

## 9R LIMITED

(Incorporated in the Republic of Singapore)  
Company Registration No. 199307300M

### BUSINESS AND FINANCIAL UPDATE FOR THE QUARTER ENDED 31 DECEMBER 2024

The Board of Directors (the "**Board**") of 9R Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to provide a voluntary business and financial update for the three-month period ended 31 December 2024 ("**4Q2025**").

#### Key Financial Highlights

##### (a) Extract of Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group			Group		
	Three-month ended 31.12.2024	31.12.2023	% Change	Twelve-month ended 31.12.2024	31.12.2023	% Change
	Unaudited S\$'000	Unaudited S\$'000		Unaudited S\$'000	Audited S\$'000	
Revenue	3,417	1,322	NM	11,890	6,576	81
Cost of sales	(903)	(380)	NM	(3,215)	(3,481)	(8)
<b>Gross profit</b>	<b>2,514</b>	<b>942</b>	<b>NM</b>	<b>8,675</b>	<b>3,095</b>	<b>NM</b>
Other income	434	651	(33)	2,403	1,011	NM
Marketing and distribution expenses	(8)	(17)	(53)	(156)	(79)	97
Administrative expenses	(1,526)	(1,092)	40	(6,266)	(3,220)	95
Other operating expenses	(1,003)	(2,753)	(64)	(4,163)	(3,532)	18
Loss allowance on financial assets and contract assets	-	(2,438)	(100)	-	(2,438)	(100)
Finance costs	(71)	(31)	NM	(287)	(83)	NM
<b>Profit/(loss) before tax</b>	<b>340</b>	<b>(4,738)</b>	<b>NM</b>	<b>206</b>	<b>(5,246)</b>	<b>NM</b>
Income tax credit/(expenses)	46	29	59	(249)	(11)	NM
<b>Profit/(loss) for the period</b>	<b>386</b>	<b>(4,709)</b>	<b>NM</b>	<b>(43)</b>	<b>(5,257)</b>	<b>(99)</b>

**NM – not meaningful**

The Group recorded revenue of S\$3.4 million for 4Q2025, an increase compared to S\$1.3 million for the three-month period ended 31 December 2023 ("**4Q2023**"). This growth was driven by lifestyle retail business segment, both from the acquisition of seven additional Redbox karaoke outlets in February 2024 and the operation of a new karaoke outlet at The Exchange TRX mall in Kuala Lumpur, Malaysia which opened in December 2023. The increase in revenue from the lifestyle retail business segment was partially offset against the decline in revenue from the supply chain business segment in 4Q2025, which was primarily due to the weak demand from this business segment. The Group's cost of sales increased from S\$0.38 million to S\$0.90 million for 4Q2025, which is in tandem with the increase in revenue. This resulted in an increase of gross profit from S\$0.94 million in 4Q2023 to S\$2.51 million in 4Q2025.

The Group's administrative expenses increased by S\$0.43 million, from S\$1.09 million in 4Q2023 to S\$1.53 million in 4Q2025. This rise was primarily due to increased manpower cost, utilities and other general expenses from the new outlets.

The Group's other operating expenses decreased S\$1.75 million, from S\$2.75 million in 4Q2023 to S\$1 million in 4Q2025 due to the absence of one off expenses such as allowance for inventory obsolescence, impairment loss on goodwill, and impairment loss on property, plant, and equipment recorded in 4Q2023 and not in 4Q2025, offset by the higher depreciation of property, plant, equipment and right-of-use assets from the new outlets.

**(b) Extract of Statement of Financial Position**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	2,919	3,941	765	2,991
Other current assets	3,767	3,179	8,205	632
Non-current assets	21,450	11,412	7,958	7,958
<b>Total assets</b>	<b>28,136</b>	<b>18,532</b>	<b>16,928</b>	<b>11,581</b>
Current liabilities	5,381	2,609	158	315
Non-current liabilities	6,424	4,663	-	-
<b>Total liabilities</b>	<b>11,805</b>	<b>7,272</b>	<b>158</b>	<b>315</b>
<b>Equity</b>	<b>16,331</b>	<b>11,260</b>	<b>16,770</b>	<b>11,266</b>
<b>Total Liabilities and Equity</b>	<b>28,136</b>	<b>18,532</b>	<b>16,928</b>	<b>11,581</b>

The Group's total assets increased by S\$9.60 million, mainly due to the increase in other current asset and the net book value of plant and equipment arising from the capital expenditure following the acquisition of the seven additional Redbox karaoke outlets, offset by a decrease in cash and bank balances in 4Q2025 relating to the acquisition.

The Group's total liabilities increased by S\$4.53 million, which is in line with the increase in the number of karaoke outlets. The increase in liabilities is mainly due to (i) renovation costs incurred for some of the karaoke outlets and (ii) outstanding rental and utilities expenses for the additional seven Redbox karaoke outlets from the previous years. Included in other payables is an amount of S\$0.90 million, representing the contingent consideration payable for the acquisition of the seven additional Redbox karaoke outlets.

