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.

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Contents

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UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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

	3 months ended 31 December		Increase/ (Decrease)	12 months ended 31 December		Increase/ (Decrease)
	2023	**2022**		**2023**	**2022**	
	$'000 (Unaudited)	$'000 (Unaudited)	%	$'000 (Unaudited)	$'000 (Unaudited)	%
Revenue	14,674	17,692	(17.1)	59,315	64,458	(8.0)
Cost of sales	(12,411)	(13,562)	(8.5)	(51,500)	(53,443)	(3.6)
Gross profit	2,263	4,130	(45.2)	7,815	11,015	(29.1)
Other income	228	353	(35.4)	1,217	1,677	(27.4)
Selling and distribution costs	(228)	(214)	6.5	(790)	(835)	(5.4)
Administrative expenses	(1,487)	(1,755)	(15.3)	(6,143)	(6,182)	(0.6)
Finance costs	(914)	(848)	7.8	(2,782)	(2,816)	(1.2)
Other (expenses)/gains	(798)	(4)	N.M.	(1,098)	615	N.M.
(Loss)/profit before tax	(936)	1,662	N.M.	(1,781)	3,474	N.M.
Income tax credit/(expense)	513	(4)	N.M.	433	(10)	N.M.
(Loss)/profit for the period, representing (loss)/profit for the period attributable to owners of the Company	(423)	1,658	N.M.	(1,348)	3,464	N.M.
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	10	38	(73.7)	4	16	(75.0)
Other comprehensive income for the period, net of tax	10	38	(73.7)	4	16	(75.0)
Total comprehensive income for the period, representing total comprehensive income attributable to owners of the Company	(413)	1,696	N.M.	(1,344)	3,480	N.M.
Earnings per share for profit/(loss) for the period attributable to the owners of the Company during the year:						
Basic (SGD in cents)	(0.18)	0.71		(0.58)	1.49	
Diluted (SGD in cents)	(0.09)	0.71		(0.29)	1.49	

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

B. Condensed interim statements of financial position

	Note	Group 31 December 2023 $'000 (Unaudited)	Group 31 December 2022 $'000 (Audited)	Company 31 December 2023 $'000 (Unaudited)	Company 31 December 2022 $'000 (Audited)
ASSETS					
Non-current assets					
Property, plant and equipment	9	4,193	4,982	3	2
Right-of-use assets	10	27,765	32,803	–	–
Investment property		744	802	–	–
Investment in subsidiaries		–	–	6,061	6,061
Deferred tax asset		425	–	–	–
Refundable deposits		3,708	3,980	–	–
		36,835	42,567	6,064	6,063
Current assets					
Inventories		139	146	–	–
Trade receivables		1,006	1,066	–	–
Other receivables		387	614	–	110
Finance lease receivable		79	–	–	–
Refundable deposits		1,509	1,794	9	9
Prepayments		386	260	9	8
Amount due from a joint venture		120	103	–	–
Amounts due from subsidiaries		–	–	6,520	4,936
Other assets		2	–	2	–
Cash and bank balances		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		8,052	6,838	1,890	538
Amount due to subsidiary		–	–	96	–
Other liabilities		2,346	2,381	244	462
Lease liabilities	10	14,973	14,430	–	–
Provision	11	393	312	–	–
Contract liabilities		402	783	–	–
Provision for taxation		–	–	–	–
Loans and borrowings	12	3,299	4,704	–	–
		29,465	29,448	2,230	1,000
Net current (liabilities)/assets		(22,806)	(19,975)	4,486	4,480

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

	Note	Group 31 December 2023 $'000 (Unaudited)	Group 31 December 2022 $'000 (Audited)	Company 31 December 2023 $'000 (Unaudited)	Company 31 December 2022 $'000 (Audited)
Non-current liabilities					
Other payables		92	157	–	–
Lease liabilities	10	19,047	25,046	–	–
Provision	11	716	742	–	–
Deferred tax liabilities		–	11	–	–
Loans and borrowings	12	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	13	8,321	8,283	8,321	8,283
Warrant reserve		75	–	75	–
Foreign currency translation reserve		30	31	–	–
(Accumulated losses)/ 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

