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.

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UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

	3 months ended 30 September		Increase/ (Decrease)	9 months ended 30 September		Increase/ (Decrease)
	2023	**2022**		**2023**	**2022**	
	$'000	$'000		$'000	$'000	
	(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%
Revenue	15,592	16,624	(6.2)	44,641	46,766	(4.5)
Cost of sales	(13,218)	(13,799)	(4.2)	(39,089)	(39,881)	(2.0)
Gross profit	2,374	2,825	(16.0)	5,552	6,885	(19.4)
Other income	297	178	66.9	989	1,324	(25.3)
Selling and distribution costs	(217)	(187)	16.0	(562)	(621)	(9.5)
Administrative expenses	(1,628)	(1,475)	10.4	(4,656)	(4,427)	5.2
Finance costs	(590)	(595)	(0.8)	(1,868)	(1,968)	(5.1)
Other gains/(expenses)	168	(178)	N.M.	(300)	619	N.M.
Profit/(loss) before tax	404	568	(28.9)	(845)	1,812	N.M.
Income tax expense	1	(1)	N.M.	(80)	(6)	N.M.
Profit/(loss) for the period, representing profit/(loss) for the period attributable to owners of the Company	405	567	(28.6)	(925)	1,806	N.M.
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	8	(24)	N.M.	(6)	(22)	(72.7)
Other comprehensive income for the period, net of tax	8	(24)	N.M.	(6)	(22)	(72.7)
Total comprehensive income for the period, representing total comprehensive income attributable to owners of the Company	413	543	(23.9)	(931)	1,784	N.M.
Earnings per share for profit/(loss) for the period attributable to the owners of the Company during the year:						
Basic and diluted (SGD in cents)	0.17	0.25		(0.40)	0.78	

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

B. Condensed interim statements of financial position

	Note	Group 30 September 2023 $'000 (Unaudited)	Group 31 December 2022 $'000 (Audited)	Company 30 September 2023 $'000 (Unaudited)	Company 31 December 2022 $'000 (Audited)
ASSETS					
Non-current assets					
Property, plant and equipment	9	4,931	4,982	3	2
Right-of-use assets	10	29,251	32,803	–	–
Investment property		759	802	–	–
Investment in subsidiaries		–	–	6,061	6,061
Refundable deposits		3,980	3,980	–	–
		38,921	42,567	6,064	6,063
Current assets					
Inventories		159	146	–	–
Trade receivables		1,056	1,066	–	–
Other receivables		811	614	–	110
Refundable deposits		1,174	1,794	9	9
Prepayments		379	260	19	8
Amount due from a joint venture		–	103	–	–
Amounts due from subsidiaries		–	–	6,633	4,936
Other assets		2	–	2	–
Cash and bank balances		3,031	5,490	159	417
		6,612	9,473	6,822	5,480
Total assets		45,533	52,040	12,886	11,543
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables		8,115	6,838	1,887	538
Other liabilities		2,158	2,381	206	462
Lease liabilities	10	14,805	14,430	–	–
Provision	11	312	312	–	–
Contract liabilities		497	783	–	–
Provision for taxation		27	–	–	–
Loans and borrowings	12	3,437	4,704	–	–
		29,351	29,448	2,093	1,000
Net current (liabilities)/assets		(22,739)	(19,975)	4,729	4,480

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

	Note	Group 30 September 2023 $'000 (Unaudited)	Group 31 December 2022 $'000 (Audited)	Company 30 September 2023 $'000 (Unaudited)	Company 31 December 2022 $'000 (Audited)
Non-current liabilities					
Other payables		157	157	–	–
Lease liabilities	10	20,489	25,046	–	–
Provision	11	786	742	–	–
Deferred tax liabilities		10	11	–	–
Loans and borrowings	12	980	1,940	–	–
		22,422	27,896	–	–
Total liabilities		51,773	57,344	2,093	1,000
Net (liabilities)/assets		(6,240)	(5,304)	10,793	10,543
Equity attributable to owners of the Company					
Share capital	13	8,283	8,283	8,283	8,283
Foreign currency translation reserve		20	31	–	–
(Accumulated losses)/ Retained earnings		(14,543)	(13,618)	2,510	2,260
Total equity		(6,240)	(5,304)	10,793	10,543
Total equity and liabilities		45,533	52,040	12,886	11,543

