lease term for the lease of certain restaurant premises and residential apartments because of the economic disincentive to not renew.

3.2 ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Provision for restoration costs*

The Group recognises provision for restoration costs when the Group enters into lease agreements for its restaurant premises and certain residential apartment. In determining the amount of the provision for restoration costs, estimates are made in relation to the expected costs to reinstate the premises back to their original state upon the expiration of the lease terms based on quotations provided by a third-party contractor. The carrying amount of the discounted provision for restoration costs of the Group as at 31 December 2023 were $1,109,000 (2022: $1,054,000).

3. Significant accounting judgments and estimates (cont'd)

3.2 ***Key sources of estimation uncertainty (cont'd)***

(b) *Impairment test of right-of-use assets and property, plant and equipment*

The Group assesses whether there are any indicators of impairment or reversal of impairment previously recorded for right-of-use assets and property, plant and equipment at the end of each reporting period. Right-of-use assets and property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable, or when previously recorded impairment may be reversed.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. Reversal of impairment previously recorded exists when the recoverable amount exceeds the carrying amount. The fair value less cost of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the remaining lease term of the right-of-use assets.

In particular, management performs impairment tests of right-of-use assets and property, plant and equipment by considering factors such as the maturity of the individual CGUs and operational strategies. Based on the outcome of this impairment test, the Group has recognised an impairment charge of $448,000 (2022: write back of impairment charge of $130,000) to the right-of-use assets and $445,000 (2022: write back of impairment charge of $711,000) to the property, plant and equipment respectively.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit, including estimating the revenue growth rate for the individual CGUs and using a suitable discount rate in order to calculate the present value of the cash flows. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 13 to the financial statements.

4. Revenue

Disaggregation of revenue

	Group	
	2023	**2022**
	$'000	**$'000**
Sales of food and beverages, net of discount	42,068	47,323
Rental income from hospitality segment	17,247	17,135
	59,315	64,458

Contract liabilities

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers, primarily from the hospitality segment.

Contract liabilities are recognised as revenue as the Group performs its obligations under the contract. The amount of revenue recognised from amounts included in contract liabilities at the beginning of the year is $783,000 (2022: $506,000).

5. Cost of sales

Cost of sales mainly comprises food and beverages cost, payroll cost, depreciation of right-of-use assets, fixed rental expense on short-term leases of premises, utilities expenses for both restaurant outlets and residential apartments/co-living premises and other restaurant and residential apartments/co-living premises support costs.

6. Other income

	Group	
	2023	2022
	$'000	$'000
Government grants:		
- Wage Credit Scheme	–	52
- Progressive Wage Credit Scheme	414	–
- Senior Employment Credit	25	13
- Job Growth Incentive	6	35
- Job Support Scheme	–	421
- Others	22	182
Interest income	34	4
Income from subleasing right-of-use assets	40	–
Rental income from investment property	66	49
Rental concessions	53	415
Licence fee	10	10
Sponsorship received	83	20
Expired vouchers and cancelled bookings	319	451
Others	145	25
	1,217	1,677

Wage Credit Scheme

The Wage Credit Scheme ("WCS") was introduced as a 2013 Budget Initiative to help businesses which may face rising wage costs in a tight labour market. It was extended in Budget 2015 and 2018. Under this scheme, the Singapore Government will co-fund 20%, 15% and 10% of qualifying wage increases given to the Group's Singaporean employees earning a gross monthly wage of $4,000 and below in the years 2016 to 2018, 2019 and 2020 respectively. This scheme was enhanced in Budget 2020 to increase co-funding ratios for wage increases in 2019 and 2020 which was raised from the current 15% and 10%, to 20% and 15% respectively. The qualifying gross wage ceiling was also raised to $5,000 for both years. In Budget 2021, the scheme was further extended by one year with the government co-funding ratio remaining at 15% for wage increases given in 2021 and the wage ceiling maintained at $5,000. The final WCS payout was made to all eligible employers in March 2022.

Progressive Wage Credit Scheme

The Progressive Wage Credit Scheme ("PWCS") was introduced in Budget 2022 to co-fund wage increases of eligible resident employees from 2022 to 2026. This transitional wage support is intended to help employers adjust to upcoming mandatory wage increases for lower-wage workers covered by the Progressive Wage and Local Qualifying Salary requirements, as well as voluntarily raise wages of lower-wage workers. Under this scheme, the Singapore Government will co-fund for first tier 75% and 50% of qualifying wage increases given to the Group's Singapore citizen and Permanent resident employees earning a gross monthly wage of $2,500 and below in the years 2022 to 2023 and 2024 respectively. For the second tier, the Singapore Government will co-fund 45% and 30% of qualifying wage increases given to the Group's Singapore citizen and Permanent resident employees earning a gross monthly wage of above $2,500 to $3,000 and below in the years 2022 to 2023 and 2024 respectively.

6. Other income (cont'd)

Senior Employment Credit

Under the Senior Employment Credit ("SEC"), the Government provides wage offsets to help employers that employ Singaporean workers adjust to the higher Retirement Age and Re-employment Age. Higher support will be given for the older age bands.

For 2023 to 2025, the wage offset applies to Singaporean workers aged 60 and above and earning up to $4,000 per month. For wages paid between 1 January 2023 and 31 December 2025, employers will receive up to 8% of the wages paid to these eligible workers, depending on their age and wage.

For 2021 and 2022, the wage offset applies to Singaporean workers aged 55 and above and earning up to $4,000 per month.

Job Growth Incentive

The Jobs Growth Incentive ("JGI") was first introduced on 17 August 2020 to promote local hires. JGI is a salary support scheme that provides employers with 15% to 50% salary support for new employees hired between September 2020 to March 2021. The amount of salary support given depends on when the Company hire the employee and their age. JGI was extended in Budget 2021 to end September 2021 and was further extended for a third phase from October 2021 to March 2022. In the third phase of the JGI, salary support for new local hires will last up to 6 months for workers below 40 (down from 12 months) and up to 18 months for workers over 40, persons with disabilities (PwDs) and ex-offenders (down from 18 months). There is also a cap of $5,000 salary for non-mature hires and $6,000 for new employees who are mature, PwDs and ex-offenders. As announced in Budget 2022, JGI was extended for a fourth phase from April 2022 to September 2022. In October 2022, JGI was further extended for a fifth phase from October 2022 to March 2023. The last JGI payout was made in December 2023.

Job Support Scheme

The Job Support Scheme ("JSS") was introduced in the Budget 2020 and enhanced subsequently in the four supplementary budgets to provide wage support to employers to help them retain their local employees during the period of economic uncertainty. Under the JSS, the Government co-funds the first $4,600 of gross monthly wages (include employee CPF contributions but exclude employer CPF contributions) paid to each local employee. In the Budget 2021, the JSS was further extended for firms in Tier 1 and 2 sectors by up to six-months, covering wages paid up to September 2021. JSS was further enhanced for certain sectors for 22 November to 19 December 2021 of 10% of corresponding wages for August to October 2021. The last JSS payout was made in Mar 2022.

