

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

The Company is required under Catalist Rule 705(2) to report its financial statements quarterly.

This announcement has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Vera Leong, Vice President, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9881.

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

Contents

A. Condensed interim consolidated statement of profit or loss and other comprehensive income	1
B. Condensed interim statements of financial position	2
C. Condensed interim statements of changes in equity	4
D. Condensed interim consolidated statement of cash flows	6
E. Notes to the condensed interim consolidated financial statements	9
OTHER INFORMATION	23

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	3 months ended 30 June		Increase/ (Decrease) %	6 months ended 30 June		Increase/ (Decrease) %
	2023 \$'000 (Unaudited)	2022 \$'000 (Unaudited)		2023 \$'000 (Unaudited)	2022 \$'000 (Unaudited)	
Revenue	14,314	15,443	(7.3)	29,049	30,142	(3.6)
Cost of sales	(12,840)	(13,154)	(2.4)	(25,871)	(26,082)	(0.8)
Gross profit	1,474	2,289	(35.6)	3,178	4,060	(21.7)
Other income	57	304	(81.3)	692	1,146	(39.6)
Selling and distribution costs	(191)	(211)	(9.5)	(345)	(434)	(20.5)
Administrative expenses	(1,585)	(1,470)	7.8	(3,028)	(2,952)	2.6
Finance costs	(630)	(637)	(1.1)	(1,278)	(1,373)	(6.9)
Other (expenses)/gains	(585)	974	N.M.	(468)	797	N.M.
(Loss)/profit before tax	(1,460)	1,249	N.M.	(1,249)	1,244	N.M.
Income tax expense	(3)	–	N.M.	(81)	(5)	N.M.
(Loss)/profit for the period, representing (loss)/profit for the period attributable to owners of the Company	(1,463)	1,249	N.M.	(1,330)	1,239	N.M.
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation	(12)	3	N.M.	(14)	2	N.M.
Other comprehensive income for the period, net of tax	(12)	3	N.M.	(14)	2	N.M.
Total comprehensive income for the period, representing total comprehensive income attributable to owners of the Company	(1,475)	1,252	N.M.	(1,344)	1,241	N.M.
Earnings per share for (loss)/profit for the period attributable to the owners of the Company during the year:						
Basic and diluted (SGD in cents)	(0.63)	0.54		(0.57)	0.53	

Note:

1. "N.M." denotes not meaningful.

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

B. Condensed interim statements of financial position

	Note	Group		Company	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		\$'000 (Unaudited)	\$'000 (Audited)	\$'000 (Unaudited)	\$'000 (Audited)
ASSETS					
Non-current assets					
Property, plant and equipment	9	4,963	4,982	4	2
Right-of-use assets	10	33,042	32,803	–	–
Investment property		773	802	–	–
Investment in subsidiaries		–	–	6,061	6,061
Refundable deposits		3,980	3,980	–	–
		42,758	42,567	6,065	6,063
Current assets					
Inventories		117	146	–	–
Trade receivables		819	1,066	–	–
Other receivables		846	614	–	110
Refundable deposits		1,567	1,794	9	9
Prepayments		373	260	19	8
Amount due from a joint venture		–	103	–	–
Amounts due from subsidiaries		–	–	6,480	4,936
Cash and bank balances		3,261	5,490	171	417
		6,983	9,473	6,679	5,480
Total assets		49,741	52,040	12,744	11,543
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables		7,706	6,838	1,590	538
Other liabilities		2,075	2,381	466	462
Lease liabilities	10	15,767	14,430	–	–
Provision	11	312	312	–	–
Contract liabilities		655	783	–	–
Provision for taxation		52	–	–	–
Loans and borrowings	12	3,666	4,704	–	–
		30,233	29,448	2,056	1,000
Net current (liabilities)/assets		(23,250)	(19,975)	4,623	4,480

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

B. Condensed interim statements of financial position (Cont'd)

	Note	Group		Company	
		30 June 2023 \$'000 (Unaudited)	31 December 2022 \$'000 (Audited)	30 June 2023 \$'000 (Unaudited)	31 December 2022 \$'000 (Audited)
Non-current liabilities					
Other payables		157	157	–	–
Lease liabilities	10	23,867	25,046	–	–
Provision	11	818	742	–	–
Deferred tax liabilities		11	11	–	–
Loans and borrowings	12	1,303	1,940	–	–
		26,156	27,896	–	–
Total liabilities		56,389	57,344	2,056	1,000
Net (liabilities)/assets		(6,648)	(5,304)	10,688	10,543
Equity attributable to owners of the Company					
Share capital	13	8,283	8,283	8,283	8,283
Foreign currency translation reserve		17	31	–	–
(Accumulated losses)/ Retained earnings		(14,948)	(13,618)	2,405	2,260
Total equity		(6,648)	(5,304)	10,688	10,543
Total equity and liabilities		49,741	52,040	12,744	11,543