C. Condensed interim statements of changes in equity

	Attributable to owners of the Company			
	Share capital $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total equity $'000
Group (Unaudited)				
Opening balance at 1 January 2022	8,192	15	(17,082)	(8,875)
Issuance of shares	91	–	–	91
Profit for the period	–	–	1,806	1,806
Other comprehensive income:				
Foreign currency translation	–	(22)	–	(22)
Total comprehensive income for the period	–	(22)	1,806	1,784
Closing balance at 30 September 2022	8,283	(7)	(15,276)	(7,000)
Opening balance at 1 January 2023	8,283	31	(13,618)	(5,304)
Loss for the period	–	–	(925)	(925)
Other comprehensive income:				
Foreign currency translation	–	(6)	–	(6)
Striking off of foreign subsidiary	–	(5)	–	(5)
Total comprehensive income for the period	–	(11)	(925)	(936)
Closing balance at 30 September 2023	8,283	20	(14,543)	(6,240)

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

	Attributable to owners of the Company		
	Share capital $'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	–	(18)	(18)
Closing balance at 30 September 2022	8,283	2,329	10,612
Opening balance at 1 January 2023	8,283	2,260	10,543
Profit for the period, representing total comprehensive income for the period	–	250	250
Closing balance at 30 September 2023	8,283	2,510	10,793

D. Condensed interim consolidated statement of cash flows

	3 months ended 30 September 2023 $'000 (Unaudited)	3 months ended 30 September 2022 $'000 (Unaudited)	9 months ended 30 September 2023 $'000 (Unaudited)	9 months ended 30 September 2022 $'000 (Unaudited)
Operating activities				
Profit/(loss) before tax	404	568	(845)	1,812
Adjustments for:				
Bad debts	–	–	–	23
Depreciation of property, plant and equipment	448	481	1,642	1,669
Depreciation of investment property	14	14	43	43
Depreciation of right-of-use assets	3,653	3,379	10,812	9,700
Write-off of property, plant and equipment	3	130	14	433
Write back of impairment loss on property, plant and equipment	–	(81)	(10)	(136)
(Write back of)/ impairment loss on right-of-use assets	(155)	–	185	(301)
Impairment of amounts due from a joint venture	–	–	103	–
Loss on disposal of property, plant and equipment	–	1		1
Finance costs	589	595	1,867	1,985
(Gain)/loss on early termination and modification of leases, net	(19)	(1)	6	(639)
Reversal of provision for restoration cost	–	–	(21)	–
Interest income	(13)	–	(25)	–
Currency realignment	3	(18)	(10)	(15)
Total adjustments	4,523	4,500	14,606	12,763
Operating cash flows before changes in working capital	4,927	5,068	13,761	14,575
Changes in working capital				
Decrease/(increase) in:				
Inventories	(42)	5	(13)	9
Trade and other receivables	(202)	(31)	(187)	602
Refundable deposits	393	204	620	1,050
Prepayments	(6)	(80)	(119)	(115)
Other assets	(2)	–	(2)	–
(Decrease)/increase in:				
Trade and other payables	259	(27)	(3)	(1,119)
Other liabilities	83	267	(223)	(24)
Contract liabilities	(158)	318	(286)	201
Total changes in working capital	325	656	(213)	604
Cash flows from operations	5,252	5,724	13,548	15,179

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

	3 months ended 30 September		9 months ended 30 September	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income taxes paid	(25)	(1)	(54)	(8)
Interest received	13	–	25	–
Net cash flows generated from operating activities	5,240	5,723	13,519	15,171
Investing activities				
Purchase of property, plant and equipment [(2)]	(420)	(25)	(1,393)	(336)
Cash paid for restoration cost	(32)	–	(137)	(145)
Net cash flows used in investing activities	(452)	(25)	(1,530)	(481)
Financing activities				
Repayments of loan and borrowings	(552)	(1,037)	(2,227)	(2,608)
Interest paid	(55)	(76)	(196)	(221)
Lease payments	(4,561)	(4,450)	(13,305)	(13,668)
Cash restricted in use	–	–	300	(800)
Loans from directors	200	–	1,330	–
Repayment of amounts due to directors	(50)	–	(50)	–
Net cash flows used in financing activities	(5,018)	(5,563)	(14,148)	(17,297)
Net change in cash and cash equivalents	(230)	135	(2,159)	(2,607)
Cash and cash equivalents at 1 July/January	2,261	3,958	4,190	6,700
Cash and cash equivalents at 30 September [(1)]	2,031	4,093	2,031	4,093

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:

	9 months ended 30 September	
	2023	**2022**
	$'000	$'000
	(Unaudited)	(Unaudited)
Cash and bank balances	3,031	5,393
Less: Bank deposits pledged	(1,000)	(1,300)
Cash and cash equivalents per consolidated interim statement of cash flows	2,031	4,093

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

2. Property, plant and equipment

	9 months ended 30 September	
	2023	**2022**
	$'000	$'000
	(Unaudited)	(Unaudited)
Current period additions to property, plant and equipment	1,595	336
Less: Provision for restoration cost	(202)	–
Net cash outflow for purchase of property, plant and equipment	1,393	336

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 nine months ended 30 September 2023 (“**9M2023**”) 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) restaurant operator; and
(b) hospitality management.

2. Basis of preparation

The condensed interim financial statements for the third quarter and nine months ended 30 September 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.

<u>Fundamental accounting concept</u>
The interim financial statements of the Group have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of $925,000 (30 September 2022: profit of $1,806,000) for the nine months ended 30 September 2023. As of that date, the Group’s total liabilities and current liabilities exceeded its total assets and current assets by $6,240,000 (31 December 2022: $5,304,000) and $22,739,000 (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 of the Company 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 14 November 2023.

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

2.1. New and amended standards adopted by the Group

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2022. The adoption of the new SFRS(I)s and amendments and interpretations of SFRS(I) which came into effect on 1 January 2023 did not have any material financial impact on the Group's results for 9M2023.

2.2. Use of judgements and estimates

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

Actual results may differ from these estimates.

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis.

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

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

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

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

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

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into the following main business segments:
(a) Hospitality; and
(b) Food and beverages.

4.1. Reportable segments

1 July to 30 September (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	4,872	4,686	10,720	11,938	15,592	16,624
	4,872	4,686	10,720	11,938	15,592	16,624
Results:						
Interest income	2	–	11	–	13	–
Bad debts	–	–	–	–	–	–
Interest on loans and borrowings	(4)	(11)	(51)	(65)	(55)	(76)
Interest on finance lease liabilities	(265)	(290)	(269)	(229)	(534)	(519)
Income tax (expense)/credit	–	–	1	(1)	1	(1)
Depreciation of property, plant and equipment	(215)	(210)	(233)	(271)	(448)	(481)
Depreciation of investment property	–	–	(14)	(14)	(14)	(14)
Depreciation of right-of-use assets	(1,169)	(1,172)	(2,485)	(2,207)	(3,654)	(3,379)
Write-off of property, plant and equipment	–	–	(3)	(130)	(3)	(130)
Write back of impairment loss on property, plant and equipment	–	–	–	81	–	81
(Impairment loss)/write-back of impairment loss on right-of-use assets	–	–	155	–	155	–
Gain on early termination and modification of leases, net	–	–	20	1	20	1
Impairment of amounts due from a joint venture	–	–	–	–	–	–
Reversal of provision for restoration cost	–	–	–	–	–	–
Segment net profit/(loss)	1,285	658	(880)	(91)	405	567

4. Segment and revenue information (Cont'd)

1 January to 30 September (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	13,454	11,788	31,187	34,978	44,641	46,766
	13,454	11,788	31,187	34,978	44,641	46,766
Results:						
Interest income	6	–	19	–	25	–
Bad debts	–	–	–	(23)	–	(23)
Interest on loans and borrowings	(21)	(30)	(175)	(191)	(196)	(221)
Interest on finance lease liabilities	(849)	(1,002)	(822)	(762)	(1,671)	(1,764)
Income tax (expense)/credit	(81)	4	1	(10)	(80)	(6)
Depreciation of property, plant and equipment	(649)	(619)	(993)	(1,050)	(1,642)	(1,669)
Depreciation of investment property	–	–	(43)	(43)	(43)	(43)
Depreciation of right-of-use assets	(3,632)	(3,276)	(7,180)	(6,424)	(10,812)	(9,700)
Write-off of property, plant and equipment	–	(5)	(14)	(428)	(14)	(433)
Write back of impairment loss on property, plant and equipment	–	–	10	136	10	136
(Impairment loss)/write-back of impairment loss on right-of-use assets	–	–	(185)	301	(185)	301
Gain/(loss) on early termination and modification of leases, net	–	502	(6)	137	(6)	639
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	–	21	–
Segment net profit/(loss)	2,609	1,665	(3,534)	141	(925)	1,806