7. Finance costs

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
Interest expense on loans and borrowings	27	245	292
Interest on lease liabilities	15	2,530	2,620
Refundable deposits discount adjustment	19	(13)	(94)
Provisions discount adjustment	26	11	2
Security deposits adjustment		9	(4)
		2,782	2,816

8. Other (expenses)/gains

	Note	Group 2023 $'000	Group 2022 $'000
(Impairment loss)/write back of impairment loss on property, plant and equipment, net	13	(445)	711
(Impairment loss)/write back of impairment loss on right-of-use assets, net	15	(448)	130
Write-off of property, plant and equipment	13	(16)	(435)
Gain on disposal of property, plant and equipment		1	–
Bad debts		(42)	(23)
(Loss)/gain on early termination and modification of leases, net	15	(45)	246
Impairment loss on amount due from a joint venture		(103)	–
Others		–	(14)
		(1,098)	615

9. (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Note	Group 2023 $'000	Group 2022 $'000
Audit fees:			
- Auditor of the Company		183	182
- Other auditors		32	36
Depreciation of property, plant and equipment	13	2,101	2,061
Depreciation of investment property	16	58	58
Depreciation of right-of-use assets	15	14,421	13,317
Employee benefits	10	19,773	19,617
Commission fees		1,534	2,086
Professional fees		432	493
Fixed rental expense on short term leases and low value assets	15	466	1,713
Contingent rental expense on operating leases	15	692	700
Reversal of provision for restoration costs	26	(21)	(34)

10. Employee benefits

	Group	
	2023	**2022**
	$'000	**$'000**
Employee benefits expenses (including director's remuneration):		
Salaries, bonuses and other costs	17,108	17,107
Central Provident Fund and other pension costs	1,233	1,303
Other personnel costs	1,432	1,207
	19,773	19,617

Other personnel costs include staff allowances, housing benefits, training and other employee welfare.

Employee benefits expenses recorded in cost of sales, selling and distribution costs and administrative expenses amounted to $15,759,000 (2022: $15,720,000), $256,000 (2022: $187,000) and $3,758,000 (2022: $3,710,000) respectively.

11. Income tax (credit)/expense

Major components of income tax (credit)/expense

The major components of income tax (credit)/expense for the years ended 31 December 2023 and 2022 are:

	Group	
	2023	**2022**
	$'000	**$'000**
Consolidated statement of comprehensive income:		
<u>Current income tax</u>		
- Under provision in respect of previous years	3	5
<u>Deferred income tax</u>		
- Current year	39	–
- (Over)/under provision in respect of previous years	(475)	5
Income tax (credit)/expense recognised in the consolidated statement of comprehensive income	(433)	10

11. Income tax (credit)/expense (cont'd)

Relationship between tax (credit)/expense and (loss)/profit before tax

A reconciliation between tax (credit)/expense and the product of (loss)/profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 2022 are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
(Loss)/profit before tax	(1,781)	3,474
Tax at the domestic rates applicable to (loss)/profit in the countries where the Group operates	(210)	657
Adjustments:		
Non-deductible items	328	151
Income not subject to taxation	(142)	(131)
Tax effect on partial tax exemption and tax relief	(4)	(19)
(Over)/under provision in respect of previous years	(472)	5
Deferred tax assets not recognised	112	1
Benefits from previously unrecognised tax losses	(39)	(575)
Others	(6)	(79)
Total income tax (credit)/expense	(433)	10

The Company and its Singapore subsidiaries are subjected to a tax rate of 17%. The Group's overseas subsidiaries, PT So Pho Food Indonesia and Straits Organization HK Limited, are subjected to tax rates of 25% and 16.5% respectively.

Deferred tax

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred taxes relate to the same taxation authority.

Deferred tax as at 31 December relates to the following:

	Consolidated statement of financial position		**Consolidated statement of comprehensive income**	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Group				
<u>Deferred tax assets/(liabilities)</u>				
Property, plant and equipment	(61)	–	(61)	–
Unutilised tax losses	496	–	496	–
Others	(10)	(11)	1	5
Reflected in the consolidated statement of financial position as follows:				
Deferred tax assets	435	–		
Deferred tax liabilities	10	11		
Deferred tax assets/(liabilities), net	425	(11)		

11. Income tax expense (cont'd)

Relationship between tax (credit)/expense and (loss)/profit before tax (cont'd)

Unrecognised tax losses, allowances and other deductible temporary differences

As at 31 December 2023, the Group has unutilised tax losses and allowances of approximately $8,797,000 (2022: $8,193,000) that are available for offset against future taxable profits of the companies in which the losses/allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses/allowances is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of Singapore.

12. (Loss)/profit per share

Basic (loss)/profit per share are calculated by dividing the Group's (loss)/profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following table reflects the (loss)/profit and shares data used in the computation of basic and diluted (loss)/profit per share for the years ended 31 December:

	Group	
	2023	**2022**
(Loss)/profit for the year attributable to owners of the Company ($'000)	(1,348)	3,464
Weighted average number of ordinary shares for basic (loss)/profit per share computation ('000)	232,740	232,452
Effect of dilution:		
Warrants ('000)	58,410	–
Weighted average number of ordinary shares for diluted (loss)/profit per share computation ('000)	291,150	232,452
Basic earnings per share (cents)	(0.58)	1.49
Diluted earnings per share (cents)	(0.46)	1.49

The warrants that are outstanding have a dilutive effect as the average market price of the ordinary shares during the period exceeds the exercise price of the warrants.

13. Property, plant and equipment

Group	Computers $'000	Furniture and fittings $'000	Kitchen and restaurant equipment $'000	Motor vehicle $'000	Office equipment $'000	Renovation $'000	Construction in progress $'000	Total $'000
Cost								
At 1 January 2022	1,841	3,144	3,610	148	32	16,766	6	25,547
Additions	74	13	45	–	2	283	–	417
Reclassification	–	2	–	–	–	(2)	(6)	(6)
Written-off	(69)	(309)	(236)	–	(2)	(2,249)	–	(2,865)
Currency realignment	(2)	(23)	(12)	–	–	(1)	–	(38)
At 31 December 2022 and 1 January 2023	1,844	2,827	3,407	148	32	14,797	–	23,055
Additions	112	78	141	101	–	1,341	–	1,773
Disposal	–	(1)	–	(74)	–	–	–	(75)
Written-off	(339)	(136)	(299)	–	(17)	(1,449)	–	(2,240)
Currency realignment	–	(2)	(1)	–	–	–	–	(3)
At 31 December 2023	1,617	2,766	3,248	175	15	14,689	–	22,510
Accumulated impairment and depreciation:								
At 1 January 2022	1,617	2,175	2,981	110	25	12,278	–	19,186
Charge for the year	146	410	344	17	4	1,140	–	2,061
Written-off	(69)	(236)	(200)	–	(2)	(1,923)	–	(2,430)
Reclassification	–	2	–	–	–	(2)	–	–
Write back of impairment loss, net	–	–	–	–	–	(711)	–	(711)
Currency realignment	(1)	(20)	(12)	–	–	–	–	(33)
At 31 December 2022 and 1 January 2023	1,693	2,331	3,113	127	27	10,782	–	18,073
Charge for the year	94	267	186	22	3	1,529	–	2,101
Disposal	–	(1)	–	(74)	–	–	–	(75)
Written-off	(338)	(135)	(291)	–	(17)	(1,443)	–	(2,224)
Impairment loss	–	–	–	–	–	445	–	445
Currency realignment	–	(2)	(1)	–	–	–	–	(3)
At 31 December 2023	1,449	2,460	3,007	75	13	11,313	–	18,317
Net carrying amount:								
At 31 December 2023	168	306	241	100	2	3,376	–	4,193
At 31 December 2022	151	496	294	21	5	4,015	–	4,982

13. Property, plant and equipment (cont'd)

	Computers **$'000**
Company	
Cost:	
At 1 January 2022, 31 December 2022 and 1 January 2023	5
Additions	4
At 31 December 2023	9
Accumulated depreciation:	
At 1 January 2022	1
Charge for the year	2
At 31 December 2022 and 1 January 2023	3
Charge for the year	3
At 31 December 2023	6
Net carrying amount:	
At 31 December 2023	3
At 31 December 2022	2

Restoration costs

Included in the net carrying amount of renovation is net restoration costs of $348,000 (2022: $280,000).