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

C. Condensed interim statements of changes in equity

	Attributable to owners of the Company			
	Share capital	Foreign currency translation reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Group (Unaudited)				
Opening balance at 1 January 2022	8,192	15	(17,082)	(8,875)
Issuance of shares	91	–	–	91
Profit for the period	–	–	1,239	1,239
<i>Other comprehensive income:</i>				
Foreign currency translation	–	2	–	2
Total comprehensive income for the period	–	2	1,239	1,241
Closing balance at 30 June 2022	8,283	17	(15,843)	(7,543)
Opening balance at 1 January 2023	8,283	31	(13,618)	(5,304)
Loss for the period	–	–	(1,330)	(1,330)
<i>Other comprehensive income:</i>				
Foreign currency translation	–	(14)	–	(14)
Total comprehensive income for the period	–	(14)	(1,330)	(1,344)
Closing balance at 30 June 2023	8,283	17	(14,948)	(6,648)

C. Condensed interim statements of changes in equity (Cont'd)

	Attributable to owners of the Company		
	Share capital	Retained earnings	Total
	\$'000	\$'000	\$'000
Company (Unaudited)			
Opening balance at 1 January 2022	8,192	2,347	10,539
Issuance of shares	91	–	91
Loss for the period, representing total comprehensive income for the period	–	(18)	(18)
Closing balance at 30 June 2022	8,283	2,329	10,612
Opening balance at 1 January 2023	8,283	2,260	10,543
Profit for the period, representing total comprehensive income for the period	–	145	145
Closing balance at 30 June 2023	8,283	2,405	10,688

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

D. Condensed interim consolidated statement of cash flows

	3 months ended 30 June		6 months ended 30 June	
	2023 \$'000 (Unaudited)	2022 \$'000 (Unaudited)	2023 \$'000 (Unaudited)	2022 \$'000 (Unaudited)
Operating activities				
(Loss)/profit before tax	(1,460)	1,249	(1,249)	1,244
Adjustments for:				
Depreciation of property, plant and equipment	401	528	1,194	1,188
Depreciation of investment property	15	15	29	29
Depreciation of right-of-use assets	3,648	3,097	7,159	6,321
Write-off of property, plant and equipment	10	82	11	303
Write back of impairment loss on property, plant and equipment	(5)	(12)	(10)	(55)
Impairment loss/(write back of impairment loss) on right-of-use assets	620	(301)	340	(301)
Impairment of amounts due from a joint venture	–	–	103	–
Finance costs	66	73	141	145
Interest on finance lease liabilities	565	581	1,137	1,245
(Gain)/loss on early termination and modification of leases, net	(41)	(638)	25	(638)
Reversal of provision for restoration cost	(21)	–	(21)	–
Interest income	(2)	–	(12)	–
Currency realignment	(11)	8	(13)	3
Total adjustments	5,245	3,433	10,083	8,240
Operating cash flows before changes in working capital	3,785	4,682	8,834	9,484
Changes in working capital				
Decrease/(increase) in:				
Inventories	19	6	29	4
Trade and other receivables	(407)	193	15	656
Refundable deposits	352	400	227	846
Prepayments	2	(18)	(113)	(35)
(Decrease)/increase in:				
Trade and other payables	359	42	(262)	(1,092)
Other liabilities	277	418	(306)	(291)
Amounts due to directors	680	(300)	1,130	–
Contract liabilities	(9)	(9)	(128)	(117)
Total changes in working capital	1,273	732	592	(29)
Cash flows from operations	5,058	5,414	9,426	9,455
Income taxes paid	(29)	(2)	(29)	(7)
Interest received	2	–	12	–
Net cash flows generated from operating activities	5,031	5,412	9,409	9,448

D. Condensed interim consolidated statement of cash flows (Cont'd)

	3 months ended 30 June		6 months ended 30 June	
	2023 \$'000 (Unaudited)	2022 \$'000 (Unaudited)	2023 \$'000 (Unaudited)	2022 \$'000 (Unaudited)
Investing activities				
Purchase of property, plant and equipment ⁽²⁾	(912)	(61)	(973)	(311)
Cash paid for restoration cost	(105)	(36)	(105)	(145)
Net cash flows used in investing activities	(1,017)	(97)	(1,078)	(456)
Financing activities				
Repayments of loan and borrowings	(799)	(787)	(1,675)	(1,571)
Interest paid	(65)	(73)	(141)	(145)
Lease payments	(4,357)	(4,381)	(8,744)	(9,218)
Cash restricted in use	300	–	300	(800)
Net cash flows used in financing activities	(4,922)	(5,241)	(10,260)	(11,734)
Net change in cash and cash equivalents	(908)	74	(1,929)	(2,742)
Cash and cash equivalents at 1 January/April	3,169	3,884	4,190	6,700
Cash and cash equivalents at 30 June ⁽¹⁾	2,261	3,958	2,261	3,958