C. Condensed interim statements of changes in equity

	Attributable to owners of the Company				
	Share capital	Warrant reserve	Foreign currency translation reserve	Retained earnings	Total equity
	$'000	$'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	–	–	–	3,464	3,464
Other comprehensive income:					
Foreign currency translation	–	–	16	–	16
Total comprehensive income for the period	–	–	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)
Issue of warrants net of transaction costs	–	75	–	–	75
Exercise of warrants	38	–	–	–	38
Loss for the period	–	–	–	(1,348)	(1,348)
Other comprehensive income:					
Foreign currency translation	–	–	4	–	4
Striking off of foreign subsidiary	–	–	(5)	–	(5)
Total comprehensive income for the period	–	–	(1)	(1,348)	(1,349)
Closing balance at 31 December 2023	8,321	75	30	(14,966)	(6,540)

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

	Attributable to owners of the Company			
	Share capital $'000	**Warrant reserve** $'000	**Retained earnings** $'000	**Total** $'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	–	–	(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 period, representing total comprehensive income for the period	–	–	(106)	(106)
Closing balance at 31 December 2023	8,321	75	2,154	10,550

D. Condensed interim consolidated statement of cash flows

	3 months ended 31 December		12 months ended 31 December	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Operating activities				
(Loss)/profit before tax	(936)	1,662	(1,781)	3,474
Adjustments for:				
Bad debts	42	–	42	23
Depreciation of property, plant and equipment	459	392	2,101	2,061
Depreciation of investment property	15	15	58	58
Depreciation of right-of-use assets	3,609	3,617	14,421	13,317
Interest income	(9)	(4)	(34)	(4)
Income from sub-lease	(40)	–	(40)	–
Impairment loss/(write back of) impairment loss on property, plant and equipment	455	(575)	445	(711)
Impairment loss/(write back of) impairment loss on right-of-use assets	263	171	448	(130)
Write-off of property, plant and equipment	2	2	16	435
Impairment of amount due from a joint venture	–	–	103	–
Reversal of provision for restoration cost	–	(34)	(21)	(34)
Gain on disposal of property, plant and equipment	(1)	(1)	(1)	–
Finance costs	914	831	2,781	2,816
Loss/(gain) on early termination and modification of leases, net	39	393	45	(246)
Currency realignment	8	31	(2)	16
Total adjustments	5,756	4,838	20,362	17,601
Operating cash flows before changes in working capital	4,820	6,500	18,581	21,075
Changes in working capital				
Decrease/(increase) in:				
Inventories	20	–	7	9
Trade and other receivables	233	217	46	819
Refundable deposits	(22)	(80)	598	970
Prepayments	(7)	155	(126)	40
Other assets	–	–	(2)	–
(Decrease)/increase in:				
Trade and other payables	55	(719)	52	(1,838)
Other liabilities	188	90	(35)	66
Amounts due to a director	–	(100)	–	(100)
Contract liabilities	(95)	76	(381)	277
Total changes in working capital	372	(361)	159	243
Cash flows from operations	5,192	6,139	18,740	21,318

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

	3 months ended 31 December		12 months ended 31 December	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Income taxes received/(paid)	51	3	(3)	(5)
Interest received	9	4	34	4
Net cash flows generated from operating activities	5,252	6,146	18,771	21,317
Investing activities				
Purchase of property, plant and equipment [(2)]	(102)	(81)	(1,495)	(417)
Cash paid for restoration cost	–	(33)	(137)	(178)
Proceeds from disposal of property, plant and equipment	1	–	1	–
Sub-lease income	40	–	40	–
Net cash flows used in investing activities	(61)	(114)	(1,591)	(595)
Financing activities				
Issuance of shares	38	–	38	–
Proceeds from issuance of warrants, net of transaction costs	75	–	75	–
Repayments of loan and borrowings	(480)	(1,047)	(2,707)	(3,655)
Interest paid	(49)	(71)	(245)	(292)
Lease payments	(4,575)	(4,817)	(17,880)	(18,485)
Cash restricted in use	–	–	300	(800)
Loans from directors	–	–	1,330	–
Repayment of amounts due to directors	(200)	–	(250)	–
Net cash flows used in financing activities	(5,191)	(5,935)	(19,339)	(23,232)
Net change in cash and cash equivalents	–	97	(2,159)	(2,510)
Cash and cash equivalents at 1 October/January	2,031	4,093	4,190	6,700
Cash and cash equivalents at 31 December [(1)]	2,031	4,190	2,031	4,190

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

Note:

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

	12 months ended 31 December	
	2023	**2022**
	$'000	$'000
	(Unaudited)	(Audited)
Cash and bank balances	3,031	5,490
Less: Bank deposits pledged	(1,000)	(1,300)
Cash and cash equivalents per consolidated interim 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.