Impairment of assets

Property, plant and equipment and right-of-use assets (Note 15) are tested for impairment when there are indicators that the carrying amounts may not be recoverable or when there are indicators of reversal of impairment previously recorded. In particular, management assesses impairment of property, plant and equipment by considering factors such as the maturity of the CGUs and operational strategies.

The recoverable amounts of the property, plant and equipment and right-of-use assets (Note 15) relating to CGUs with indicators of impairment or reversal of impairment were determined based on their value-in-use. The key assumptions used for the CGUs in the respective operating segments of the Group are as follows:

	2023 **%**	**2022** **%**
Assumptions:		
Food and beverages segment		
- Range of pre-tax discount rate	9.0% to 16.5%	10.5% to 15.3%
Hospitality segment		
- Range of pre-tax discount rate	8.5% to 15.2%	13.4% to 14.4%

Property, plant and equipment

For the financial year ended 31 December 2023, the Group recognised a net impairment loss on property, plant and equipment of $445,000 (2022: write back of impairment loss of $711,000), representing the net impairment (2022: net reversal of impairment) on these plant and equipment to the recoverable amount. These amounts are recorded in "Other (expenses)/gains" (Note 8) line item of profit or loss.

Details with respect to impairment of right-of-use assets are disclosed in Note 15 to the financial statements.

13. Property, plant and equipment (cont'd)

Impairment of assets (cont'd)

Assets written-off

Property, plant and equipment with net book value amounting to $16,000 (2022: $435,000) were written off mainly due to closure of restaurants. These amounts are included in "Other (expenses)/gains" (Note 8) line item of profit or loss.

The Group has motor vehicles with carrying amounts of $101,000 (2022: $Nil) under finance leases (Note 27).

This motor vehicle has been pledged to a bank for facilities granted as disclosed in Note 27.

14. Intangible assets

	Goodwill $'000	Favourable agreement $'000	Customer contracts $'000	Total $'000
Group				
Cost				
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	480	57	42	579
Accumulated impairment and amortisation				
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	480	57	42	579
Net carrying amount:				
At 31 December 2023	–	–	–	–
At 31 December 2022	–	–	–	–

Favourable agreement and customer contracts

Favourable agreement and customer contracts include intangible assets acquired through business combinations.

Goodwill and impairment testing

The net carrying amounts of goodwill allocated to two cash-generating units ("CGUs") are as follows:

	Group	
	2023 $'000	2022 $'000
Goodwill:		
Tomo Izakaya Pte. Ltd.	468	468
ST Hospitality Pte. Ltd.	12	12
	480	480
Less:		
Accumulated impairment loss	(480)	(480)
At 31 December	–	–

15. Right-of-use assets and lease liabilities

Group as a lessee

The Group has lease contracts for restaurant premises and residential apartments/co-living premises used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Note	Restaurant premises $'000	Residential apartments and co-living hotels $'000	Total $'000
Group				
At 1 January 2022		14,941	18,362	33,303
Additions		–	1,788	1,788
(Impairment loss)/write back of impairment loss	8	(514)	644	130
Charge for the year	9	(8,932)	(4,385)	(13,317)
Early termination of leases		(112)	(143)	(255)
Lease modification		11,042	133	11,175
Currency realignment		(21)	–	(21)
At 31 December 2022 and 1 January 2023		16,404	16,399	32,803
Additions		2,441	2,853	5,294
Impairment loss	8	(360)	(88)	(448)
Charge for the year	9	(9,508)	(4,913)	(14,421)
Early termination of leases		(672)	–	(672)
Lease modification		5,018	186	5,204
Currency realignment		5	–	5
At 31 December 2023		13,328	14,437	27,765

15. Right-of-use assets and lease liabilities (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group	
	2023	**2022**
	$'000	**$'000**
At 1 January	39,476	42,937
Additions	5,313	1,756
Accretion of interests on:		
- Lease liabilities	2,530	2,620
- Subleases	–*	–
Payments	(17,880)	(18,485)
Early termination of leases	(730)	(279)
Lease modifications	5,307	10,953
Currency realignment	4	(26)
At 31 December	34,020	39,476
Current	14,973	14,430
Non-current	19,047	25,046
At 31 December	34,020	39,476

* Less than $1,000

During the financial year ended 31 December 2023, the Group had early terminated/extended various leases as a result of portfolio management. Consequent to the early termination/extension, the difference between the carrying value of right-of-use assets and the corresponding lease liabilities amounting to a loss of $45,000 (2022: gain of $246,000) was recorded within the "Other (expenses)/gains" (Note 8) line item of profit or loss.

The maturity analysis of lease liabilities are disclosed in Note 33(b).

The following are the amounts recognised in profit or loss:

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
Depreciation of right-of-use assets	9	14,421	13,317
Interest on lease liabilities	7	2,530	2,620
Arising from subleases:			
- Interest expense on lease liabilities		–*	–
- Interest income on finance lease receivables		–*	–
Lease expense not capitalised in lease liabilities:			
- Fixed rental expense on short term leases and low value assets	9	466	1,713
- Contingent rental expense on operating leases	9	692	700
Total amount recognised in profit or loss		18,109	18,350

* Less than $1,000

15. Right-of-use assets and lease liabilities (cont'd)

The Group had total cash outflow for leases of $19,038,000 (2022: $20,898,000) in the financial year ended 31 December 2023. The Group also had non-cash changes to right-of-use assets and lease liabilities of $9,826,000 and $12,424,000 (2022: $12,708,000 and $15,024,000) respectively in the financial year ended 31 December 2023.

Under the terms of certain lease arrangement relating to restaurant premises, the Group is required to pay monthly contingent rental expense on operating leases, computed based on a certain percentage of monthly gross revenue generated by the Group's operations at the leased premises. The base lease rental for 26 (2022: 35) lease arrangements increase over the lease terms.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (Note 3.1).

Impairment of assets

Right-of-use assets

For the financial year ended 31 December 2023, the Group recognised a net impairment loss of $448,000 (2022: net write back of impairment loss of $130,000), representing the net write-down/reversal of these right-of-use assets to the recoverable amount. These amounts are recognised in "Other (expenses)/gains" (Note 8) line item of profit or loss.

The key assumptions used for the CGUs in the respective operating segments of the Group for impairment testing are disclosed in Note 13 to the financial statements.

Group as a lessor

(a) ***Subleases – classified as finance leases***

The Group's subleases of its right-of-use of residential apartments are classified as finance leases because the subleases are for the remaining lease term of the head lease. Right-of-use assets relating to the head lease with subleases classified as finance leases are derecognised. The net investment in the subleases is recognised as "Finance lease receivables" (Note 22). The carrying amounts of finance lease receivables and the movements during the period are disclosed as below:

	Group	
	2023	**2022**
	$'000	**$'000**
As at 1 January	–	–
Additions	100	–
Proceeds from subleases	(21)	–
Accretion of interests	–*	–
As at 31 December	79	–

* Less than $1,000

15. Right-of-use assets and lease liabilities (cont'd)

Group as a lessor (cont'd)

(a) ***Subleases – classified as finance leases (cont'd)***

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2023	**2022**
	$'000	**$'000**
Not later than one year	80	–
Total undiscounted lease payments	80	–
Less: Unearned finance income	(1)	–
Net investment in finance leases	79	–

16. Investment property

	Group
	$'000
Statement of financial position:	
Cost	
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	1,450
Accumulated depreciation	
At 1 January 2022	590
Depreciation charge	58
At 31 December 2022 and 1 January 2023	648
Depreciation charge	58
At 31 December 2023	706
Net book value	
At 31 December 2023	744
At 31 December 2022	802

	Group	
	2023	**2022**
	$'000	**$'000**
Statement of comprehensive income:		
Rental income from investment property	66	49
Direct operating expenses	(12)	(21)

The investment property has been pledged to a bank for facilities granted as disclosed in Note 27.

