Katrina GROUP LTD.

Incorporated in the Republic of Singapore | Registration No. 201608344N

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2017

Katrina Group Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 25 July 2016. The initial public offering (the "IPO") of the Company was sponsored by Hong Leong Finance Limited (the "Sponsor").

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("the SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Mr. Tang Yeng Yuen, Vice President, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone: (65) 64159886

Background

The Company was incorporated in Singapore on 31 March 2016 under the Companies Act (Chapter 50) as a private company limited by shares under the name of Katrina Group Pte. Ltd. On 9 July 2016, The Company was converted into a public company limited by shares and the name was changed to Katrina Group Ltd. The Company and its subsidiary (the "Group"), were formed pursuant to a restructuring exercise which was conducted to rationalize the Group structure (the "Restructuring Exercise") prior to the Company's initial public offering ("IPO") and listing on Catalist of the SGX-ST. Please refer to the Company's offer document dated 15 July 2016 ("Offer Document") for further details on the Restructuring Exercise.

For the purpose of this announcement, the financial results of the Group for the half-year ended 30 June 2016 have been prepared on the assumption that the Group's structure had been in place since 1 January 2016.

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

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

COMBINED INCOME STATEMENT AND COMPRENHENSIVE INCOME

	The Group		
	Half-Year Ended 30 June		Increase/ (Decrease)
	2017	2016	
	S$'000	S$'000	%
Revenue	**27,650**	28,091	(1.6)
Cost of sales	**(25,086)**	(23,724)	5.7
Gross profit	**2,564**	4,367	(41.3)
Other income	**251**	267	(6.0)
Selling and distribution costs	**(495)**	(607)	(18.5)
Administrative expenses	**(1,900)**	(1,683)	12.9
IPO expenses	**-**	(590)	N.M.
Interest expenses	**-**	(2)	N.M.
Profit before tax	**420**	1,752	(76.0)
Income tax expense	**(102)**	(364)	(72.0)
Total comprehensive income, representing net profit	**318**	1,388	(77.1)
Foreign currency translation	**16**	24	(33.3)
Total comprehensive income attributable to equity holders	**334**	1,412	(76.3)

1(a)(ii) Notes to the statement of comprehensive income

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

	The Group		
	Half-Year Ended 30 June		Increase/ (Decrease)
	2017	2016	
	S$'000	S$'000	%
Employee benefits	**(9,916)**	(9,735)	1.9
Government grants	**149**	106	40.6
Depreciation of property, plant and equipment	**(1,106)**	(1,164)	(5.0)
Fixed rental expense on operating leases	**(6,793)**	(6,333)	7.3
Contingent rental expense on operating leases	**(310)**	(266)	16.5
Write-off of property, plant and equipment	**(2)**	(2)	0.0

N.M. – Not Meaningful

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

COMBINED STATEMENTS OF FINANCIAL POSITION

BALANCE SHEETS	Group		Company	
	30 June 17	31 Dec 16	30 June 17	31 Dec 16
ASSETS	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	**6,378**	6,868	**-**	-
Intangible assets	**1**	2	**-**	-
Investment in subsidiary	**-**	-	**1,165**	1,165
Refundable deposits	**5,041**	4,087	**-**	-
Deferred tax assets	**62**	62	**-**	-
	11,482	11,019	**1,165**	1,165
Current assets				
Trade receivables	**383**	553	**-**	-
Other receivables	**10**	232	**-**	-
Refundable deposits	**614**	1,148	**-**	-
Prepayments	**603**	249	**9**	60
Amount due from subsidiary	**-**	-	**5,780**	5,535
Cash and cash equivalents	**7,826**	11,367	**2,301**	3,471
	9,436	13,549	**8,090**	9,066
Total assets	**20,918**	24,568	**9,255**	10,231
LIABILITIES				
Current liabilities				
Trade and other payables	**4,364**	4,669	**141**	-
Other liabilities	**1,019**	1,354	**131**	63
Provision	**120**	211	**-**	-
Amount due to directors	**135**	1,713	**-**	-
Provision for taxation	**665**	966	**39**	-
	6,303	8,913	**311**	63
Net current assets	**3,133**	4,636	**7,779**	9,003
Non-current liabilities				
Other payables	**260**	313	**-**	-
Provision	**858**	767	**-**	-
	1,118	1,080	**-**	-
Total liabilities	**7,421**	9,993	**311**	63
NET ASSETS	**13,497**	14,575	**8,944**	10,168
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**8,192**	8,192	**8,192**	8,192
Reserves	**27**	11	**-**	-
Retained profits	**5,278**	6,372	**752**	1,976
Total equity	**13,497**	14,575	**8,944**	10,168
Total equity and liabilities	**20,918**	24,568	**9,255**	10,231