2. Property, plant and equipment

	12 months ended 31 December	
	2023	**2022**
	$'000	$'000
	(Unaudited)	(Audited)
Current period additions to property, plant and equipment	1,773	417
Less: Hire purchase	(76)	–
Less: Provision for restoration cost	(202)	–
Net cash outflow for purchase of property, plant and equipment	1,495	417

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 twelve months ended 31 December 2023 ("**FY2023**") 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) hospitality management.

2. Basis of preparation

The condensed interim financial statements for the fourth quarter and twelve months ended 31 December 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 $1,348,000 (31 December 2022: profit of $3,464,000) for the twelve months ended 31 December 2023. As of that date, the Group's total liabilities and current liabilities exceeded its total assets and current assets by $6,540,000 (31 December 2022: $5,304,000) and $22,806,000 (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 an 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 27 February 2024.

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 FY2023.

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

	Hospitality		Food and beverages		Consolidated	
1 October to 31 December (Unaudited)	**2023** $'000	**2022** $'000	**2023** $'000	**2022** $'000	**2023** $'000	**2022** $'000
Revenue:						
External customers	3,793	5,347	10,881	12,345	14,674	17,692
	3,793	5,347	10,881	12,345	14,674	17,692
Results:						
Interest income	3	–	6	–	9	–
Bad debts	(42)	–	–	–	(42)	–
Interest on loans and borrowings	(1)	(11)	(48)	(60)	(49)	(71)
Interest on finance lease liabilities	(356)	(392)	(503)	(464)	(859)	(856)
Income tax credit/(expense)	513	(5)	–	1	513	(4)
Depreciation of property, plant and equipment	(218)	(187)	(241)	(205)	(459)	(392)
Depreciation of investment property	–	–	(15)	(15)	(15)	(15)
Depreciation of right-of-use assets	(1,281)	(1,109)	(2,328)	(2,508)	(3,609)	(3,617)
Write-off of property, plant and equipment	–	–	(2)	(2)	(2)	(2)
(Impairment loss)/write back of impairment loss on property, plant and equipment	(455)	506	–	69	(455)	575
(Impairment loss)/write-back of impairment loss on right-of-use assets	(88)	644	(175)	(815)	(263)	(171)
Loss/(gain) on early termination and modification of leases, net	–	(502)	(39)	109	(39)	(393)
Loss on disposal of property, plant and equipment	–	–	1	1	1	1
Impairment of amounts due from a joint venture	–	–	–	–	–	–
Reversal of provision for restoration cost	–	–	–	34	–	34
Segment net (loss)/profit	199	2,110	(622)	(452)	(423)	1,658

4. Segment and revenue information (Cont'd)

1 January to 31 December (Unaudited)	Hospitality 2023 $'000	Hospitality 2022 $'000	Food and beverages 2023 $'000	Food and beverages 2022 $'000	Consolidated 2023 $'000	Consolidated 2022 $'000
Revenue:						
External customers	17,247	17,135	42,068	47,323	59,315	64,458
	17,247	17,135	42,068	47,323	59,315	64,458
Results:						
Interest income	9	1	25	3	34	4
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 investment property	–	–	(58)	(58)	(58)	(58)
Depreciation of right-of-use assets	(4,913)	(4,385)	(9,508)	(8,932)	(14,421)	(13,317)
Write-off of property, plant and equipment	–	(5)	(16)	(430)	(16)	(435)
(Impairment loss)/write back of impairment loss on property, plant and equipment	(455)	506	10	205	(445)	711
(Impairment loss)/write-back of impairment loss on right-of-use assets	(88)	644	(360)	(514)	(448)	130
Loss/gain on early termination and modification of leases, net	–	–	(45)	246	(45)	246
Loss on disposal of property, plant and equipment		–	1	–	1	–
Impairment of amounts due from a joint venture	–	–	(103)	–	(103)	–
Reversal of provision for restoration cost	–	–	21	(34)	21	(34)
Segment net profit/(loss)	2,808	3,775	(4,156)	(311)	(1,348)	3,464