16. Investment property (cont'd)

The investment property held by the Group as at 31 December 2023 and 2022 is as follows:

Description and location	**Existing Use**	**Tenure**
1 Sims Lane, #05-05 One Sims Lane, Singapore 387355	Tenanted	Freehold

Investment property is stated at cost less accumulated depreciation.

Valuation of investment property

In 2023, management has assessed the fair value based on comparable market transactions that consider the sale of similar properties that have been transacted in the open market. The fair value of the investment property is disclosed in Note 32(b).

In 2022, management engaged an independent valuer with a recognised and relevant professional qualification who assessed the fair value based on comparable market transactions of similar properties that have been transacted in the open market. The fair value of the investment property is disclosed in Note 32(b).

17. Investment in subsidiaries

	Company	
	2023	**2022**
	$'000	**$'000**
Shares, at cost	1,165	1,165
Amount due from a subsidiary (non-trade)	4,896	4,896
	6,061	6,061

17. Investment in subsidiaries (cont'd)

Composition of the Group

	Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
				2023	2022
	Held by the Company				
(1)	Katrina Holdings Pte Ltd	Singapore	Investment holding and restaurants operator	100	100
(1)	ST Hospitality Pte. Ltd.	Singapore	Hospitality management	100	100
	Held by Katrina Holdings Pte Ltd				
(2)	Bali Thai Food Catering Pte. Ltd.	Singapore	Dormant	100	100
(1)	Katrina International Pte. Ltd.	Singapore	Investment holding and manufacturing and distribution of food	100	100
(1)	Tomo Izakaya Pte. Ltd.	Singapore	Restaurant operator	100	100
	Held by Katrina International Pte. Ltd.				
	PT. So Pho Food Indonesia	Indonesia	Restaurant operator	100	100
	Held by ST Hospitality Pte. Ltd.				
(1)	SOPL 1 Pte. Ltd.	Singapore	Hospitality management	100	100
(3)	SOPL 2 Pte. Ltd.	Singapore	Dormant	–	100
(2)	SO Services Pte. Ltd.	Singapore	Dormant	100	100
(4)	Straits Organization HK Limited	Hong Kong	Dormant	–	100

(1) Audited by Ernst & Young LLP, Singapore.

(2) In the process of winding up.

(3) Struck off from the register on 9 March 2023.

(4) Deregistered on 22 July 2023.

18. Investment in joint ventures

	2023 $'000	2022 $'000
So Pho International Limited ("SIPL")	–*	–*
Daily Beer Singapore Pte. Ltd. ("DBS")	–*	–
	–*	–*

* Less than $1,000

The Group's interest in the joint ventures is accounted for using equity method in the consolidated financial statements.

Details of the joint ventures are as follows:

	Name of joint venture, country of incorporation	Principal place of business	Principal activities	Proportion (%) of ownership interest 2023	2022
	Held by Katrina International Pte. Ltd.				
	So Pho International Limited British Virgin Islands	China	Dormant	30	30
(1)	Daily Beer Singapore Pte. Ltd. Singapore	Singapore	Dormant	80	–

(1) Incorporated on 1 November 2023.

Summarised statements of financial position

	SIPL 2023 $'000	SIPL 2022 $'000	DBS 2023 $'000
Total assets	98	1,541	236
Total liabilities	(1,418)	(2,907)	(241)
Equity	1,320	1,366	5
Proportion of the Group's ownership	30%	30%	80%
Group's share in equity	396	410	4
Summarised statements of comprehensive income			
Revenue	–	155	–
Profit/(loss) for the year	10	(137)	(5)
Group's share of profit/(loss) for the year	3	(41)	(4)

The Group has not recognised losses relating to the joint ventures as its share of losses exceeds the Group's cost of investment in the joint ventures. The Group has no obligation in respect of these losses.

19. Refundable deposits

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Refundable rental deposits	1,265	1,598	–	–
Utilities deposits	147	129	–	–
Other refundable deposits	97	67	9	9
	1,509	1,794	9	9
Non-current				
Refundable rental deposits	3,502	3,708	–	–
Utilities deposits	159	195	–	–
Other refundable deposits	47	77	–	–
	3,708	3,980	–	–
Total refundable deposits (current and non-current)	5,217	5,774	9	9

Included in the refundable rental deposits is an impact arising from net accretion to present value of $13,000 (2022: $94,000), recognised in "Finance costs" (Note 7) line item of profit or loss.

Other refundable deposits

Other refundable deposits of the Group mainly comprise design and fittings deposits placed with landlords.

20. Inventories

	Group	
	2023	2022
	$'000	$'000
Consolidated statement of financial position:		
Raw materials (at cost)	139	146
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in profit or loss	8,555	9,516

21. Trade receivables

	Group	
	2023	2022
	$'000	$'000
Trade receivables	1,006	1,066

Trade receivables

Trade receivables are non-interest bearing and are generally within 30 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

21. Trade receivables (cont'd)

Trade receivables that are impaired

During the financial year ended 31 December 2023, the Group has written-off receivables amounting to $42,000 (2022: $23,000) relating to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Movement in allowance accounts		
At 1 January	36	36
Provision for expected credit loss	42	23
Write-off	(42)	(23)
At 31 December	36	36

22. Other receivables

		Group		Company	
	Note	**2023**	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**
Other debtors		387	614	–	110
Finance lease receivables		79	–	–	–
Total other receivables		466	614	–	110
Add:					
- Trade receivables	21	1,006	1,066	–	–
- Refundable deposits (current and non-current)	19	5,217	5,774	9	9
- Amount due from a joint venture		120	103	–	–
- Amounts due from subsidiaries		–	–	6,520	4,936
- Cash and bank balances	23	3,031	5,490	176	417
- Finance lease receivables		(79)	–	–	–
Total financial assets carried at amortised cost		9,761	13,047	6,705	5,472

22. Other receivables (continued)

Finance lease receivables

The finance lease receivables relate to subleases which are classified as finance lease, as disclosed in Note 15(a).

Amount due from a joint venture

Amount due from a joint venture is non-trade related, unsecured, non-interest bearing and repayable upon demand.

Amounts due from subsidiaries

Amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing and are repayable upon demand.

23. Cash and cash equivalents

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and on hand	2,031	4,190	176	417
Short-term deposits	1,000	1,300	–	–
	3,031	5,490	176	417

Short-term deposits with a financial institution are for a period of less than 3 months (2022: less than 3 months). The weighted average interest earned from the short-term deposits is 2.62% (2022: 1.19%).

Cash at banks does not earn interest.

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

	Group	
	2023	**2022**
	$'000	**$'000**
Total cash at banks, on hand and short term deposits	3,031	5,490
Less: Bank deposits pledged	(1,000)	(1,300)
Cash and cash equivalents per consolidated statement of cash flows	2,031	4,190

Bank deposits pledged pertains to amounts earmarked by the Group's principal banker in connection with facilities granted as disclosed in Note 27.

24. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Trade payables	2,211	2,103	–	–
Other payables:				
CPF and salaries payables	1,689	1,631	298	296
GST payable	567	579	43	34
Security deposits from tenants	366	600	–	–
Amounts due to directors	1,686	606	1,493	163
Other creditors	1,533	1,319	56	45
	8,052	6,838	1,890	538
Non-current				
Other payables:				
Security deposits from tenants	92	157	–	–
Total trade and other payables (current and non-current)	8,144	6,995	1,890	538
Add/(less):				
- Amounts due to subsidiaries	–	–	96	–
- Other liabilities	1,992	2,114	223	439
- Loans and borrowings (current and non-current)	4,013	6,644	–	–
- GST payable	(567)	(579)	(43)	(34)
Total financial liabilities carried at amortised cost	13,582	15,174	2,166	943

Trade and other payables

These amounts are non-interest bearing and are normally settled on 30 to 90 days terms.