Note:

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

	6 months ended 30 June	
	2023 \$'000 (Unaudited)	2022 \$'000 (Unaudited)
Cash and bank balances	3,261	5,258
Less: Bank deposits pledged	(1,000)	(1,300)
Cash and cash equivalents per consolidated interim statement of cash flows	2,261	3,958

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

D. Condensed interim consolidated statement of cash flows (Cont'd)

2. Property, plant and equipment

	6 months ended 30 June	
	2023	2022
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Current period additions to property, plant and equipments	1,175	311
Less: Provision for restoration cost	(202)	–
Net cash outflow for purchase of property, plant and equipments	973	311

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Katrina Group Ltd. (the “**Company**”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 (“**HY2023**”) comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) restaurants operator; and
- (b) residential real estate management.

2. Basis of preparation

The condensed interim financial statements for the three months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted and methods of computations are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

Fundamental accounting concept

The interim financial statements of the Group have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of \$1,330,000 (30 June 2022: profit of \$1,239,000) for the six months ended 30 June 2023. As of that date, the Group’s total liabilities and current liabilities exceeded its total assets and current assets by \$6,648,000 (31 December 2022: \$5,304,000) and \$23,250,000 (31 December 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 interim financial statements on a going concern 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) 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; and
- (d) the controlling shareholder has indicated through a letter of undertaking to financially support the Group as and when required, for 15 months from 11 August 2023.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2022. The adoption of the new SFRS(I)s and amendments and interpretations of SFRS(I) which came into effect on 1 January 2023 did not have any material financial impact on the Group's results for HY2023.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Except as disclosed in Note 9, there were no other changes in estimates applied by the Group during the financial period.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 10 – Right-of-use assets and lease liabilities

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – Right-of-use assets and lease liabilities

3. Seasonal operations

The Group's businesses are not subject to any seasonal fluctuations although generally we experience higher sales during festive seasons and school holidays.

4. Segment and revenue information

The Group is organised into the following main business segments:

- (a) Hospitality; and
- (b) Food and beverages

4.1. Reportable segments

1 April to 30 June (Unaudited)	Hospitality		Food and beverages		Consolidated	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Revenue:</i>						
External customers	4,257	3,598	10,057	11,845	14,314	15,443
	4,257	3,598	10,057	11,846	14,314	15,443
<i>Results:</i>						
Interest income	2	–	–	–	2	–
Bad debts	–	–	–	(23)	–	(23)
Interest on loans and borrowings	(7)	(10)	(59)	(63)	(66)	(73)
Interest on finance lease liabilities	(284)	(345)	(281)	(236)	(565)	(581)
Income tax (expense)/credit	(3)	5	–	(5)	(3)	–
Depreciation of property, plant and equipment	(215)	(204)	(186)	(324)	(401)	(528)
Depreciation of investment property	–	–	(15)	(15)	(15)	(15)
Depreciation of right-of-use assets	(1,231)	(959)	(2,417)	(2,138)	(3,648)	(3,097)
Write-off of property, plant and equipment	–	(5)	(10)	(77)	(10)	(82)
Write back of impairment loss on property, plant and equipment	–	–	5	12	5	12
(Impairment loss)/write-back of impairment loss on right-of-use assets	–	–	(620)	301	(620)	301
Gain on early termination and modification of leases, net	–	502	41	136	41	638
Impairment of amounts due from a joint venture	–	–	–	–	–	–
Reversal of provision for restoration cost	–	–	21	–	21	–
Segment net profit/(loss)	648	832	(2,111)	417	(1,463)	1,249

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

4. Segment and revenue information (Cont'd)

1 January to 30 June (Unaudited)	Hospitality		Food and beverages		Consolidated	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Revenue:</i>						
External customers	8,582	7,102	20,467	23,040	29,049	30,142
	8,582	7,102	20,467	23,040	29,049	30,142
<i>Results:</i>						
Interest income	4	–	8	–	12	–
Bad debts	–	–	–	(23)	–	(23)
Interest on loans and borrowings	(17)	(19)	(124)	(126)	(141)	(145)
Interest on finance lease liabilities	(584)	(712)	(553)	(533)	(1,137)	(1,245)
Income tax (expense)/credit	(81)	4	–	(9)	(81)	(5)
Depreciation of property, plant and equipment	(434)	(409)	(760)	(779)	(1,194)	(1,188)
Depreciation of investment property	–	–	(29)	(29)	(29)	(29)
Depreciation of right-of-use assets	(2,463)	(2,104)	(4,695)	(4,217)	(7,158)	(6,321)
Write-off of property, plant and equipment	–	(5)	(11)	(298)	(11)	(303)
Write back of impairment loss on property, plant and equipment	–	–	10	55	10	55
(Impairment loss)/write-back of impairment loss on right-of-use assets	–	–	(340)	301	(340)	301
Gain/(loss) on early termination and modification of leases, net	–	502	(26)	136	(26)	638
Impairment of amounts due from a joint venture	–	–	(103)	–	(103)	–
Reversal of provision for restoration cost	–	–	21	–	21	–
Segment net profit/(loss)	1,324	1,007	(2,654)	232	(1,330)	1,239