Segment breakdown for period ended 30 September 2023 and 31 December 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:	20,944	24,786	24,589	27,254	45,533	52,040
Segment liabilities	(19,091)	(23,466)	(32,682)	(33,878)	(51,773)	(57,344)

4. Segment and revenue information (Cont'd)

4.2. Disaggregation of revenue

Geographical information

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

	3 months ended 30 September		9 months ended 30 September	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Singapore	15,481	16,351	44,286	46,257
Indonesia	111	273	355	509
	15,592	16,624	44,641	46,766

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

	30 September 2023	31 December 2022
	$'000	$'000
	(Unaudited)	(Audited)
Singapore	34,896	38,401
Indonesia	45	186
	34,941	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. Profit before taxation

5.1. Significant items

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

	3 months ended 30 September		9 months ended 30 September	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income				
Government grants [1]	21	30	461	626
Rental rebates [2]	2	(2)	13	380
Gain/(loss) on early termination and modification of leases, net	19	1	(6)	639
Interest income	13	–	25	–
Expenses				
Bad debts	–	–	–	(23)
Commission fees	(379)	(502)	(1,199)	(1,535)
Contingent rental leases on operating leases	(170)	(201)	(521)	(476)
Depreciation of property, plant and equipment	(448)	(481)	(1,642)	(1,669)
Depreciation of investment property	(14)	(14)	(43)	(43)
Depreciation of right-of-use assets	(3,653)	(3,379)	(10,812)	(9,700)
Employee benefits	(5,159)	(5,111)	(14,980)	(14,525)
Fixed rental expense on operating leases	(28)	(514)	(87)	(1,635)
Foreign exchange loss	(1)	30	13	26
Impairment of amounts due from a joint venture	–	–	(103)	–
Interest on bank loan	(55)	(76)	(196)	(221)
Interest on finance lease liabilities	(534)	(519)	(1,671)	(1,764)
Professional fee	(118)	–	(424)	–
Reversal of provision for restoration cost	–	–	21	–
Write-off of property, plant and equipment	(3)	(130)	(14)	(433)
Write back of impairment loss on property, plant and equipment	–	81	10	136
Write back of/(impairment loss) on right-of-use assets	155	–	(185)	301

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

The major components of income tax expense for the 9 months ended 30 September 2023 and 2022 are:

	3 months ended 30 September		9 months ended 30 September	
	2023	2022	2023	2022
	$'000 (Unaudited)	$'000 (Unaudited)	$'000 (Unaudited)	$'000 (Unaudited)
Consolidated statement of comprehensive income:				
Current income tax				
- (Over)/under provision in respect of previous years	(1)	1	80	6
Income tax (income)/expense recognised in the consolidated statement of comprehensive income	(1)	1	80	6

7. Profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the Group's profit/(loss) 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 profit/(loss) and shares data used in the computation of basic and diluted loss per share for the 9 months ended 30 September 2023 and 2022:

	3 months ended 30 September		9 months ended 30 September	
	2023	2022	2023	2022
	$'000 (Unaudited)	$'000 (Unaudited)	$'000 (Unaudited)	$'000 (Unaudited)
Profit/(loss) for the period attributable to owners of the Company	405	567	(925)	1,806
	Number of ordinary shares			
Weighted average number of ordinary shares for basic and diluted profit/(loss) per share computation	232,481,008	232,442,327	232,481,008	232,442,327
Profit/(loss) per share (cents)	0.17	0.25	(0.40)	0.78

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

8. Net Asset Value

	Group		Company	
	30 September 2023 (Unaudited)	**31 December 2022 (Audited)**	**30 September 2023 (Unaudited)**	**31 December 2022 (Audited)**
Net asset value ("**NAV**") ($'000)	(6,240)	(5,304)	10,793	10,543
Number of ordinary shares	232,481,008	232,481,008	232,481,008	232,481,008
NAV per ordinary share (cents)	(2.68)	(2.29)	4.64	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	103	24	139	–	–	1,329	–	1,595
Written-off	(62)	(134)	(300)	–	(15)	(1,449)	–	(1,960)
Currency realignment	–	5	3	–	–	–	–	8
At 30 September 2023	1,885	2,722	3,249	148	17	14,677	–	22,698
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	71	203	144	14	2	1,208	–	1,642
Written-off	(62)	(134)	(291)	–	(15)	(1,444)	–	(1,946)
Write-back of impairment loss	–	–	–	–	–	(10)	–	(10)
Currency realignment	–	5	3	–	–	–	–	8
At 30 September 2023	1,702	2,405	2,969	141	14	10,536	–	17,767