Amounts due to directors

These amounts are unsecured, non-trade related, non-interest bearing, repayable when the cashflow of the Group permits and is expected to be settled in cash.

Amounts due to subsidiaries

These amounts are unsecured, non-trade related, non-interest bearing, repayable on demand and are expected to be settled in cash.

25. Other liabilities

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Accrued operating expenses	1,349	1,111	102	75
Accrued payroll expenses and bonus	643	1,003	121	364
Accrued unconsumed leave	354	267	21	23
	2,346	2,381	244	462

26. Provision

Provision for restoration costs refer to the estimated cost to reinstate the leased restaurant premises and certain co-living hotels to their original state upon the expiration of the lease terms.

Movements in provision for restoration costs:

	Group 2023 $'000	Group 2022 $'000
At 1 January	1,054	1,264
Additions	202	–
Reversal	(21)	(34)
Utilisation	(137)	(178)
Unwinding of discount and changes in the discount rate	11	2
At 31 December	1,109	1,054
Current	393	312
Non-current	716	742
At 31 December	1,109	1,054

27. Loans and borrowings

	Maturity	Group 2023 $'000	Group 2022 $'000
SGD Bank Loans			
- SGD loan at SIBOR + 2.0% p.a.	2023 (Note i)	–	84
- SGD loans at SIBOR + 2.5% p.a.	2023 (Note ii)	–	866
- SGD loans at SIBOR +3.5% p.a.	Revolving (Note iii)	1,000	1,000
- SGD loan at COF + 2.0% p.a.	Revolving (Note iv)	–	1,000
- SGD loan at SORA + 2.5% p.a.	Revolving (Note iv)	1,000	–
- SGD loan at 2.75% p.a.	2025 (Note v)	1,940	3,190
- SGD loans at 3.5% p.a.	2023 (Note vi)	–	504
Financing arrangement	2028 (Note vii)	73	–
		4,013	6,644
Current portion		3,299	4,704
Non-current portion		714	1,940
		4,013	6,644

27. Loans and borrowings (cont'd)

(i) SGD loan at SIBOR + 2.0% p.a.

The loan was repayable in 48 equal monthly instalments commencing in November 2019 and bore interest at Singapore Interbank Offered Rate ("SIBOR"), plus 2.0% per annum.

It was secured by continuing guarantees by the Company, mortgage of the investment property (Note 16) and assignment of rental proceeds relating to the investment property. It includes certain financial covenants. The loan became repayable on demand if there is breach of any of the covenants.

The loan has been fully repaid in November 2023.

(ii) SGD loans at SIBOR + 2.5% p.a.

These term loans were repayable in 48 equal monthly instalments commencing in January 2019 and bore interest at SIBOR, plus 2.5% per annum.

They were secured by continuing guarantees by the Company and certain subsidiaries, mortgage of the investment property (Note 16) and assignment of rental proceeds relating to the investment property. It included certain financial covenants. These loans became repayable on demand if there is breach of any of the covenants.

The loans have been fully repaid in November 2023.

(iii) SGD loan at SIBOR +3.5% p.a.

The loan is revolving term loan, bears interest at SIBOR, plus 3.5% per annum.

It is secured by continuing guarantees by the Company, mortgage of the investment property (Note 16) and assignment of rental proceeds relating to the investment property. It includes certain financial covenants. The loan becomes repayable on demand if there is breach of any of the covenants.

The Group's subsidiary did not fulfil the adjusted tangible net worth, debt service ratio and gearing ratio as required in the loan agreement. As at 31 December 2023, the Group's subsidiary had obtained waiver from its banker with respect to the breach of certain loan covenants.

(iv) SGD loan at SORA + 2.5% p.a. (2022: COF + 2.0% p.a.)

The loan is revolving term loan of 1 month, bears interest at Singapore Overnight Rate Average ("SORA") plus 2.5% per annum (2022: Cost of Funds ("COF") plus 2.0% per annum).

It is secured by continuing guarantees by the Company. It includes certain financial covenants. The loan becomes repayable on demand if there is breach of any of the covenants.

(v) SGD loan at 2.75% p.a.

The loan is repayable over 60 equal monthly instalments commencing in June 2020 and bears interest at 2.75% per annum. For the first 12 monthly instalments commencing 1 month from the date of first drawdown, the Group shall only service the interest on the loan.

It is secured by continuing guarantees by the Company. It includes certain financial covenants. The loan becomes repayable on demand if there is breach of any of the covenants.

27. Loans and borrowings (cont'd)

(vi) SGD loans at 3.5% p.a.

These loans are revolving term loans of 1 month, bear interest at 3.5% per annum.

They are secured by continuing guarantees by the Company. It includes certain financial covenants. These loans become repayable on demand if there is breach of any of the covenants.

The loans have been fully repaid in June 2023.

(vii) Financing arrangement

The financing arrangement is for a hire purchase of a motor vehicle. It is repayable over 60 equal monthly instalments commencing in November 2023 and bears interest at 3.68% per annum.

The obligations under financing arrangement are secured by a charge over the motor vehicle and a personal guarantee from a director of the Group.

The reconciliation of liabilities arising from financing activities is as follows:

	2022	Cash flows		Non-cash changes			2023
		Inflow	Outflow	Addition	Accretion of interest	Others*	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
SGD bank loans:							
- Current	4,704	–	(2,949)	–	–	1,529	3,284
- Non-current	1,940	–	–	–	245	(1,529)	656
Financing arrangement:							
- Current	–	–	(3)	18	–	–	15
- Non-current	–	–	–	58	–	–	58
	6,644	–	(2,952)	76	245	–	4,013

	2021	Cash flows		Non-cash changes		2022
		Inflow	Outflow	Accretion of interest	Others*	
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
SGD bank loans:						
- Current	5,164	–	(3,947)	–	3,487	4,704
- Non-current	5,135	–	–	292	(3,487)	1,940
	10,299	–	(3,947)	292	–	6,644

* Others pertains to reclassification of loans and borrowings from non-current to current.

28. Share capital

	Group and Company			
	2023		2022	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares				
At 1 January	232,481	8,283	231,521	8,192
Issuance of new shares arising from performance share plan	–	–	960	91
Issuance of new shares arising from rights issue of warrants	1,908	38	–	–
At 31 December	234,389	8,321	232,481	8,283

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

On 9 October 2023, the Company issued 232,481,008 warrants at an issue price of S$0.001 for each warrant. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.02 for each new share on the basis of one warrant for every one existing ordinary share in the capital of the Company. The exercise price and the number of warrants held by each warrant holder may be adjusted under certain terms and conditions being met. The warrants expire on 8 October 2028.

On 12 January 2022, 960,000 new ordinary shares had been allotted and issued in accordance to the grant of share awards under the KGL Performance Share Plan to Mr Goh Keng Hong.

29. Reserves

Warrant reserve

During the financial year ended 31 December 2023, the Company issued 232,481,008 warrants at an issue price of $0.001 for each warrant. Each warrant entities the warrant holder to subscribe for one new ordinary share in the Company at the exercise price of $0.02 for each new share. The warrant reserve represents the gross proceeds from the issuance of warrants, net of direct issuance costs.

Foreign currency translation reserve

Foreign currency translation reserve represents 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.