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

As at 30 June 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 30 June 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of collateral:

Not applicable

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

COMBINED STATEMENTS OF CASH FLOWS

	The Group	
	Half-Year Ended 30 June	
	2017	2016
	S$'000	S$'000
Operating activities:		
Profit before tax	**420**	1,752
Adjustments for:		
Depreciation of property, plant and equipment	**1,104**	1,164
Write-off of property, plant and equipment	**2**	2
Interest expense	**-**	2
Currency realignment	**36**	54
Total adjustments	**1,142**	1,222
Operating cash flows before changes in working capital	**1,562**	2,974
Changes in working capital:		
Trade and other receivables	**392**	384
Refundable deposits	**(420)**	(158)
Prepayments	**(354)**	216
Trade and other payables	**(358)**	(585)
Other liabilities	**(335)**	(197)
Amount due to directors	**(78)**	-
Total changes in working capital	**(1,153)**	(340)
Cash flows from operations	**409**	2,634
Income tax paid	**(403)**	(485)
Interest paid	**-**	(2)
Net cash flows generated from operating activities	**6**	2,147
Investing activities:		
Purchase of property, plant and equipment	**(617)**	(1,182)
Acquisition of shares in a subsidiary	**-**	(602)
Net cash flows used in investing activities	**(617)**	(1,784)
Financing activities:		
Dividends paid to the then existing shareholders of a subsidiary	**(1,500)**	-
Dividends paid to the shareholders	**(1,412)**	-
Repayments of loans and borrowings	-	(101)
Net cash flows used in financing activities	**(2,912)**	(101)
Effects of exchange rate changes on cash and cash equivalents	**(18)**	(18)
Net (decrease)/increase in cash and cash equivalents	**(3,541)**	244
Cash and cash equivalents at 1 January	**11,367**	10,290
Cash and cash equivalents at 30 June	**7,826**	10,534

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

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				
	Share capital	**Statutory reserve fund**	**Foreign currency translation reserve**	**Retained earnings**	**Equity, total**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
The Group					
Balance at 1 January 2017	8,192	1	10	6,372	14,575
Profit for the period	-	-	-	318	318
Foreign currency translation	-	-	16	-	16
Total comprehensive income for the period	-	-	16	318	334
Dividends paid to the shareholders				(1,412)	(1,412)
Balance at 30 June 2017	**8,192**	**1**	**26**	**5,278**	**13,497**
Balance at 1 January 2016	1,771	1	(1)	14,004	15,775
Profit for the period	-	-	-	1,388	1,388
Foreign currency translation	-	-	24	-	24
Total comprehensive income for the period	-	-	24	1,388	1,412
Dividend payable to the then existing shareholders of a subsidiary	-	-	-	(10,000)	(10,000)
Adjustment arising from restructuring	(606)	-	-	-	(606)
	(606)	-	-	(10,000)	(10,606)
Balance at 30 June 2016	1,165	1	23	5,392	6,581
The Company					
Balance at 1 January 2017	8,192	-	-	1,976	10,168
Profit for the period	-	-	-	188	188
Dividends paid to the shareholders	-	-	-	(1,412)	(1,412)
Balance at 30 June 2017	**8,192**	**-**	**-**	**752**	**8,944**
	S$	**S$**	**S$**	**S$**	**S$**
Balance at 31 Mar 2016 (Date of incorporation)	2	-	-	-	2
Balance at 30 June 2016	2	-	-	-	2

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

Ordinary shares of the Company	**Number of shares**	**Resultant issued and paid-up share capital S$**
Balance at 31 December 2016	231,521,008	8,191,502
Balance at 30 June 2017	231,521,008	8,191,502

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 30 June 2017 and 30 June 2016.

