

## ENTRY INTO JOINT VENTURE AGREEMENT

### 1 INTRODUCTION

The Board of Directors (the “**Board**”) of Katrina Group Ltd. (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that Katrina International Pte. Ltd. (“**KIPL**”), a wholly owned subsidiary of the Group, has on 1 November 2023 entered into a joint venture agreement (the “**Joint Venture Agreement**”) with Daily Beer Co., Ltd. (“**DBK**”) to establish a joint venture, pursuant to which KIPL and DBK (collectively the “**Parties**” and each a “**Party**”) shall incorporate a joint venture company in Singapore (the “**JVC**”) which will enter into an exclusive master territory agreement (the “**Master Territory Agreement**”) and ancillary agreements with DBK to operate Korean fried chicken and craft beer chain restaurants in Singapore (the “**Restaurants**”).

### 2 INFORMATION ON THE JOINT VENTURE PARTNER

- 2.1 DBK is a company duly incorporated in Korea that owns and operates Korean fried chicken and craft beer chain restaurants under the brand name “Daily Beer” in Korea. The major shareholder of DBK is Mr Lim Sang Jin who holds 68% of its issued share capital.
- 2.2 DBK has more than 9 years of experience in the food and beverages industry and currently has opened approximately 370 stores across Korea, encompassing both directly managed stores and franchise stores. DBK has been selected as the “Top 100 Best Franchise” by Maeil Business for 5 consecutive years and selected as the “Good Franchise Brand” by the Korea Industry Fairs Organizer for 2 consecutive years.
- 2.3 To the best of the knowledge of the Board, prior to the joint venture, DBK, its directors and shareholders are independent third parties and not related to the Group, the Company, its directors, substantial shareholders and their respective associates.

### 3 SALIENT TERMS OF THE JOINT VENTURE AGREEMENT

#### 3.1 Formation and share capital of the JVC

- 3.1.1 Pursuant to the Joint Venture Agreement, KIPL and DBK will procure the incorporation of the JVC under the name “Daily Beer Singapore Pte. Ltd.” The JVC shall have an initial issued and paid-up capital of S\$10, comprising 10 ordinary shares. The Parties shall subscribe to the issued share capital of the JVC as follows:

| Name of Party | Initial contribution | Number of shares  | Percentage shareholding in the JVC |
|---------------|----------------------|-------------------|------------------------------------|
| KIPL          | S\$8                 | 8 ordinary shares | 80%                                |
| DBK           | S\$2                 | 2 ordinary shares | 20%                                |

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- 3.1.2 Immediately following the incorporation of the JVC and the establishment of its corporate bank account, the JVC shall call on the Parties to contribute, in accordance with their respective shareholdings, respective amounts that will result in a total paid-up share capital of S\$150,000.
- 3.1.3 The JVC may, subsequent to its incorporation, call on the Parties to contribute towards the paid-up share capital of the JVC in accordance with their respective shareholdings, up to the maximum contribution amounts, as follows:
- (a) KIPL shall contribute up to S\$400,000 (including the initial contribution); and
  - (b) DBK shall contribute up to S\$100,000 (including the initial contribution).
- 3.1.4 The JVC will become an indirectly 80% owned subsidiary of the Company once incorporated.
- 3.1.5 KIPL's subscription of shares in the JVC will be funded through internal resources of the Company.

## 3.2 Business of the JVC

- 3.2.1 The principal business of the JVC shall be to operate the Restaurants in Singapore, which the Parties agree are appropriate for the JVC, and to engage in any and all acts to fully perform the other rights and obligations under the Joint Venture Agreement, Master Territory Agreement and ancillary agreements. In connection with the proposed joint venture, DBK and the JVC have also entered into the Master Territory Agreement for an initial term of five (5) years, whereby DBK has agreed to grant the JVC the right to operate Restaurants in Singapore (including airports) and to use DBK's trademarks and intellectual property in connection with the operation of the terms during the term of the agreement.
- 3.2.2 KIPL will assist the JVC on matters relating to the day-to-day operations of the JVC and all Restaurants operated by the JVC. DBK will assist the JVC on overall matters relating to the business strategy of the JVC and the planning and initiation of the Restaurants.