30. Related party transactions

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

(a) ***Significant related party transactions***

	Group	
	2023	**2022**
	$'000	**$'000**
Licence fee from a joint venture of a subsidiary	10	10
Remuneration of employees related to directors of the Group	153	155
Payments/receipts by employees related to directors of the Group	–	68

(b) ***Compensation of key management personnel***

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

	Group	
	2023	**2022**
	$'000	**$'000**
Directors' fees	160	161
Salaries, bonuses and other costs	1,495	1,458
Central Provident Fund and other pension costs	45	36
Other short-term benefits	–	23
	1,700	1,678
Comprise amounts paid to:		
Directors of the Company	1,286	1,374
Other key management personnel	414	304
	1,700	1,678

31. Contingencies and commitments

(a) ***Capital commitments***

There is no capital expenditure contracted for as at the end of the reporting period that is not recognised in the financial statements.

(b) ***Operating lease commitments – as lessor***

The Group has entered into residential apartment leases, commercial property leases on its investment property and commercial space for certain co-living premises. These non-cancellable leases have remaining lease terms of maximum 5 years (2022: 4 years).

31. Contingencies and commitments (cont'd)

(b) ***Operating lease commitments – as lessor (cont'd)***

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting periods are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Not later than one year	767	1,968
Later than one year but not later than five years	369	526
	1,136	2,494

(c) ***On-going investigation by the Urban Redevelopment Authority***

Contingent liability comprises potential liability arising from matter relating to the investigation conducted by the Urban Redevelopment Authority ("URA") into possible breaches of the minimum stay requirement in respect of the provision of short-term accommodation provided by ST Hospitality Pte. Ltd. ("STH") as announced on SGX-ST on 22 June 2022 and 25 June 2022. The investigation by URA is still ongoing and there is no indication as yet as to whether the URA will be making any allegations which STH would need to respond to. The outcome of the investigation by URA may uncover additional information that could have an impact on the financial statements.

32. Fair value measurement

(a) ***Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follow:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the assets or liability.

Fair value measurement that uses inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The carrying amount of the Group's assets and liabilities are reasonable approximation of fair values, either due to their short-term nature, or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. The Group does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

32. Fair value measurement (cont'd)

(b) ***Assets not measured at fair value, for which fair value is disclosed***

The following table shows an analysis of the Group's assets not measured at fair value at 31 December 2023 and 2022 but for which fair value is disclosed:

	Significant unobservable inputs (Level 3)	
	2023	**2022**
	$'000	**$'000**
Group		
Asset		
Investment property	1,750	1,750

33. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The directors review and agree policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on the Group's historical information.

33. Financial risk management objectives and policies (cont'd)

(a) ***Credit risk (cont'd)***

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables and finance lease receivables

The Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime expected credit loss ("ECL"). The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Information regarding loss allowance movement of trade receivables is disclosed in Note 21.

33. Financial risk management objectives and policies (cont'd)

(a) ***Credit risk (cont'd)***

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile

The Group has no significant concentration of credit risk.

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations that are settled by delivering cash or another financial asset. The Group's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

To manage liquidity risk, the Group monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents and secured committed funding facilities from financial institutions. In assessing the adequacy of these funding facilities, management reviews its working capital requirements regularly.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less $'000	One to five years $'000	After five years $'000	Total $'000
2023				
Trade and other payables	7,485	92	–	7,577
Other liabilities	1,992	–	–	1,992
Lease liabilities	16,813	20,621	80	37,514
Loans and borrowings	3,477	730	–	4,207
Total undiscounted financial liabilities	29,767	21,443	80	51,290
2022				
Trade and other payables	6,259	157	–	6,416
Other liabilities	2,114	–	–	2,114
Lease liabilities	16,417	26,047	1,500	43,964
Loans and borrowings	4,916	1,983	–	6,899
Total undiscounted financial liabilities	29,706	28,187	1,500	59,393

As at the end of the reporting period, all of the Company's financial liabilities will mature in less than one year based on the carrying amount reflected in the financial statements.

33. Financial risk management objectives and policies (cont'd)

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rates risk arises primarily from its debt obligations and fixed deposits placed with financial institutions. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings.

Surplus funds are placed with reputable banks.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's floating rate loans and borrowings, with all other variables held constant and the impact on the Group's (loss)/profit before tax.

		2023	2022
	Increase/ decrease in basis point	**Increase/ (decrease) in loss before tax**	**Increase/ (decrease) in profit before tax**
		$'000	**$'000**
Group			
- Singapore dollar	+100	20	(29)
- Singapore dollar	-100	(20)	29

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Capital comprises equity attributable to owners of the Company.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 2022.

35. Segment information

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products sold and services rendered. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services, and serves different markets.

35. Segment information (cont'd)

Business segments (cont'd)

The Group is organised into two operating business segments, namely:

(a) Hospitality; and

(b) Food and beverages

	Hospitality $'000		**Food and beverages** $'000		**Consolidated** $'000	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Revenue:						
External customers	17,247	17,135	42,068	47,323	59,315	64,458
Inter-segment	–	–	–	–	–	–
	17,247	17,135	42,068	47,323	59,315	64,458
Results:						
Bad debts	(42)	–	–	(23)	(42)	(23)
Interest on loans and borrowings	(22)	(41)	(223)	(251)	(245)	(292)
Interest on finance lease liabilities	(1,205)	(1,394)	(1,325)	(1,226)	(2,530)	(2,620)
Income tax credit/(expense)	432	(1)	1	(9)	433	(10)
Depreciation of property, plant and equipment	(867)	(806)	(1,234)	(1,255)	(2,101)	(2,061)
Depreciation of right-of-use assets	(4,913)	(4,385)	(9,508)	(8,932)	(14,421)	(13,317)
Depreciation of investment property	–	–	(58)	(58)	(58)	(58)
Gain on disposal of property, plant and equipment	–	–	1	–	1	–
Interest income	9	1	25	3	34	4
(Loss)/gain on early termination and modification of leases, net	–	–	(45)	246	(45)	246
Reversal of provision for restoration cost	–	–	21	34	21	34
Impairment of amount due from a joint venture	–	–	(103)	–	(103)	–
(Impairment loss)/write back of impairment loss on right-of-use assets, net	(88)	644	(360)	(514)	(448)	130
(Impairment loss)/write back of impairment loss on property, plant and equipment, net	(455)	506	10	205	(445)	711
Write-off of property, plant and equipment	–	(5)	(16)	(430)	(16)	(435)
Segment net profit/(loss)	2,808	3,775	(4,156)	(311)	(1,348)	3,464
Segment assets	20,883	24,786	22,611	27,254	43,494	52,040
Segment liabilities	(20,011)	(23,466)	(30,023)	(33,878)	(50,034)	(57,344)

35. Segment information (cont'd)

Geographical information

	Revenue		Non-current assets	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Singapore	58,844	63,825	32,702	38,401
Indonesia	471	633	–	186
	59,315	64,458	32,702	38,587

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment property and intangible assets presented in the consolidated statement of financial position.

36. Subsequent events

Increase of share capital for Daily Beer Singapore Pte. Ltd.

Share capital for Daily Beer Singapore Pte. Ltd. has been increased from $10 to $150,000 on 30 January 2024 and subsequently to $400,000 on 1 March 2024.

37. Comparative notes

The following comparative figures have been reclassified to provide a meaningful comparison with the current year's presentation, to better reflect the principal activities of the Group.

	2022 (As currently stated)	2022 (As previously stated)	2022 Increase/ (decrease)
	$'000	$'000	$'000
Consolidated statement of comprehensive income			
Cost of sales	53,443	52,524	919
Other income	1,677	2,062	(385)
Selling and distribution costs	835	1,783	(948)
Administrative expenses	6,182	6,307	(125)
Other (expenses)/gains	615	384	231

38. Authorisation of financial statements for issue

The financial statements of the Group for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 3 April 2024.