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

The Company's issued share capital as at 30 June 2017 and 31 December 2016 comprised 231,521,008 ordinary shares.

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

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

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

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

Not applicable.

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

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period compared to the audited financial statements for the financial year ended 31 December 2016.

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

The Group has adopted all new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the financial period on or after 1 January 2017, where applicable. The adoption of these new and revised standards from the effective date is not expected to result in any material adjustments to the financial statements of the Group for the current financial reporting period.

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

	The Group	
	Half-Year Ended 30 June	
Earnings per share ("EPS")	**2017**	2016
Profit attributable to equity holders of the Company ($'000)	**318**	1,388
Weighted average number of ordinary shares [1]	**231,521,008**	195,721,008
Basic and diluted EPS (cents) [2]	**0.14**	0.71

[1] For comparative purposes, as the Company only had 2 shares in issue as at 30 June 2016, the computation of the basic and diluted EPS HY2016 is based on the pre-invitation share capital of 195,721,008 shares.

[2] 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.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
Net asset value ("NAV") per ordinary share	**30 June 2017**	31 Dec 2016	**30 June 2017**	31 Dec 2016
NAV (S$'000)	**13,497**	14,575	**8,944**	10,168
Number of ordinary shares	**231,521,008**	231,521,008	**231,521,008**	231,521,008
NAV per ordinary share (cents)	**5.83**	6.30	**3.86**	4.39

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF FINANCIAL PERFORMANCE

Revenue

Revenue decreased slightly from S$28.1 million in half year ended 30 June 2016 ("**HY2016**") to S$27.7 million in half-year ended 30 Jun 2017 ("**HY2017**") despite an increase in number of outlets. The shortfall on the revenue contribution was mainly attributed to the slow sales from existing outlets across the 2 financial periods. To boost sales, the management is converting the concept of one outlet from Streats to Hongguo after reviewing the profile of the target customers. In view of the change of demographics such as the eating trend and convenience of mobile ordering system, customers are exploring into online delivery as opposed to dine in. As a result, the decrease in dine-in revenue was offset by an increase in online delivery revenue, which contributed 10.1% (HY2016: 1.5%) of the total revenue.

In addition, there was also a decrease in revenue from Beijing of S$0.3 million due to the closure of Gemdale Beijing outlet in April 2017.

Cost of Sales

Cost of sales, which mainly comprised food and beverage, payroll costs, utilities, leases of restaurants and online commissions, increased by S$1.4 million or 5.7% from S$23.7 million in HY2016 to S$25.1 million in HY2017. The increase was contributed by an increase in the utilities, rental leases and staff costs as a result of the opening of new outlets namely Bali Thai Ngee Ann, Streats Raffles City and Streats Bedok Mall.

In addition, online sales commission increased significantly by S$0.5 million in HY2017 from S$0.07 million in HY2016 as a result of engagement of new online platform vendors during the current financial period.

Gross profit

Gross profit decreased by S$1.8 million or 41.3% from S$4.4 million in HY2016 to S$2.6 million in HY2017.

Selling and distribution costs

The decrease in selling and distribution costs was due to higher advertising costs incurred in HY2016 to promote new online delivery services.

Administrative expenses

Administrative expenses increased by 12.9% from S$1.7 million in HY2016 to S$1.9 million in HY2017 mainly attributed to the additional recurring statutory filing requirements and maintenance of new ERP system.