Segment breakdown for period ended 30 June 2023 and 31 December 2022 are as follows:

	Hospitality		Food and beverages		Consolidated	
	2023 \$'000 (Unaudited)	2022 \$'000 (Audited)	2023 \$'000 (Unaudited)	2022 \$'000 (Audited)	2023 \$'000 (Unaudited)	2022 \$'000 (Audited)
Segment assets:	21,929	24,786	27,812	27,254	49,741	52,040
Segment liabilities	(20,642)	(23,466)	(35,747)	(33,878)	(56,389)	(57,344)

4. Segment and revenue information (Cont'd)

4.2. Disaggregation of revenue

Geographical information

The following table shows the distribution of the Group's revenue from external customers based on the location where goods are sold and services are derived:

	3 months ended 30		6 months ended 30	
	June		June	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Singapore	14,176	15,301	28,805	29,906
Indonesia	138	142	244	236
	14,314	15,443	29,049	30,142

The following table shows the distribution of the Group's non-current assets based on the geographical location of customers:

	30 June	31
	2023	December
	\$'000	\$'000
	(Unaudited)	(Audited)
Singapore	38,685	38,401
Indonesia	93	186
	38,778	38,587

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, and investment property presented in the condensed statement of financial position.

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

5. Profit before taxation

5.1. Significant items

The Group's (loss)/profit before tax was arrived after crediting/(charging) the following:

	3 months ended 30 June		6 months ended 30 June	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income				
Government grants ¹	(79)	134	440	596
Rental rebates ²	5	84	11	382
Gain/(loss) on early termination and modification of leases, net	41	638	(26)	638
Interest income	2	–	12	–
Expenses				
Bad debts	–	(23)	–	(23)
Commission fees	(399)	(511)	(820)	(1,033)
Contingent rental leases on operating leases	(175)	(192)	(351)	(275)
Depreciation of property, plant and equipment	(401)	(528)	(1,194)	(1,188)
Depreciation of investment property	(15)	(15)	(29)	(29)
Depreciation of right-of-use assets	(3,648)	(3,097)	(7,159)	(6,321)
Employee benefits	(4,994)	(4,597)	(9,821)	(9,414)
Fixed rental expense on operating leases	(32)	(569)	(59)	(1,121)
Foreign exchange loss	12	(6)	14	(4)
Impairment of amounts due from a joint venture	–	–	(103)	–
Interest on bank loan	(66)	(73)	(141)	(145)
Interest on finance lease liabilities	(565)	(581)	(1,137)	(1,245)
Professional fee	(208)	–	(306)	–
Reversal of provision for restoration cost	21	–	21	–
Write-off of property, plant and equipment	(10)	(82)	(11)	(303)
Write back of impairment loss on property, plant and equipment	5	12	10	55
(Impairment loss)/write back of impairment loss on right-of-use assets	(620)	301	(340)	301

Notes:

- Government grants refer mainly to the Jobs Support Scheme, Wage Credit Scheme, Progressive Wage Credit Scheme and Cash Grants.
- Rental rebates refer to rental support or assistance disbursed from Landlords and government.

5.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the unaudited financial statements.

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

6. Income tax

The major components of income tax expense for the 6 months ended 30 June 2023 and 2022 are:

	3 months ended 30 June		6 months ended 30 June	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Consolidated statement of comprehensive income:</i>				
<u>Current income tax</u>				
- Under provision in respect of previous years	3	–	81	5
Income tax expense recognised in the consolidated statement of comprehensive income	3	–	81	5

7. (Loss)/profit per share

Basic (loss)/profit per share is calculated by dividing the Group's (loss)/profit for the period 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 per share for the 6 months ended 30 June 2023 and 2022:

	3 months ended 30 June		6 months ended 30 June	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(Loss)/profit for the period attributable to owners of the Company	(1,463)	1,249	(1,330)	1,239
	Number of ordinary shares			
Weighted average number of ordinary shares for basic and diluted (loss)/profit per share computation	232,481,008	232,422,665	232,481,008	232,422,665
(Loss)/profit per share	(0.63)	0.54	(0.57)	0.53

The basic and diluted EPS are the same as the Company and the Group did not have any potentially dilutive instruments for the respective financial periods.