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

Group (Unaudited)	Computers $'000	Furniture and fittings $'000	Kitchen and restaurant equipment $'000	Motor vehicle $'000	Office equipment $'000	Renovation $'000	Construction in progress $'000	Total $'000
Net carrying amount:								
At 30 September 2023	183	317	280	7	3	4,141	–	4,931
At 31 December 2022	151	496	294	21	5	4,015	–	4,982

<u>Change in estimates</u>

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)

10. Right-of-use assets and lease liabilities

Group as a lessee

The Group has lease contracts for restaurant premises and residential apartments/co-living premises used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group (Unaudited)	**Restaurant premises** $'000	**Residential apartments and co-living hotels** $'000	**Total** $'000
At 1 January 2022	14,941	18,362	33,303
Additions	–	1,788	1,788
(Impairment charge)/write back of impairment loss	(514)	644	130
Charge for the year	(8,932)	(4,385)	(13,317)
Early termination of leases	(112)	(143)	(255)
Lease modification	11,042	133	11,175
Currency realignment	(21)	–	(21)
At 31 December 2022 and 1 January 2023	16,404	16,399	32,803
Additions	1,262	168	1,430
Impairment charge	(185)	–	(185)
Charge for the period	(7,180)	(3,632)	(10,812)
Early termination of leases	(293)	–	(293)
Lease modification	5,991	312	6,303
Currency realignment	5	–	5
At 30 September 2023	16,004	13,247	29,251

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

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

	30 September 2023 $'000 (Unaudited)	**31 December 2022** $'000 (Audited)
At 1 January	39,476	42,937
Additions	1,430	1,756
Accretion of interest	1,671	2,620
Payments	(13,305)	(18,485)
Early termination of leases	(333)	(279)
Lease modification	6,349	10,953
Currency realignment	6	(26)
At 30 September / 31 December	35,294	39,476
Current	14,805	14,430
Non-current	20,489	25,046
At 30 September / 31 December	35,294	39,476

During the financial period ended 30 September 2023, the Group had early terminated/extended various leases as a result of portfolio management. Consequent to the early termination/extension, the difference between the carrying value of right-of-use assets and the corresponding lease liabilities amounting to negative $6,000 (31 December 2022: $246,000) was recorded within the "Other income" line item of profit or loss.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

11. Provision

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

Movements in provision for restoration costs:

	30 September 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	–	2
At 30 September / 31 December	1,098	1,054
Current	312	312
Non-current	786	742
At 30 September / 31 December	1,098	1,054

12. Loans and borrowings

	30 September 2023 $'000 (Unaudited)	**31 December 2022** $'000 (Audited)
Amount repayable in one year or less, or on demand	3,437	4,704
Amount repayable after one year	980	1,940
At 30 September / 31 December	4,417	6,644

There are no unsecured loans and borrowings as at 30 September 2023 and 31 December 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 $2.4 million repayable in one year or less, or on demand, and $1.0 million repayable after one year are secured by continuing guarantees by the Company and certain subsidiaries.

The Group's subsidiaries bank loans are subjected to covenant clauses, whereby the Group's subsidiaries are required to meet certain key financial ratios. The Group's subsidiaries did not fulfil the adjusted tangible net worth, debt service ratio and gearing ratio as required in the loan agreements. As at 30 September 2023, we did not request for the waiver from the bank with respect to the breach of certain loan covenants. The $1.2 million loans from the aforesaid bank, comprising of (a) $0.2 million loan due in November 2023 and (b) revolving loan of $1.0 million, are accordingly classified as current.

Pursuant to Rule 704(34) of the Catalist Rules, the board of directors of the Company is of the opinion that the aforementioned breach of the covenant clauses does not have a significant impact on the operations of the Group nor will it result in the Group facing a cash flow problem.

13. Share capital

	30 September 2023		31 December 2022	
	No. of shares '000 (Unaudited)	$'000 (Unaudited)	No. of shares '000 (Audited)	$'000 (Audited)
Issued and fully paid ordinary shares				
At 1 January	232,481	8,283	231,521	8,192
Issuance of new shares arising from performance share plan[1]	–	–	960	91
At 30 September / 31 December	232,481	8,283	232,481	8,283

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

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

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

[1] Announcement dated 12 January 2022.

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Katrina Group Ltd. and its subsidiaries as at 30 September 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 Beverages ("**F&B**")" – specialises in multi-cuisine concepts and restaurant operations.