## 3.3 Board composition

- 3.3.1 The board of directors of the JVC shall initially comprise of up to three (3) directors. KIPL will nominate two (2) directors and DBK will nominate one (1) director.
- 3.3.2 The two (2) directors nominated by KIPL will be Mr Alan Goh Keng Chian and Ms Krystal Goh Shu Yan, who will be appointed as the Chief Executive Officer and Chief Operating Officer of the JVC respectively. The one (1) Director nominated by DBK will be Mr Lim Sang Jin.

## 3.4 Issuance of shares

No new shares in the capital of the JVC shall be issued and allotted except with the prior written consent of KIPL and DBK. Pursuant to the constitutional documents of the JVC, the shareholders of the JVC shall have pre-emptive rights on the issuance of new shares and first rights of refusal on any proposed sale by the other shareholder of any of its shares to a third party pursuant to procedures to be agreed between the shareholders.

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### 3.6 Put and call option

Subject to the terms as set out in the Joint Venture Agreement, KIPL has agreed to grant DBK a put option to sell to DBK all the issued shares held by KIPL in the JVC as at the date of the exercise of the put option by DBK. DBK has agreed to grant KIPL a call option to purchase all the issued shares held by DBK in the JVC as at the date of the exercise of the call option by KIPL.

### 3.7 Transfer of shares

The sale, transfer or disposal of any shares held by the shareholders of the JVC are subject to transfer procedures and restrictions as outlined in the Joint Venture Agreement.

### 3.8 Shareholders' reserved matters

3.8.1 The Joint Venture Agreement sets out certain shareholders' reserved matters which require the prior written consent of the shareholders of the JVC before such matters can be carried out by the JVC.

3.8.2 The key shareholders' reserved matters as set out in the Joint Venture Agreement include, *inter alia*:

- (a) cease to conduct or carry on the business substantially and/or acquire or dispose of or dilute any substantial interest in any other business, company, partnership or sole proprietorship;
- (b) change the business of the JVC or commence any new business other than the business of the JVC;
- (c) acquire, purchase, subscribe for any shares, loans, stocks, bonds, debentures, financial securities, create any mortgage, fixed or floating charge, debenture, lien, hypothecation or other encumbrance or security or any third party right whatsoever over the whole or any part of the undertaking, business, asset, or property or any interest in any person (other than in the ordinary course of business or operation) or sell, transfer, lease, assign, dispose of or part with control of the whole or a substantial part of the undertaking and goodwill, business, property or the assets of the JVC;
- (d) make any distribution of profits amongst its shareholders by way of dividend, capitalisation of reserves or otherwise;
- (e) approve any transfer of shares other than as permitted by the Joint Venture Agreement;
- (f) resolve to voluntarily wind up or dissolve the JVC;
- (g) grant any licence in respect of any distributorship, agency, reselling arrangement, franchise or intellectual property right to any person;
- (h) change the size of the board of directors of the JVC;
- (i) terminate the Master Territory Agreement;
- (j) open any new Restaurant, or close or remodel/renew any existing Restaurant; and
- (k) change the trading name of any Restaurant.

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## 4 RATIONALE FOR THE JOINT VENTURE

- 4.1 The Board believes that the joint venture is in line with the Group's strategy to carry out a series of food and beverages rebranding exercises to rejuvenate its brands, bringing additional value to the Company and its shareholders.
- 4.2 KIPL's entry into the Joint Venture Agreement is also beneficial as it provides the Group with a further opportunity to expand its food and beverage business as well as grow its operations locally. By leveraging on the strong network, experience and expertise of DBK, KIPL's entry into the Joint Venture Agreement provides a strategic platform for the Company to execute its strategic plans.

## 5 FINANCIAL EFFECTS OF THE PROPOSED JOINT VENTURE

The proposed joint venture is not expected to have any material impact on the net tangible assets or earnings per shares of the Group for the financial year ending 31 December 2023.

## 6 INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors, controlling shareholders or substantial shareholders of the Company, and their respective associates, has an interest, direct or indirect, in the proposed joint venture, other than through their respective shareholding interests in the Company, if any.

## 7 DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Joint Venture Agreement is available for inspection during normal business hours at the Company's current registered office at 180B Bencoolen Street, #11-01/05 The Bencoolen, Singapore 189648 for a period of three (3) months from the date of this announcement.

## 8 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the proposed joint venture, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

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## BY ORDER OF THE BOARD

Alan Goh Keng Chian  
Executive Chairman and Chief Executive Officer  
1 November 2023

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*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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