8. Net Asset Value

	Group		Company	
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Net asset value ("NAV") (\$'000)	(6,648)	(5,304)	10,688	10,543
Number of ordinary shares	232,481,008	232,481,008	232,481,008	232,481,008
NAV per ordinary share (cents)	(2.86)	(2.29)	4.60	4.53

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

9. Property, plant and equipment

Group (Unaudited)	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	86	2	61	–	–	926	100	1,175
Written-off	(7)	(35)	(100)	–	–	(723)	–	(865)
Disposal	–	(1)	–	–	–	–	–	(1)
Currency realignment	1	9	6	–	–	–	–	16
At 30 June 2023	1,924	2,802	3,374	148	32	15,000	100	23,380
Accumulated 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	–	–	–	–	–	(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	47	138	100	9	2	898	–	1,194
Written-off	(7)	(35)	(94)	–	–	(718)	–	(854)
Disposal	–	(1)	–	–	–	–	–	(1)
Write-back of impairment loss	–	–	–	–	–	(10)	–	(10)
Currency realignment	1	9	5	–	–	–	–	15
At 30 June 2023	1,734	2,442	3,124	136	29	10,952	–	18,417

9. Property, plant and equipment (Cont'd)

Group (Unaudited)	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
Net carrying amount:								
At 30 June 2023	190	360	250	12	3	4,048	100	4,963
At 31 December 2022	151	496	294	21	5	4,015	–	4,982

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 to 2025 is as shown below.

	2023 \$'000	2024 \$'000	2025 \$'000
Increase/(decrease) in depreciation expenses	229	(124)	(114)

10. 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 period:

Group (Unaudited)	Restaurant premises \$'000	Residential apartments and co- living hotels \$'000	Total \$'000
At 1 January 2022	14,941	18,362	33,303
Additions	–	1,788	1,788
(Impairment charge)/write back of impairment loss	(514)	644	130
Charge for the year	(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	1,262	168	1,430
Impairment charge	(340)	–	(340)
Charge for the period	(4,696)	(2,463)	(7,159)
Early termination of leases	(293)	(7)	(300)
Lease modification	6,240	361	6,601
Currency realignment	7	–	7
At 30 June 2023	18,584	14,458	33,042

10. Right-of-use assets and lease liabilities (Cont'd)

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

	30 June 2023	31 December 2022
	\$'000	\$'000
	(Unaudited)	(Audited)
At 1 January	39,476	42,937
Additions	1,430	1,756
Accretion of interest	1,137	2,620
Payments	(8,744)	(18,485)
Early termination of leases	(267)	(279)
Lease modification	6,594	10,953
Currency realignment	8	(26)
At 30 June / 31 December	39,634	39,476
Current	15,767	14,430
Non-current	23,867	25,046
At 30 June / 31 December	39,634	39,476

During the financial period ended 30 June 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 negative \$26,000 (31 December 2022: \$246,000) was recorded within the "Other (expenses)/gains" line item of profit or loss.

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.

11. Provision

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

Movements in provision for restoration costs:

	30 June 2023	31 December 2022
	\$'000	\$'000
	(Unaudited)	(Audited)
At 1 January	1,054	1,264
Additions	202	–
Reversal	(21)	(34)
Utilisation	(105)	(178)
Discount rate adjustment	–	2
At 30 June / 31 December	1,130	1,054
Current	312	312
Non-current	818	742
At 30 June / 31 December	1,130	1,054

12. Loans and borrowings

	30 June 2023	31 December 2022
	\$'000	\$'000
	(Unaudited)	(Audited)
Amount repayable in one year or less, or on demand	3,666	4,704
Amount repayable after one year	1,303	1,940
At 30 June / 31 December	4,969	6,644

There are no unsecured loans and borrowings as at 30 June 2023 and 31 December 2022.

Details of any collateral:

- 1) The Group's borrowings of \$1.1 million repayable in one year or less, or on demand, and \$Nil repayable after one year are both secured by continuing guarantees by the Company, mortgage of the investment property and assignment of rental proceeds relating to the investment property. The investment property is located at 1 Sims Lane #05-05 Singapore 387355.
- 2) The remaining bank borrowings of \$2.6 million repayable in one year or less, or on demand, and \$1.3 million repayable after one year are secured by continuing guarantees by the Company and certain subsidiaries.

The Group's subsidiaries bank loans are subjected to covenant clauses, whereby the Group's subsidiaries are required to meet certain key financial ratios. The Group's subsidiaries did not fulfil the adjusted tangible net worth, debt service ratio and gearing ratio as required in the loan agreements. As at 30 June 2023, we did not request for the waiver from the bank with respect to the breach of certain loan covenants. The loan of \$0.4 million is due in November 2023 and is accordingly classified as current.

13. Share capital

	30 June 2023		31 December 2022	
	No. of shares '000 (Unaudited)	\$'000 (Unaudited)	No. of shares '000 (Audited)	\$'000 (Audited)
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 ¹	–	–	960	91
At 30 June / 31 December	232,481	8,283	232,481	8,283

Save for the above, there are no other changes in the issuer's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

The Company did not have any outstanding options or convertible instruments as at 30 June 2023 and 31 December 2022.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2023 and 31 December 2022.

¹ Announcement dated 12 January 2022.