SHAREHOLDING STATISTICS

As at 20 March 2024

Issued and Fully Paid-Up Capital	:	$8,812,366
No. of Ordinary Shares	:	234,389,008
No. of Treasury Shares and percentage	:	Nil
No. of Subsidiary Holdings Held and percentage	:	Nil
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	54	11.87	29,600	0.01
1,001 - 10,000	113	24.83	790,400	0.34
10,001 - 1,000,000	281	61.76	19,719,000	8.41
1,000,001 AND ABOVE	7	1.54	213,850,008	91.24
TOTAL	**455**	**100.00**	**234,389,008**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HSBC (SINGAPORE) NOMINEES PTE LTD	205,382,408	87.62
2	DBS NOMINEES (PRIVATE) LIMITED	2,578,800	1.10
3	SOH KIAN THIAM	1,436,000	0.61
4	SASIKUMARAN PILLAI S/O MANMATHAN PILLAI	1,214,000	0.52
5	YU HEA RYEONG	1,207,400	0.52
6	OCBC SECURITIES PRIVATE LIMITED	1,022,400	0.44
7	GOH KENG HONG	1,009,000	0.43
8	JAMES ALVIN LOW YIEW HOCK	878,500	0.37
9	TIGER BROKERS (SINGAPORE) PTE. LTD.	526,000	0.22
10	PHILLIP SECURITIES PTE LTD	519,300	0.22
11	JASON LIM ZHI QIAN (JASON LIN ZHIQIAN)	414,000	0.18
12	LIM BOON KER	400,000	0.17
13	ALAN GOH KENG CHIAN	392,600	0.17
14	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	384,700	0.16
15	TAN GUAN YU, DARREL	372,600	0.16
16	RAFFLES NOMINEES (PTE.) LIMITED	336,100	0.14
17	HU WENYUAN	328,000	0.14
18	GOH SHEN SHU DONOVAN	327,200	0.14
19	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	325,200	0.14
20	TOH SOCK KUAN	280,000	0.12
	TOTAL	**219,334,208**	**93.57**

SHAREHOLDING STATISTICS

As at 20 March 2024

SUBSTANTIAL SHAREHOLDERS
As at 20 March 2024

	Direct Interest		Deemed Interest	
Substantial Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**
Alan Goh Keng Chian	392,600	0.17	205,382,408 [1]	87.62
Madaline Catherine Tan Kim Wah	–	–	205,775,008 [2]	87.79

Note:

1 Alan Goh Keng Chian is deemed to be interested in 107,521,904 ordinary shares registered in the name of HSBC (Singapore) Nominees Pte Ltd. He is also deemed to be interested in 97,860,504 ordinary shares held by his spouse Madaline Catherine Tan Kim Wah.

2 Madaline Catherine Tan Kim Wah is deemed to be interested in 97,860,504 ordinary shares registered in the name of HSBC (Singapore) Nominees Pte Ltd. She is also deemed to be interested in 107,914,504 ordinary shares held by her spouse Alan Goh Keng Chian.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at 20 March 2024, approximately 11.64% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with the Rule 723 (at least 10% held at public) of the Listing Manual of SGX-ST.

WARRANTHOLDING STATISTICS

As at 20 March 2024

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDINGS	%	NO. OF WARRANTS	%
1 - 99	0	0.00	0	0.00
100 - 1,000	0	0.00	0	0.00
1,001 - 10,000	9	12.50	70,400	0.03
10,001 - 1,000,000	54	75.00	10,670,100	4.63
1,000,001 AND ABOVE	9	12.50	219,832,508	95.34
TOTAL	**72**	**100.00**	**230,573,008**	**100.00**

TWENTY LARGEST WARRANTHOLDINGS

NO.	NAME	NO. OF SHARES	%
1	HSBC (SINGAPORE) NOMINEES PTE LTD	205,382,408	89.07
2	DBS NOMINEES PTE LTD	3,188,600	1.38
3	TAN WEIREN VINCENT (CHEN WEIREN VINCENT)	2,957,700	1.28
4	LEE KUNFENG DANIEL	2,500,000	1.08
5	PHILLIP SECURITIES PTE LTD	1,240,600	0.54
6	SOH KIAN THIAM	1,226,200	0.53
7	ROMIEN CHANDRASEGARAN	1,210,000	0.52
8	JAMES ALVIN LOW YIEW HOCK	1,087,000	0.47
9	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,040,000	0.45
10	LEE BEE KIM	1,000,000	0.43
11	RAFFLES NOMINEES (PTE.) LIMITED	744,400	0.32
12	TAN LYE SENG	684,000	0.30
13	JASON LIM ZHI QIAN (JASON LIN ZHIQIAN)	490,000	0.21
14	OCBC SECURITIES PRIVATE LIMITED	447,000	0.19
15	PANG QINGHUI (FENG QINGHUI)	415,000	0.18
16	ALAN GOH KENG CHIAN	392,600	0.17
17	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	334,700	0.15
18	NG TIE JIN (HUANG ZHIREN)	330,000	0.14
19	GOH SHEN SHU DONOVAN	327,200	0.14
20	YEO KOON TECK (YANG KUNDE)	317,000	0.14
	TOTAL	**225,314,408**	**97.69**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the "**AGM**" or the "**Meeting**") of the Company will be held at 111 Somerset Road, #11-22, TripleOne Somerset, Singapore 238164 on Monday, 29 April 2024 at 2.00 p.m. for the purpose of transacting the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Auditor's Report thereon. **Resolution 1**

2. To re-elect Ms Madaline Catherine Tan Kim Wah who is retiring pursuant to Regulation 117 of the Company's Constitution. **Resolution 2**
[See Explanatory Note 1]

3. To re-elect Mr Wong Quee Quee, Jeffrey who is retiring pursuant to Regulation 122 of the Company's Constitution. **Resolution 3**
[See Explanatory Note 2]

4. To record the retirement of Ms Joan Lau Sau Chee, a director retiring pursuant to Regulation 117 of the Company's Constitution, who will not seek for re-election and will retire at the conclusion of the AGM.
[See Explanatory Note 3]

5. To approve the Directors' Fees of $159,712.33 for the financial year ended 31 December 2023. (FY2022: $158,495.89) **Resolution 4**

6. To approve the Directors' Fees of $154,000.00 for the financial year ending 31 December 2024, payable quarterly in arrears. **Resolution 5**

7. To re-appoint Messrs Ernst & Young LLP as the Auditor of the Company and to authorise the Directors to fix its remuneration. **Resolution 6**

8. To transact any other ordinary business which may be properly transacted at an AGM.

SPECIAL BUSINESS

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

9. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act and Rule 806 of Catalist Rules of SGX-ST, the Directors be authorised and empowered to: **Resolution 7**

(a) (i) allot and issue share in the capital of the Company ("**Shares**") (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 person as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force); issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force, provided that:

(1) 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) shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with subparagraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with the sub-paragraph (2) below);

(2) subject to such manner of calculation and adjustments as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:

   (a) new shares arising from the conversion or exercise of convertible securities which were issued and outstanding or subsisting at the time this Resolution is passed;

   (b) new shares arising from exercising share options or vesting of share awards which were issued and outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules of SGX-ST; and

   (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provision of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Company's Constitution for the time being; and

(4) unless revoked or varied by the Company in general meeting, such authority conferred shall continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note 4]

10. Authority to grant awards and to allot and issue shares under the Katrina Group Ltd. Performance Share Plan

That pursuant to Section 161 of the Companies Act, the Directors be authorised to grant awards in accordance with the provisions of the Katrina Group Ltd. Performance Share Plan ("**KGL PSP**") and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the awards granted under the KGL PSP, provided always that the aggregate number of Shares to be allotted and issued pursuant to the KGL PSP when added to the number of Shares issued and issuable in respect of all awards granted under the KGL PSP, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. **Resolution 8**
[See Explanatory Note 5]

By Order of the Board

Neo Lay Fen
Nor Hafiza Alwi
Company Secretaries

Singapore, 12 April 2024

Explanatory Notes:

1. Ordinary Resolution 2 – Ms Madaline Catherine Tan Kim Wah will, upon re-election, continue to serve as an Executive Director of the Company.