The Group's total equity increased by S\$5.07 million, primarily driven by an increase in share capital during the period under review. The equity included an increase of S\$4.41 million as part of the settlement for the acquisition of seven Redbox karaoke outlets via allotment of Consideration Shares, and an additional S\$0.20 million generated from the exercise of warrants at S\$0.04 per new share issued, bringing the total share capital to increase by S\$4.61 million. The remaining S\$0.46 million increase in the total equity was contributed by the Group's total comprehensive income for the period, primarily due to currency translation differences recognized in other comprehensive income.

**Use of proceeds**

**(a) Proceeds from exercise of warrants**

As at 24 January 2025, 42,753,137 warrants have been exercised by the warrant holders raising net proceeds of S\$1,710,125. An amount of S\$656K has been partially utilised for general corporate and working capital as follows:

	<b>S\$'000</b>
Payment of professional fees	185
Payment of administrative expenses	151
Payment for deposit for acquisition of Compact Sensation Sdn Bhd	148
Repayment of existing shareholders loan	172
	<b>656</b>

The balance of proceeds will be used for general corporate and working capital and the use of the proceeds is in accordance with the intended use as disclosed in the Company's Offer Information Statement dated 3 June 2022 and the First Supplementary Offer Information Statement dated 9 November 2022.

**(b) Proceeds From Private Placement (Completed in November 2022)**

On 25 November 2022, the Group announced the completion of proposed placement pursuant to which 250,390,700 placement shares were allotted and issued. Further details on this placement can be found in the Company's SGXNet announcement dated 10 November 2022. The Company has raised net proceeds of S\$12,199,535 after deducting placement expenses. As at 24 January 2025, the net proceeds from the placement that were utilised are as follows:

Use of net proceeds	Allocation percentage	Amount allocated S\$'000	Utilised as at 24 January 2025 S\$'000	Balance S\$'000
General corporate and working capital requirements	30%	3,660	1,569	2,091
Proposed diversification of the Group's business	70%	8,540	8,540	-
Total	100%	12,200	10,109	2,091

A breakdown of the net proceeds from the private placement that were utilised for working capital are:

Summary of Proceeds used as Working Capital

	S\$'000
Payment of professional fees	1,076
Payment of administrative expenses	493
Total	1,569

The use of the proceeds from the placement is in accordance with the intended use as disclosed in the Company's announcement.

The Board will continue to update in periodic announcements on the utilisation of the proceeds as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and interim financial results announcements.

**Outlook**

*Lifestyle Retail Business Segment*

As at 31 December 2024, the Group operates 9 karaoke outlets, a significant increase from just 2 karaoke outlets as at 31 December 2023. This growth reflects the Group's commitment to expanding its footprint and strengthening its market presence in the lifestyle retail business segment. Moving forward, the Group will continue to focus on streamlining operations and implementing cost management initiatives to ensure sustainable growth in the lifestyle retail business segment. Efforts will also be directed towards improving the performance of existing outlets while reviewing the overall company portfolio and brand strategies to maintain relevance and competitiveness in the industry.

In line with these objectives, the Group is planning to expand by opening additional outlets. This strategic move aims to leverage economies of scale, reduce overall costs, and enhance the Group's financial and operational performance. However, the operating environment is anticipated to remain challenging due to ongoing economic headwinds. These include fierce competition within the industry, a continuing shortage of manpower, and escalating operational costs caused by inflationary pressures. The Group remains committed to navigating these challenges through proactive measures and innovative approaches to maintain its competitive edge.

### *Supply Chain Management Business Segment*

Although the distribution agreement between Diverse Supply Chain Sdn. Bhd. and its AI-powered robotics supplier in China has expired, the Group's supply chain business remains operational. Management has refined the pricing strategies to enhance competitiveness while ensuring cost sustainability. As at 31 December 2024, the Group continues to strengthen its AI-powered robotics and automation business, with a focus on expanding deployment, enhancing partnerships, and improving financial accessibility for customers. Key initiatives include enhancing after-sales support and expanding distribution through a sub-dealer model, and introducing financing solutions to make robotic solutions more accessible to businesses with potential partners. Management will continue to closely monitor the performance and review its strategy for this business segment accordingly.

### **Change of Financial Year End**

As previously announced on 26 November 2024, the Company will change its financial year end from 31 December to 31 March. Following the change, the financial year end of the Group will end on 31 March annually and the next set of financial statements will cover a period of 15 months from 1 January 2024 to 31 March 2025. The unaudited full year financial results shall be released by 30 May 2025.

BY ORDER OF THE BOARD

Mr Khoo Kai Yang  
Chief Executive Officer

13 February 2025

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*This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST 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 Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*