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Katrina Group Ltd. and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

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 28 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 54 units of service apartment (31 December 2022: 67), 1 block of service apartments (31 December 2022: 1) and 4 co-living hotels (31 December 2022: 4).

Revenue

The Group's revenue for the period ended 30 June 2023 was \$29.0 million, a decrease of \$1.1 million or 3.6% as compared to \$30.1 million for the period ended 30 June 2022 ("**HY2022**"). Revenue decreased by \$1.1 million or 7.3% from \$15.4 million for the 3 months ended 30 June 2022 ("**2Q2022**") to \$14.3 million for the 3 months ended 30 June 2023. ("**2Q2023**").

Revenue for the Group F&B decreased by \$2.5 million or 11.2% from \$23.0 million in HY2022 to \$20.5 million in HY2023. Revenue for the Group F&B decreased by \$1.8 million or 15.1% from \$11.8 million for 2Q2022 to \$10.0 million for 2Q2023. The decrease for both periods was attributed to the decrease in number of outlets during the period under review.

Revenue for Group Hospitality increased by \$1.5 million or 20.8% from \$7.1 million in HY2022 to \$8.6 million in HY2023. Revenue for the Group Hospitality increased by \$0.7 million or 18.3% from \$3.6 million for 2Q2022 to \$4.3 million for 2Q2023. The increase was due to the reopening of borders from 1 April 2022, and the start of operations for ST Residences Balestier, a 20 units property in August 2022.

Cost of sales

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 \$0.2 million or 0.8% from \$26.1 million in HY2022 to \$25.9 million in HY2023. Cost of sales decreased by \$0.3 million or 2.4% from \$13.2 million in 2Q2022 to \$12.8 million in 2Q2023.

Cost of sales for Group F&B decreased by \$0.5 million or 2.7% from \$20.4 million in HY2022 to \$19.9 million in HY2023. This was largely attributable to the decrease in:

- (a) food costs of \$0.4 million, which is in line with the decrease in revenue;
- (b) reduction of leases on short-term rental of \$0.3 million;
- (c) online platform commission of \$0.2 million, which is in line with the decrease in online revenue; and
- (d) repair and maintenance cost of \$0.1 million.

This was offset by the increase in depreciation for right-of-use assets and payroll costs of \$0.4 million and \$0.2 million respectively. Depreciation for right-of-use assets had increased as a number of leases had been renewed in FY2022 and HY2023 at higher rental rates.

Cost of sales for Group Hospitality increased by \$0.3 million or 6.0% from \$5.6 million in HY2022 to \$5.9 million in HY2023. The increase was largely due to the increase in (a) depreciation for right of use assets of \$0.4 million, (b) agent commission of \$0.2 million, (c) staff cost of \$0.1 million, offset by the decrease in short-term rental expense of \$0.3 million.

Cost of sales for Group F&B decreased by \$0.3 million or 3.2% from \$10.2 million in 2Q2022 to \$9.9 million in 2Q2023. This was largely attributable to the decrease in:

- (a) food costs of \$0.3 million, which is in line with the decrease in revenue;
- (b) reduction of leases on short-term rental of \$0.1 million;
- (c) online platform commission of \$0.1 million, which is in line with the decrease in online revenue; and
- (d) depreciation of property, plant and equipment of \$0.2 million.

This was offset by the increase in depreciation for right-of-use assets and payroll costs of \$0.3 million and \$0.2 million respectively. Depreciation for right-of-use assets had increased as the leases in the period under review was renewed at higher rental rates as compared to the previous corresponding period.

Cost of sales for Group Hospitality increased minimally by approximately \$13,000 or 0.4% to \$3.0 million in 2Q2023.

Gross profit

The Group recorded a gross profit of \$3.2 million for HY2023 (HY2022: \$4.1 million). Gross profit for the 2Q2023 amounted to \$1.5 million. For HY2023, Group F&B and Group Hospitality reported a gross profit of \$0.6 million and \$2.6 million respectively. For 2Q2023, Group F&B and Group Hospitality reported a gross profit of \$0.2 million and \$1.3 million respectively.

Other income

Other income mainly relates to the government grants, which include Jobs Support Scheme (“JSS”), Wage Credit Scheme/Progressive Wage Credit Scheme (“WCS”), as well as cash grants.

Other income decreased by \$0.4 million or 39.6% from \$1.1 million in HY2022 to \$0.7 million in HY2023.

The decrease was largely attributable to a/an:

- decrease in rental rebate of \$0.4 million;
- decrease in government grants of \$0.2 million; offset by
- increase in income arising from the cancellation of bookings and expiry of vouchers of \$0.2 million.

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

Other income decreased by \$0.2 million or 81.3% from \$0.3 million in 2Q2022 to approximately \$57,000 in 2Q2023.

The decrease was largely attributed to the decrease in government grant of \$0.2 million. Government grants had decreased due to the decrease in SEC and WCS of \$0.1 million each.