The Group has 27 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" – offers fully furnished corporate serviced apartments under the brand of ST Residences and affordable luxurious co-living hotels under ST Signature.

The Group had approximately 33 units of service apartment (31 December 2022: 67), 1 block of service apartments (31 December 2022: 1) and 4 co-living hotels (31 December 2022: 4).

Revenue

The Group's revenue for the period ended 30 September 2023 was $44.6 million, a decrease of $2.1 million or 4.5% as compared to $46.8 million for the period ended 30 September 2022 ("**9M2022**"). Revenue decreased by $1.0 million or 6.2% from $16.6 million for the 3 months ended 30 September 2022 ("**3Q2022**") to $15.6 million for the 3 months ended 30 September 2023. ("**3Q2023**").

Revenue for Group F&B decreased by $3.8 million or 10.9% from $35.0 million in 9M2022 to $31.2 million in 9M2023. Revenue for Group F&B decreased by $1.2 million or 10.1% from $11.9 million for 3Q2022 to $10.7 million for 3Q2023. The decrease for both periods was attributed to the decrease in the number of outlets during the period under review.

Revenue for Group Hospitality increased by $1.7 million or 14.4% from $11.8 million in 9M2022 to $13.5 million in 9M2023. Revenue for Group Hospitality increased by $0.2 million or 4.3% from $4.7 million for 3Q2022 to $4.9 million for 3Q2023. The increase was due to the reopening of borders from 1 April 2022, and the start of operations for ST Residences Balestier, a 20 units property in August 2022.

Cost of sales

Cost of sales mainly comprises food and beverages cost, payroll cost, depreciation of property, plant and equipment, depreciation of right of-use assets, rental expense of premises and utilities expenses for both restaurants' outlets and residential apartments/co-living premises and other restaurant support costs.

The Group's cost of sales decreased by $0.8 million or 2.0% from $39.9 million in 9M2022 to $39.1 million in 9M2023. Cost of sales decreased by $0.6 million or 4.2% from $13.8 million in 3Q2022 to $13.2 million in 3Q2023.

Cost of sales for Group F&B decreased by $1.1 million or 3.5% from $31.3 million in 9M2022 to $30.2 million in 9M2023. This was largely attributable to the decrease in:
(a) food costs of $0.7 million, which is in line with the decrease in revenue;
(b) leases on short-term rental of $0.6 million;
(c) online platform commission of $0.3 million, which is in line with the decrease in online revenue; and
(d) utilities of $0.2 million, due to reduced number of outlets.

This was offset by the increase in depreciation for right-of-use assets and payroll costs of $0.8 million and $0.1 million respectively. Depreciation for right-of-use assets had increased as a number of leases had been renewed in FY2022 and 9M2023 at higher rental rates.

Cost of sales for Group Hospitality increased by $0.3 million or 3.5% from $8.6 million in 9M2022 to $8.9 million in 9M2023. The increase was largely due to the increase in (a) depreciation for right of use assets of $0.4 million, (b) agent commission of $0.4 million, (c) staff cost of $0.2 million, offset by the decrease in short-term rental expense of $0.6 million.

Cost of sales for Group F&B decreased by $0.6 million or 5.6% from $10.8 million in 3Q2022 to $10.2 million in 3Q2023. This was largely attributable to the decrease in:
(a) food costs of $0.3 million, which is in line with the decrease in revenue;
(b) reduction of leases on short-term rental of $0.2 million;
(c) online platform commission of $0.1 million, which is in line with the decrease in online revenue;
(d) payroll cost of $0.1 million; and
(d) depreciation of property, plant and equipment of $0.1 million.

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

Cost of sales for Group Hospitality increased minimally by approximately $32,000 or 1.1%, remaining at $3.0 million in 3Q2023.

Gross profit

The Group recorded a gross profit of $5.6 million for 9M2023 (9M2022: $6.9 million). Gross profit for 3Q2023 amounted to $2.4 million. For 9M2023, Group F&B and Group Hospitality reported a gross profit of $1.0 million and $4.6 million respectively. For 3Q2023, Group F&B and Group Hospitality reported a gross profit of $0.4 million and $2.0 million respectively.

Other income

Other income mainly relates to the government grants, which Wage Credit Scheme/Progressive Wage Credit Scheme ("**WCS**"), as well as cash grants.

Other income decreased by $0.3 million or 25.3% from $1.3 million in 9M2022 to $1.0 million in 9M2023.