2. Ordinary Resolution 3 – Mr Wong Quee Quee, Jeffrey ("**Mr Wong**") will upon re-election, continue to serve as an Independent Director, Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees of the Company. Mr Wong is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Wong can be found in the Annual Report 2023. There are no relationships (including immediate family relationships) between Mr Wong and any of the Directors, the Company or its substantial shareholders.

3. Ms Joan Lau Sau Chee ("**Ms Lau**") will retire as an Independent Director of the Company at the conclusion of the AGM. Upon Ms Lau's retirement, she will cease to be the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

   Further information on the abovementioned directors can be found under the section title "Board of Directors" and "Corporate Governance Report" of the Annual Report 2023.

4. Ordinary Resolution 7 - if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue under this Resolution shall not exceed 100% of the total number of issued Shares, excluding treasury shares and subsidiary holdings. For issues of Shares other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued shares, excluding treasury shares and subsidiary holdings at the time this resolution is passed.

5. Ordinary Resolution 8 - if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to allot and issue Shares pursuant to the awards granted under the KGL PSP up to a number not exceeding, in total, 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

Notes:

1. Printed copies of this Notice of AGM (the "**Notice**"), Proxy Form and Annual Report 2023 (the "**documents**") have been dispatched to the shareholders. The documents are also accessible via the Company's website at the URL: https://www.katrinagroup.com and at the SGXNet.

2. Members of the Company 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).

   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 and are advised not to attend the AGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the Meeting, if they are unwell.

3. A proxy need not be a member of the Company.

4. 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:

   a. if sent personally or by post, be lodged at the registered office of the Company, at 180B Bencoolen Street #11 – 01/05 The Bencoolen Singapore 189648; or

   b. if submitted by email, be received by the Company at info@katrinagroup.com

   in either case, by 2:00 p.m. on 26 April 2024, being not less than seventy-two (72) hours before the time appointed for holding the Meeting (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

   Shareholders are strongly encouraged to submit Proxy Forms electronically via email.

5. A member (who is not a Relevant Intermediary), who is entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

6. A member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 (the "**Companies Act**") is entitled to appoint more than two proxies to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in the proxy form to the Company.

7. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his/her vote(s) at the AGM in person. SRS Investors who are unable to attend the AGM but would like to appoint the Chairman of the AGM as their proxy should approach their SRS Operators, through which they hold such shares, to submit their votes at least seven (7) working days before the AGM that is by 18 April 2024, in order to allow sufficient time for their SRS Operators to in turn submit the Proxy Forms to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

8. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The instrument appointing the proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. 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 of proxy. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.

9. Members of the Company may submit questions related to the resolution(s) to be tabled for approval for the AGM in advance of the AGM within seven (7) calendar days from the date of this Notice of AGM, (i.e. no later than 6.00 p.m. on 19 April 2024) in the following manner:

   (a) email to info@katrinagroup.com; or

   (b) post to the Company's registered office at 180B Bencoolen Street #11-01-05 Singapore 189648.

   Shareholders who submit questions in advance of the AGM should provide their full name, address, contact number, email address and the manner in which they hold Shares (e.g. via CDP, SRS or other Relevant Intermediary), for our verification purposes.

   The Company will endeavor to address all substantial and relevant questions received from members and publish its response on the SGXNet and at the Company's website by 24 April 2024. **Where substantially similar questions are received, the Company may consolidate such questions and consequently not all questions may be individually addressed**. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions received after 6.00 p.m. on 19 April 2024 which have not already been addressed prior to the AGM, at the AGM itself. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the Company's corporate website and on SGXNet within one (1) month after the AGM.

Personal data privacy:

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

(i) processing 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);

(ii) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities; and

(ii) addressing relevant and substantial questions related to the resolutions to be tabled for approval at the AGM from members received before the AGM and if necessary, any subsequent clarifications sought, or follow-up questions in respect of such questions,

(collectively, the "**Purposes**").

The member of the Company also warrants that where the member discloses the personal data of the member's proxy(ies) and/or representatives(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representatives(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 representatives(s) for the Purposes, and 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.

KATRINA GROUP LTD.
Registration Number 201608344N
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his vote(s) at the Annual General Meeting in person. SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Annual General Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the Annual General Meeting.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We, ______________________ (Name) ______________ (*NRIC/Passport/Company Registration No.)

of ____ (Address)

being a *member/members of KATRINA GROUP LTD. (the "Company"), hereby appoint(s):

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

or failing him/her/them, the Chairman of the Meeting, as *my/our proxy(ies) to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting ("**AGM**" or the "Meeting") of the Company to be held at 111 Somerset Road, #11-22, TripleOne Somerset, Singapore 238164 on Monday, 29 April 2024 at 2:00 p.m. and at any adjournment thereof.

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

*I/We direct *my/our proxy(ies) to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy(ies) will vote or abstain from voting at his/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For", "Against" or "Abstain" for each Resolution in the boxes provided as appropriate.

No.	Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Auditor's Report thereon.			
2.	Re-election of Ms Madaline Catherine Tan Kim Wah as a Director of the Company.			
3.	Re-election of Mr Wong Quee Quee, Jeffrey as a Director of the Company.			
4.	Approval of the Directors' Fees of $159,712.33 for the financial year ended 31 December 2023.			
5.	Approval of Directors' fees of $154,000.00 for the financial year ending 31 December 2024, payable quarterly in arrears.			
6.	Re-appointment of Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
7.	Authority to allot and issue shares in the capital of the Company.			
8.	Authority to grant awards and to allot and issue shares in accordance with the provisions of the Katrina Group Ltd. Performance Share Plan.			

Dated this __________ day of ________________, 2024

Total no. of Shares in	No. of Shares
(a) Depository Register	
(b) Register of Members	

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

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF

NOTES FOR PROXY FORM

1. A proxy need not be a member of the Company.

2. 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 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

3. A member (who is not a Relevant Intermediary), who is entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

4. A member who is a Relevant Intermediaries as defined under Section 181(6) of the Companies Act 1967 (the "**Companies Act**")) is entitled to appoint more than two proxies to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

   "**Relevant Intermediary**" means:

   (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 to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund 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 Shareholders of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his vote(s) at the AGM in person. SRS Investors who are unable to attend the AGM but would like to appoint the Chairman of the AGM as their proxy should approach their respective SRS Operators, through which they hold such shares, to submit their votes at least seven (7) working days before the AGM that is by 18 April 2024, in order to allow sufficient time for their respective SRS Operators to in turn submit the Proxy Forms to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

   This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his 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 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.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.

8. This instrument appointing a proxy or proxies must:

   (a) if sent personally or by post, be lodged at the registered office of the Company, at 180B Bencoolen Street #11 – 01/05 The Bencoolen Singapore 189648; or

   (b) if submitted by email, be received by the Company at info@katrinagroup.com

   in either case, by 2:00 p.m. on 26 April 2024 (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.

9. 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.

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 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 this proxy form, the membe0r of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 12 April 2024.

KATRINA GROUP LTD.
(Incorporated in the Republic of Singapore on 31 March 2016)
(Company Registration Number: 201608344N)

180B Bencoolen Street
#11-01/05
The Bencoolen
Singapore 189648
Tel: (65) 6292 4748
Fax: (65) 6292 4238

www.katrinagroup.com

cre8
Tel: (65) 63278398