Total comprehensive income attributable to equity holders

Total comprehensive income attributable to equity holders decreased by S$1.1 million or 76.3% from S$1.4 million in HY2016 to S$0.3 million in HY2017.

REVIEW OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by S$0.5 million from S$11.0 million as at 31 December 2016 to S$11.5 million as at 30 June 2017 due to an increase in refundable deposits for new outlets, offset by a decrease in property, plant and equipment, as a result of depreciation expenses.

Current assets

The Group's current assets decreased by S$4.1 million from S$13.5 million as at 31 December 2016 to S$9.4 million as at 30 June 2017 due to the decrease in cash and cash equivalents utilised for the setup of new outlets, dividend payments, reclassification of refundable deposits to non-current assets and decrease in other receivables as a result of the receipt of government grants during the financial period. The decrease was offset by an increase in prepayment for the Point of Sales (POS) system setup and franchise development project.

Current liabilities

The Group's current liabilities decreased S$2.6 million from S$8.9 million as at 31 December 2016 to S$6.3 million as at 30 June 2017 mainly due to the payment of dividends of S$1.5 million to the then existing shareholders of a subsidiary, decrease in trade and other payables comprising payroll and CPF payable and decrease in provision of bonus (6 months provision for period ended 30 June 2017 as opposed to full year provision as at 31 December 2016).

Non-current liabilities

The Group's non-current liabilities remained at around S$1.1 million as at 30 June 2017.

Positive working capital

As at 30 June 2017, the Group was in a positive working capital of S$3.1 million as compared with S$4.6 million as at 31 December 2016.

Shareholders' equity

The Group's shareholders equity decreased by S$1.1 million as at 30 June 2017 mainly attributed to the final dividend payment to Group's shareholders of S$1.4 million in respect of the financial year ended 31 December 2016.

REVIEW OF CASH FLOWS

The Group generated net cash from operating activities before changes in working capital of S$1.6 million. Net cash used in working capital amounted to S$1.1 million mainly due to increase in refundable deposits of S$0.4 million, prepayments for the setup of new outlets, franchise development project and implementation of POS of S$0.4 million, decrease in trade and other payables of S$0.4 million and decrease in other liabilities of S$0.3 million. This was offset by a decrease in trade and other receivables of S$0.4 million. The Group also paid income tax of S$0.4 million. As a result, net cash generated from operating activities was approximately S$6,000.

Net cash used in investing activities amounted to S$0.6 million due to acquisition of property, plant and equipment for new outlets.

Net cash used in financing activities of S$2.9 million was mainly due to the payment of dividend to the shareholders of the Company.

As a result of the above, the net decrease in cash and cash equivalents for the period was S$3.5 million.

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

The Group has not issued any forecast or prospect statement to the shareholders.

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

The Food and Beverage ("F&B") industry in Singapore continued to face headwinds coming into 2017. Despite the pick-up in economic performance in 1Q2017[1], the services sector, which includes the F&B industry, diverged from this recovery, likely due to weak labour market conditions[2] weighing on consumer spending.

As a result, the Food & Beverage Services Index ("FSI") in Singapore declined an average of 4.2% a month for the first five months of 2017 when compared at constant prices to the corresponding months in 2016, with the restaurant sector contributing a decline of an average 10.3% a month.[3]

In view of this, the Group will continue to execute its restrategised growth plans. This encompasses moving forward with expansion during this downtime to secure prime locations in high footfall shopping malls, maximizing sales from its online food ordering and delivery services and, seeking opportunities to collaborate with strategic partners to expand its operations overseas.

By the end of July 2017, the Group opened three new restaurants in Singapore bringing the total number of restaurants for the Group to 37 restaurants. Additionally, the Group has four more stores in the pipeline for FY2017.

The Group also made headway in its overseas expansion, signing an agreement with Hong Kong-listed Ajisen Group to grow "So Pho" brand in the PRC and Hong Kong. The Group is optimistic that it may further its regional presence through more restaurant openings in the PRC or Hong Kong in the next 12 to 18 months.