Selling and distribution costs

The selling and distribution costs decreased slightly by approximately \$89,000 or 20.5% from \$0.4 million in HY2022 to \$0.3 million in HY2023 and approximately \$20,000 or 9.5% from \$211,000 in 2Q2022 to \$191,000 in 2Q2023.

The decrease from HY2022 to HY2023 was largely due to the decrease in marketing, advertising and promotion cost and marketing discount of approximately \$58,000 and \$44,000 respectively as the Group reduced the marketing promotions during the period under review as the business improved. These were offset by the increase in payroll costs of approximately \$35,000.

Administrative expenses

Administrative expenses increased by \$76,000 or 2.6% from \$2.9 million in HY2022 to \$3.0 million in HY2023 and \$0.1 million or 7.8% from \$1.5 million in 2Q2022 to \$1.6 million in 2Q2023.

The increase in administrative expenses for HY2023 was due to the increase in professional fees of approximately \$0.1 million, which was largely due to accruals made for the legal fees to be incurred for the URA Investigation.

The increase in administrative expenses for 2Q2023 was mainly due to the increase in payroll and related expenses of \$0.2 million due to the increase in salary expenses.

Finance costs

Finance costs decreased by approximately \$95,000 or 6.9% from \$1.4 million in HY2022 to \$1.3 million in HY2023. The decrease was mainly related to the decrease in lease interest expense. Finance costs amounted to \$0.6 million for both corresponding periods of 2Q2022 and 2Q2023.

Other expenses/(gains)

The Group recorded other expenses of \$0.5 million in HY2023 vis-à-vis other gains of \$0.8 million in HY2022. Other expenses related to the impairment loss on right-of-use assets of \$0.3 million and impairment of amount due from joint venture of \$0.1 million.

The Group recorded other expenses of \$0.6 million in 2Q2023 vis-à-vis other gains of \$1.0 million in 2Q2022. This was mainly due to the impairment loss on right-of-use assets recognised in the 3 months period of \$0.6 million.

(Loss)/profit for the period, representing (loss)/profit for the period attributable to owners of the Company

As a result of the aforementioned, the Group reported a net loss after tax of \$1.3 million in HY2023 vis-à-vis a net profit after tax of \$1.2 million in HY2022.

REVIEW OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by approximately \$0.2 million from \$42.6 million as at 31 December 2022 to \$42.8 million as at 30 June 2023.

This was mainly due to the increase in right-of-use assets of \$0.2 million. Right-of-use assets had increased due to additions of \$1.4 million and lease modification of \$6.6 million, offset by the impairment charge and early termination of \$0.3 million each and the depreciation of \$7.2 million.

Property, plant and equipment remained largely unchanged as the additions approximated the depreciation charge for the period.

Current assets

The Group's current assets decreased by approximately \$2.5 million from \$9.5 million as at 31 December 2022 to \$7.0 million as at 30 June 2023.

This was mainly due to (a) a decrease in cash and bank balances of \$2.2 million; (b) a decrease in trade receivables of \$0.2 million due to tighter credit control; (c) a decrease in refundable deposits (current) of \$0.2 million and (d) a nil amount due from a joint venture as a result of impairment recorded. The decrease was offset by an increase in other receivables of \$0.2 million.

Overall, refundable deposits decreased by \$0.2 million. This was mainly due to the reduction in refundable rental deposits of \$0.2 million, which was reclassified to other receivables, thus resulting in its increase.

Current liabilities

The Group's current liabilities increased by approximately \$0.8 million from \$29.4 million as at 31 December 2022 to \$30.2 million as at 30 June 2023.

The increase was mainly due to an increase in trade and other payables and lease liabilities (current) of \$0.8 million and \$1.3 million respectively; offset by a decrease in loans and borrowings (current) of \$1.0 million, decrease in other liabilities of \$0.3 million and a decrease in contract liabilities of \$0.1 million.

Trade and other payables had increased due to (a) increase in trade and other creditors of \$0.1 million, (b) increase in amount due to a director of \$1.1 million, offset by the (c) reduction in security deposits of \$0.2 million and (d) decrease in GST payable of \$0.2 million. Amounts due to directors had increased due to the working capital requirement. Please refer to section 7 "Other transactions by the Executive Directors" for more information.

Other liabilities had decreased mainly due to the decrease in accrued operating expenses.

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 30 June 2023.

Please refer to explanation in Non-current liabilities for the analysis on the movement in lease liabilities (current) and loans and borrowings (current).

Non-current liabilities

The Group's non-current liabilities decreased by \$1.7 million from \$27.9 million as at 31 December 2022 to \$26.2 million as at 30 June 2023.

This was due to (a) the decrease in loans and borrowings (non-current) of \$0.6 million; and (b) the decrease in lease liabilities (non-current) of \$1.2 million.

Overall, loans and borrowings had decreased by \$1.6 million. This was due to the repayment of loans and borrowings.