The decrease was largely attributable to a/an:
- decrease in rental rebate of $0.4 million;
- decrease in government grants of $0.2 million; offset by
- increase in income arising from the cancellation of bookings and expiry of vouchers of $0.1 million; and
- increase in sponsorship received 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 JSS of $0.4 million as the government had stopped the grant as well as a decrease in Special Employment Credit ("**SEC**") of $0.1 million due to reversal of over-accrued grant receivable. This was offset by the increase of grant income from WCS of $0.4 million.

Other income increased by $0.1 million or 66.9% from $0.2 million in 3Q2022 to $0.3 million in 3Q2023.

The increase was largely attributed to the increase in sponsorship received.

Selling and distribution costs

The selling and distribution costs decreased slightly by approximately $59,000 or 9.5%, from S$621,000 in 9M2022 to S$562,000 in 9M2023 and increased by approximately $30,000 or 16.0% from $187,000 in 3Q2022 to $217,000 in 3Q2023.

The decrease from 9M2022 to 9M2023 was largely due to the decrease in marketing, advertising and promotion cost and marketing discount of approximately $72,000 and $31,000. These were offset by the increase in payroll costs of approximately $53,000. Selling and distribution costs remain consistent at approximately 1.3% of revenue.

Selling and distribution costs increased by approximately $30,000 for 3Q2023 vis-à-vis Q32022 largely due to the increase in marketing discount given during the period.

Administrative expenses

Administrative expenses increased by $0.3 million or 5.2% from $4.4 million in 9M2022 to $4.7 million in 9M2023 and $0.1 million or 10.4% from $1.5 million in 3Q2022 to $1.6 million in 3Q2023.

The increase in administrative expenses for 9M2023 and 3Q2023 was due to the increase in professional fees of approximately $0.2 million and $0.1 million respectively. This was largely due to accruals made for the legal fees to be incurred for the URA Investigation (the "**Investigation**")[2].

Finance costs

Finance costs decreased by $0.1 million or 5.1% from $2.0 million in 9M2022 to $1.9 million in 9M2023. The decrease was mainly related to the decrease in lease interest expense. Finance costs amounted to $0.6 million for both corresponding periods of 3Q2022 and 3Q2023.

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

Other expenses/(gains)

The Group recorded other expenses of $0.3 million in 9M2023 vis-à-vis other gains of $0.6 million in 9M2022. Other expenses related to the impairment loss on right-of-use assets of $0.2 million and impairment of amount due from joint venture of $0.1 million due to assessment of recoverability.

The Group recorded other gains of $0.2 million in 3Q2023 vis-à-vis other expenses of $0.2 million in 3Q2022. This was mainly due to the write back of impairment loss on right-of-use assets recognised in the 3 month period of $0.2 million.

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

As a result of the aforementioned, the Group reported a net loss after tax of $0.9 million in 9M2023 vis-à-vis a net profit after tax of $1.8 million in 9M2022.

REVIEW OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by $3.7 million from $42.6 million as at 31 December 2022 to $38.9 million as at 30 September 2023.

This was mainly due to the decrease in right-of-use assets of $3.5 million. Right-of-use assets had decreased due to the depreciation of $10.8 million, impairment charge of $0.2 million and early termination of $0.3 million, offset by additions of $1.4 million and lease modification of $6.3 million.

Property, plant and equipment decreased by approximately $51,000 due to the additions being less than the depreciation charged for the period. Investment property decreased by approximately $43,000, which is in line with the depreciation charge for the period.

Current assets

The Group's current assets decreased by $2.8 million from $9.5 million as at 31 December 2022 to $6.6 million as at 30 September 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 $0.6 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 and (c) a decrease of $0.1 million in amount due from a joint venture as a result of impairment recorded. The decrease was offset by an increase in other receivables of $0.2 million, largely arising from reclassification from refundable rental deposits.

Current liabilities

The Group's current liabilities remained unchanged at $29.4 million as at 31 December 2022 and 30 September 2023.

Trade and other payables and lease liabilities (current) increased by $1.3 million and $0.4 million respectively; offset by a decrease in loans and borrowings (current) of $1.3 million, decrease in other liabilities of $0.2 million and a decrease in contract liabilities of $0.3 million.

Trade and other payables had increased due to (a) increase in other creditors of $0.3 million, (b) increase in amounts due to directors of $1.3 million, offset by the (c) reduction in security deposits of $0.2 million and (d) decrease in GST payable of $0.1 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.