Online food ordering and delivery services continued to show promising results with revenue growing to approximately S$2.8 million for 1H2017 surpassing revenue achieved of S$2.5 million for FY2016. As the Group has expanded the number of online platform vendors it uses in mid-1H2017, it expects this segment to come into full swing in 2H2017.

The Group also commenced the upgrading of its Enterprise Resource Planning ("ERP") and Point-Of-Sales ("POS") systems to improve customer experience and increase staff proficiency and productivity while lowering costs in the long run.

Overall, the Group will continue to focus on improving long term shareholder value and customer experience.

[1]https://www.singstat.gov.sg/docs/default-source/default-document-library/news/press_releases/gdp1q2017.pdf

[2]http://www.mom.gov.sg/newsroom/mom-statements/2017/0315-statement-on-labour-market-developments

[3]http://www.singstat.gov.sg/docs/default-source/default-document-library/publications/publications_and_papers/services/mrsmay17.pdf

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) dividend has been declared (recommended); and

Nil for FY2017.

(b) (i) Amount per share in cents

Not applicable.

(ii) Previous corresponding period in cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

There is no dividend declared or recommended in HY2017.

13. If the Group has obtained a general mandate from shareholders for interested persons transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPT.

Other than as disclosed under the amount due to directors (combined statement of the financial position line item) and section 11(a) above, the following are the IPT transactions during the current financial period:

(a) Our CEO and Executive Chairman, Alan Goh, and our Executive Director, Catherine Tan, provided personal guarantees and securities for certain credit and trade facilities and leases granted to our Group.

Financial Institution / Landlord	Purpose	As at 30 June 2017 (S$'000)
Novena Square Development Ltd	To secure the lease of the So Pho Cafe at Novena Square	244[(1)]
UOL Residential Development Pte. Ltd. and UOL Property Investments Pte. Ltd.	To secure the lease of the Streats Cafe at One KM	95[(1)]

Note:
[(1)] The amounts disclosed are the minimum lease payments under operating leases (such as base rent, advertising and promotion fees, and service charges). These leases contained variable components such as sales commission and percentages of gross turnover payable to the landlord, which are payable at different intervals, are also secured by the above-mentioned lease guarantees.

(b) The Company is required to furnish to the MOM a security bond of S$5,000 for each foreign worker the Company engages. Our Group has made arrangements with certain insurers for the insurers to issue letters of guarantee in lieu of the security bonds.

Our CEO and Executive Chairman, Alan Goh, and our Executive Director, Catherine Tan, have provided indemnities to the insurers in respect of any amounts claimed under the letters of guarantee.

Details of the aggregate indemnities provided by these Interested Persons in connection with the security bonds during the Relevant Period are as follows:

	As at 30 June 2017 (S$'000)
Aggregate indemnity in connection with the security bonds	325

14. Use of IPO Proceeds

The Company received net proceeds of approximate $6.1 million from IPO. The use of net proceeds as at the date of announcement is as follow:

Use of proceeds	Amount allocated (S$'000)	Amount utilised (S$'000)	Amount unutilised (S$'000)
Business expansion	4,896	2,382	2,514
General working capital and corporate purposes	1,200	1,200	-
Estimated net proceeds	6,096	3,582	2,514

An aggregate amount of S$1.2 million had been used for general working capital and corporate purposes of the Group and details of principal disbursements are set below:

	(S$'000)
Suppliers' payments	1,042
Salaries and related costs	6
Rental costs	33
Operating expenses	119
Total	**1,200**

The use of proceeds has been used in accordance with the stated use.

15. 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).

16. Negative Confirmation Pursuant to Rule 705(5)

We, Alan Goh and Catherine Tan, 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 2017 to be false or misleading in any material aspect.

On behalf of the Board

Alan Goh
CEO and Executive Chairman

Catherine Tan
Executive Director

11 August 2017