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

	Hospitality 2023 $'000 (Unaudited)	Hospitality 2022 $'000 (Audited)	Food and beverages 2023 $'000 (Unaudited)	Food and beverages 2022 $'000 (Audited)	Consolidated 2023 $'000 (Unaudited)	Consolidated 2022 $'000 (Audited)
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)

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 delivered:

	3 months ended 31 December		12 months ended 31 December	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Singapore	14,558	17,568	58,844	63,825
Indonesia	116	124	471	633
	14,674	17,692	59,315	64,458

A breakdown of sales and net (loss)/profit for the period:

	12 months ended 31 December		Increase/ (Decrease)
	2023	**2022**	
	$'000	$'000	%
	(Unaudited)	(Unaudited)	
Sales reported for the first half year	29,049	30,192	(3.8)
(Loss)/profit for the period, representing (loss)/profit for the period attributable to owners of the Company reported for first half year	(1,330)	1,239	N.M.
Sales reported for the second half year	30,266	34,266	(11.7)
(Loss)/profit for the period, representing (loss)/profit for the period attributable to owners of the Company reported for second half year	(18)	2,225	N.M.

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

	31 December 2023	31 December 2022
	$'000	$'000
	(Unaudited)	(Audited)
Singapore	32,702	38,401
Indonesia	–	186
	32,702	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.

5. (Loss)/profit before taxation

5.1. Significant items

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

	3 months ended 31 December		12 months ended 31 December	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income				
Government grants [1]	6	77	467	703
Rental rebates [2]	40	35	53	415
(Loss)/gain on early termination and modification of leases, net	(39)	(393)	(45)	246
Net investment in sub-lease	40	–	40	–
Interest income	9	–	34	–
Expenses				
Bad debts	(42)	–	(42)	(23)
Commission fees	(222)	(551)	(1,421)	(2,086)
Contingent rental leases on operating leases	(171)	(224)	(692)	(700)
Depreciation of property, plant and equipment	(459)	(392)	(2,101)	(2,061)
Depreciation of investment property	(15)	(15)	(58)	(58)
Depreciation of right-of-use assets	(3,609)	(3,617)	(14,421)	(13,317)
Employee benefits	(4,844)	(5,350)	(19,824)	(19,673)
Fixed rental expense on operating leases	(28)	(78)	(115)	(1,713)
Foreign exchange loss	(12)	(26)	1	–
Impairment of amounts due from a joint venture	–	–	(103)	–
Interest on bank loan	(49)	(71)	(245)	(292)
Interest on finance lease liabilities	(859)	(856)	(2,530)	(2,620)
Gain on disposal of property, plant and equipment	1	1	1	–
Professional fee	(4)	–	(428)	–
Reversal of provision for restoration cost	–	(34)	21	(34)
Write-off of property, plant and equipment	(2)	(2)	(16)	(435)
(Impairment loss)/write back of impairment loss on property, plant and equipment	(455)	575	(445)	711
(Impairment loss)/write back of impairment loss on right-of-use assets	(263)	(171)	(448)	130

Notes:
1 Government grants refer mainly to the Wage Credit Scheme/Progressive Wage Credit Scheme.
2 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.

6. Income tax (credit)/expenses

The major components of income tax (credit)/expense for the 12 months ended 31 December 2023 and 2022 are:

	3 months ended 31 December		12 months ended 31 December	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Consolidated statement of comprehensive income:				
Current income tax				
- (Over)/under provision in respect of previous years	(78)	4	2	10
Deferred income tax				
- Origination and reversal of temporary differences	(435)	–	(435)	–
Income tax (income)/expense recognised in the consolidated statement of comprehensive income	(513)	4	(433)	10

7. Loss 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 12 months ended 31 December 2023 and 2022:

	3 months ended 31 December		12 months ended 31 December	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(Loss)/profit for the period attributable to owners of the Company	(423)	1,658	(1,348)	3,464
	Number of ordinary shares			
Weighted average number of ordinary shares for basic (loss)/profit per share computation	232,740,328	232,452,076	232,740,328	232,452,076
Basic (loss)/profit per share	(0.18)	0.71	(0.58)	1.49
Weighted average number of ordinary shares for diluted (loss)/profit per share computation	464,962,016	232,452,076	464,962,016	232,452,076
Diluted (loss)/profit per share	(0.09)	0.71	(0.29)	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.