Overall, total lease liabilities had increased by \$0.1 million, largely due to the addition of new lease liabilities of \$1.4 million, accretion of interest of \$1.1 million and lease modification of \$6.6 million, offset by the lease payments made of \$8.7 million and early termination of leases of \$0.3 million during the period under review.

Shareholders' equity

The Group's shareholders' equity decreased by \$1.3 million from negative \$5.3 million as at 31 December 2022 to negative \$6.6 million as at 30 June 2023. The decrease resulted from the net loss generated during the period.

Negative working capital

As at 30 June 2023, the Group was in a negative working capital position of \$23.3 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 11 August 2023 to enable the Group to meet its liabilities as and when the Group is unable to meet such liabilities. 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 HY2023 was \$9.4 million. This was mainly due to operating cash flows before changes in working capital of \$8.8 million and working capital inflow of \$0.6 million.

Net cash used in investing activities amounted to \$1.1 million mainly arising from purchase of plant and equipment for the F&B segment of \$1.0 million, and cash paid for restoration cost of \$0.1 million.

Net cash used in financing activities of \$10.3 million was mainly due to the principal payment of lease payments of \$8.7 million, repayment of loan and borrowings and interest of \$1.8 million, offset by the reduction in cash restricted in use (earmarked for repayment of bank loans) of \$0.3 million.

The cash and cash equivalents for the period decreased by \$1.9 million compared to 31 December 2022.

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

Not applicable.

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

Business consolidation will be one of the key focus of the F&B segment, with the Group looking to close non-performing outlets and channel the resources to new outlets or better performing outlets. The Group targets to be more selective in the locations of its outlets and optimise its marketing efforts to further increase its customer base. The Hospitality segment is expecting the opening of a new ST Signature co-living hotel in the later part of the year.

The Group remains committed to growing its business, while prudently managing costs.

In relation to the URA Investigation (the “Investigation”), the Investigation is still ongoing and no charges have been filed against the Group nor any of the Relevant Persons. The Group is cooperating with the authorities on the Investigation and will make further announcement(s) as and when there are material developments on this matter.²

On 30 June 2023, the Group had announced that the Company would be undertaking a renounceable non-underwritten warrants issue of up to 232,481,008 warrants (the “Warrants”) at an issue price of S\$0.001 for each Warrant (the “Issue Price”). Each Warrant would carry the right to subscribe for one (1) new ordinary share in the capital of the Company (“New Share”) at an exercise price of S\$0.02 for each New Share (the “Exercise Price”), on the basis of one (1) Warrant for every one (1) existing ordinary share in the capital of the Company (the “Shares”) held by the shareholders of the Company (the “Shareholders”) as at a date and time to be determined by the Directors for the purpose of determining the Shareholders’ entitlement (the “Record Date”). Subsequently, on 21 July 2023, the Company had received the listing and quotation notice (“Notice”) from the SGX-ST for the listing and quotation of the Warrants and the New Share, subject to compliance with the listing requirements of the SGX-ST.³ This Notice is not to be taken as an indication of the merits of the Rights Issue of Warrants, the New Shares, the Warrants, the Company and/or its subsidiaries.

5. Dividend information

There is no dividend declared or recommended in HY2023 as the Group is loss-making for the period.

6. Interested persons transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

² Please refer to announcements dated 25 June 2022 and 22 June 2022 for further details.

³ Please refer to announcements dated 27 July 2023, 24 July 2023 and 30 June 2023 for further details.

8. Other transactions by the Executive Directors

The following are balances as at 30 June 2023 with the Executive Directors:

	<u>(\$'000)</u>
Alan Goh Keng Chian (“AG”) and Madaline Catherine Tan Kim Wah (“CT”) providing indemnity to the insurers to issue letters of guarantee in lieu of security bonds to the Ministry of Manpower for engagement of foreign workers ¹	175
AG, who is also the controlling shareholder, has provided a letter of undertaking to financially support the Group as and when required ²	1,356
Loan from CT, who is also a controlling shareholder ²	<u>380</u>

Notes:

¹ The Executive Directors are not paid for providing the indemnity.

² Amount is non-interest bearing.

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

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of Section B of the SGX-ST Listing Manual.

10. Disclosure of acquisition (including incorporations) and sale of shares under Catalyst Rule 706A

The Group has struck off 2 of the subsidiaries, SOPL 2 Pte. Ltd. and Straits Organization HK Limited, from the Register of Companies in March 2023 and July 2023 respectively. There is no material impact on the net tangible assets or earnings per share of the Group for the financial period ended 30 June 2023.

11. Negative Confirmation Pursuant to Rule 705(5)

We, Alan Goh Keng Chian and Madaline Catherine Tan Kim Wah, being two Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company (“the **Board**”) that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board

Alan Goh Keng Chian
Executive Chairman and CEO

Madaline Catherine Tan Kim Wah
Executive Director

11 August 2023