8. Net Asset Value

	Group		Company	
	31 December 2023 (Unaudited)	31 December 2022 (Audited)	31 December 2023 (Unaudited)	31 December 2022 (Audited)
Net asset value (“**NAV**”) ($’000)	(6,540)	(5,304)	10,550	10,543
Number of ordinary shares	234,389,008	232,481,008	234,389,008	232,481,008
NAV per ordinary share (cents)	(2.79)	(2.28)	4.50	4.53

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	112	78	141	101	–	1,341	–	1,773
Written-off	(339)	(136)	(299)	–	(17)	(1,449)	–	(2,240)
Disposal	–	(1)	–	(74)	–	–	–	(75)
Currency realignment	–	(2)	(1)	–	–	–	–	(3)
At 31 December 2023	1,617	2,766	3,248	175	15	14,689	–	22,510
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	94	267	186	22	3	1,529	–	2,101
Written-off	(338)	(135)	(291)	–	(17)	(1,443)	–	(2,224)
Disposal	–	(1)	–	(74)	–	–	–	(75)
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

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 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

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)

Included within additions in the 2023's consolidated financial statements are motor vehicles acquired under finance leases amounting to $101,000.

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.

The Group leases motor vehicle to render logistic services.

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	2,441	2,853	5,294
Impairment charge	(360)	(88)	(448)
Charge for the period	(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

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:

	31 December 2023 $'000 (Unaudited)	**31 December 2022** $'000 (Audited)
At 1 January	39,476	42,937
Additions	5,313	1,756
Accretion of interest	2,530	2,620
Payments	(17,880)	(18,485)
Early termination of leases	(730)	(279)
Lease modification	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

During the financial period 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 (31 December 2022: gain of $246,000) was recorded within the "Other (expenses)/gain" 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:

	31 December 2023 $'000 (Unaudited)	**31 December 2022** $'000 (Audited)
At 1 January	1,054	1,264
Additions	202	–
Reversal	(21)	(34)
Utilisation	(137)	(178)
Discount rate adjustment	11	2
At 31 December	1,109	1,054
Current	393	312
Non-current	716	742
At 31 December	1,109	1,054

12. Loans and borrowings

	31 December 2023 $'000 (Unaudited)	**31 December 2022** $'000 (Audited)
Bank borrowings	3,940	6,644
Lease liabilities	73	–
At 31 December	4,013	6,644
Amount repayable in one year or less, or on demand	3,299	4,704
Amount repayable after one year	714	1,940
At 31 December	4,013	6,644

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

Details of any collateral:
1) The Group's borrowings of $1.0 million repayable in one year or less, or on demand are 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 $2.3 million repayable in one year or less, or on demand, and $0.6 million repayable after one year are secured by continuing guarantees by the Company and certain subsidiaries.

12. Loans and borrowings (Cont'd)

The Group's subsidiary bank loans are subjected to covenant clauses, whereby the Group's subsidiary is required to meet certain key financial ratios. The Group's subsidiary did not fulfil the adjusted tangible net worth, debt service ratio and gearing ratio as required in the loan agreements. As at 31 December 2023, the Group's subsidiary had obtained waiver from its banker with respect to the breach of certain loan covenants.

13. Share capital

	31 December 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
Issuance of new shares arising from rights issue of warrants	1,908	38	–	–
At 31 December	234,389	8,321	232,481	8,283

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.

As at 31 December 2023, 1,908,000 warrants were converted to 1,908,000 new ordinary shares of the Company, this bringing total of issued share capital to 234,389,008 ordinary shares (as at 31 December 2022: 232,481,008 ordinary shares).

As at 31 December 2023, there were 230,573,008 outstanding warrants for which ordinary shares may be issued.

Save for the above outstanding warrants, there were no outstanding convertibles or treasury shares held by the Company as at 31 December 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 31 December 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 nine-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 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).

Revenue

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 decreased by $3.0 million or 17.1% from $17.7 million for the 3 months ended 31 December 2022 ("**4Q2022**") to $14.7 million for the 3 months ended 31 December 2023. ("**4Q2023**").

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. Revenue for the Group F&B decreased by $1.5 million or 11.9% from $12.3 million for 4Q2022 to $10.9 million for 4Q2023. The decrease for both periods 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. Revenue for the Group Hospitality decreased by $1.5 million or 28.3% from $5.3 million for 4Q2022 to $3.8 million for 4Q2023. 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. The decrease for 4Q2023 vis-à-vis 4Q2022 was in line with the lower revenue generated from the service apartments, lower room rates as well as lower occupancy rate for the co-living hotels, which is in line with general market trends.

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 $1.9 million or 3.6% from $53.4 million in FY2022 to $51.5 million in FY2023. Cost of sales decreased by $1.2 million or 8.5% from $13.6 million to $12.4 million for 4Q2022 vis-à-vis 4Q2023.

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.

Cost of sales for Group F&B decreased by $1.0 million or 9.7% from $10.5 million in 4Q2022 to $9.5 million in 4Q2023. This was largely attributable to the decrease in:
(a) food costs of $0.2 million, which is in line with the decrease in revenue;
(b) online platform commission of $0.2 million, which is in line with the decrease in online revenue;
(d) payroll cost of $0.3 million largely due to reversal of over-accrual of bonus by $0.2 million; and
(d) depreciation of property, plant and equipment of $0.2 million.

Cost of sales for Group Hospitality decreased by $0.2 million or 4.4% from $3.1 million in 4Q2022 to $2.9 million in 4Q2023. The decrease was largely due to the decrease in (a) agent commission of $0.2 million, (b) short-term rental expense of $0.2 million, offset by increase in (c) staff cost of $0.1 million, and (d) increase in depreciation for right of use assets of $0.1 million.

Gross profit

The Group recorded a gross profit of $7.8 million for FY2023 (FY2022: $11.0 million). Gross profit for 4Q2023 amounted to $2.3 million (4Q2022: $4.1 million). For FY2023, Group F&B and Group Hospitality reported a gross profit of $2.4 million and $5.4 million respectively. For 4Q2023, Group F&B and Group Hospitality reported a gross profit of $1.4 million and $0.9 million respectively.

Other income

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.

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 ("**SEC**") 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.

Other income decreased by $0.1 million or 35.4% from $0.3 million in 4Q2022 to $0.2 million in 4Q2023 mainly due to the decrease in income from cancellation of bookings and expiry of vouchers.

Selling and distribution costs

The selling and distribution costs amounted to $0.8 million for both FY2023 and FY2022, decreasing slightly by $45,000 or 5.4%. For both 4Q2023 and 4Q2022, selling and distribution costs amounted to $0.2 million, increasing by $14,000 or 6.5%.

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 S0.8 million or 1.3% of revenue.

Administrative expenses

Administrative expenses decreased minimally by $39,000 or 0.6% from $6.2 million in FY2022 to $6.1 million in FY2023 and decreased by $0.3 million or 15.3% from $1.8 million in 4Q2022 to $1.5 million in 4Q2023.

The decrease in administrative expenses for 4Q2023 vis-à-vis 4Q2022 was largely due to the decrease in professional fees provided in 4Q2023 of $0.2 million.

Finance costs

Finance costs amounted to $2.8 million for FY2023 and FY2022, decreasing minimally by $34,000 or 1.2%. Finance costs increased by $66,000 or 7.8% from $0.8 million in 4Q2022 to $0.9 million in 4Q2023.

The increase in finance costs for 4Q2023 vis-à-vis 4Q2022 was mainly related to the increase in refundable deposit discount adjustment.

Other expenses/(gains)

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 recorded an increase of $0.8 million in other expenses in 4Q2023 vis-à-vis 4Q2022. This was mainly due to the impairment loss on right-of-use assets and property, plant and equipment recognised in the 3 months period of $0.7 million.

Income tax credit/(expense)

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

(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 FY2023 vis-à-vis a net profit after tax of $3.5 million in FY2022 and a net loss after tax of $0.4 million in 4Q2023 vis-à-vis a net profit after tax of $1.7 million in 4Q2022.

REVIEW OF FINANCIAL POSITION

Non-current assets

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.

Please refer to explanation in Current assets for the analysis on the movement in refundable deposits (non-current).

Current assets

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 $0.2 million. The decrease was offset by an increase in prepayments of $0.1 million and finance lease receivable 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 $0.2 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.

Current liabilities

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. Please refer to section 7 “Other transactions by the Executive Directors” for more information.

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.

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 $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.

Shareholders’ equity

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.

Negative working capital

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 27 February 2024 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 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 outflow 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 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 channel resources to new outlets or better performing outlets and close non-performing outlets. In Singapore, turnover of Restaurants and Fast Food Outlets declined 4.8% and 2.9% respectively in December 2023 on a year-on-year basis.[2]

For the Hospitality business segment, Singapore's tourism sector is expected to continue its strong recovery in 2024, with international visitor arrivals to Singapore expected to hit 15 million to 16 million in 2024[3]. This augurs well for the Group's hotels and service apartments.

The Group is expected to open its first Daily Beer outlet, offering Korean fried chicken and craft beer, in Singapore around the later part of March 2024.

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.[4]

The Group remains committed to growing its business, while prudently managing costs to navigate a challenging macro environment.

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[2] Department of Statistis Singapore, Retail Sales Index and Food & Beverage Services Index, December 2023.
[3] https://www.straitstimes.com/singapore/consumer/tourism-recovery-to-keep-momentum-in-2024-with-tourist-spend-nearing-pre-covid-numbers-stb
[4] Please refer to announcements dated 25 June 2022 and 22 June 2022 for further details.

5. Dividend information

There is no dividend declared or recommended in FY2023 as the Group is loss-making for the period. There was no dividend declared or recommended in the previous corresponding period.

6. Interested persons transactions

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

7. Other transactions by the Executive Directors

The following are balances as at 31 December 2023 with the Executive Directors:

	($'000)
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]	170
AG, who is also the controlling shareholder, has provided a letter of undertaking to financially support the Group as and when required[2]	1,306
Loan from CT, who is also a controlling shareholder[2]	380

Notes:
[1] The Executive Directors are not paid for providing the indemnity.
[2] Amount is non-interest bearing.

8. Utilisation of proceeds[5]

As at the date of this announcement, the status of the use of :
(a) the Rights Issue of Warrants proceeds is as follows:

Use of Subscription Proceeds	Allocated $	Utilised $	Balance $
To fund renovation of new outlets in the F&B business	92,481	92,481	–
Estimated expenses in connection with the Rights Issue of Warrants	140,000	140,000	–
Total	232,481	232,481	–

[5] 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.

8. Utilisation of proceeds (Cont'd)

(b) Exercise proceeds of $38,160 is as follows:

Use of Exercise Proceeds	Percentage %	Allocated $	Utilised $	Balance $
To fund business expansion in the F&B and hospitality businesses	70	26,712	26,712	–
General working capital for the Group – payment of trade creditors	30	11,448	11,448	–
Total	100	38,160	38,160	–

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. The Subscription Proceeds are not used for general working capital purposes.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Goh Shen Shu Donovan	35	Son of the Chief Executive Officer and the Executive Director	Business Development Manager in the Company since 1 January 2021. Area of responsibilities are: developing and implementing growth opportunities in existing and new markets to drive sustainable financial growth.	No change in duties and position
Krystal Goh Shu Yan	31	Daughter of the Chief Executive Officer and the Executive Director	Marketing Manager in a wholly-owned subsidiary of the Company since 1 July 2020. Area of responsibilities are: spearheads marketing, publicity, and regional promotional initiatives to enhance dining and online revenue of Katrina Holdings.	No change in duties and position as Marketing Manager. Appointed as Alternate Director on 30 October 2023.

10. 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.

On behalf of the Board

Alan Goh Keng Chian
Executive Chairman and CEO

Madaline Catherine Tan Kim Wah
Executive Director

28 February 2024