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

Contract liabilities primarily relate to the Group's obligation to transfer goods and services to customers for which the Group has received advances from customers, primarily for the hospitality segment. This has decreased due to less advances received from customers during the period ended 30 September 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 $5.5 million from $27.9 million as at 31 December 2022 to $22.4 million as at 30 September 2023.

This was due to (a) the decrease in loans and borrowings (non-current) of $0.9 million; and (b) the decrease in lease liabilities (non-current) of $4.6 million.

Overall, loans and borrowings had decreased by $2.2 million. This was due to the repayment of loans and borrowings.

Overall, total lease liabilities had decreased by $4.2 million, largely due to the lease payments made of $13.3 million and early termination of leases of $0.3 million, offset by the addition of new lease liabilities of $1.4 million, accretion of interest of $1.7 million and lease modification of $6.3 million during the period under review.

Shareholders' equity

The Group's shareholders' equity decreased by $0.9 million from negative $5.3 million as at 31 December 2022 to negative $6.2 million as at 30 September 2023. The decrease resulted from the net loss generated during the period.

Negative working capital

As at 30 September 2023, the Group was in a negative working capital position of $22.7 million (31 December 2022: $20.0 million). The management has prepared cash flow forecasts which were 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 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 14 November 2023 to enable the Group to meet its liabilities as and when the Group is unable to meet such liabilities. Also, the Group would continue to implement various strategic measures to contain cost and preserve cash liquidity.

REVIEW OF CASH FLOWS

The Group's net cash generated from operating activities in 9M2023 was $13.5 million. This was mainly due to operating cash flows before changes in working capital of $13.8 million and working capital outflow of $0.2 million.

Net cash used in investing activities amounted to $1.5 million mainly arising from purchase of plant and equipment for the F&B segment of $1.4 million, and cash paid for restoration cost of $0.1 million.

Net cash used in financing activities of $14.1 million was mainly due to the principal payment of lease payments of $13.3 million, repayment of loan and borrowings and interest of $2.4 million, repayment of amounts due to directors of $0.1 million, offset by the loans from directors of $1.3 million and reduction in cash restricted in use (earmarked for repayment of bank loans) of $0.3 million.

The cash and cash equivalents for the period decreased by $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. Singapore's F&B services segment remained strong, registering a 6.9% increase in September 2023 on a year-on-year basis, continuing the 8.6% growth in August 2023[3].

For the Hospitality segment, Singapore's tourism sector is expected to continue its strong growth momentum in 2023, with international visitor arrivals to Singapore expected to hit 12 million to 14 million in 2023, with full tourism recovery expected by 2024[4]. This augurs well for the Group's hotels and service apartments. The Hospitality segment has opened a new ST Signature co-living hotel, ST Signature Bugis Middle, on 30 October 2023, marking its fifth establishment, in response to the growing demand for value for money accommodation in prime locations, driven by a rise in both domestic and international tourism[5].

In this regard, the Group has closed one F&B outlet during the 3rd quarter of FY2023 and on 1 November 2023, entered into a joint venture agreement to incorporate a new entity to enter into an exclusive master territory agreement to operate Korean fried chicken and craft beer chain restaurants in Singapore.[6]

On 10 October 2023, the Group had announced that the Company has allotted and issued 232,481,008 Warrants on 9 October 2023. The Warrants had been listed and quoted on the Catalist with effect from 9.00 a.m. on 12 October 2023.

The new shares arising from the exercise of the Warrants will, upon allotment and issue, be listed on the Catalist. The new shares, when allotted and issued, will rank pari passu in all respects with the then existing shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the new shares[7] The net subscription proceeds will be used to fund the Group's renovation of new F&B outlets.

In relation to 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.

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

[3] Department of Statistis Singapore, Retail Sales Index and Food & Beverage Services Index, September 2023.
[4] Singapore Tourism Board, Singapore's tourism sector recovers strongly in 2022, visitor numbers expected to double in 2023, 17 January 2023.
[5] Please refer to announcement dated 30 October 2023 for further details.
[6] Please refer to announcement dated 1 November 2023 for further details.
[7] Please refer to announcement dated 10 October 2023 for further details.

5. Dividend information

There is no dividend declared or recommended in 9M2023 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 30 September 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]	165
AG, who is also the controlling shareholder, has provided a letter of undertaking to financially support the Group as and when required[2]	1,181
Loan from CT, who is also a controlling shareholder[2]	455

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

8. Utilisation of proceeds

As at the date of this announcement, the status of the use of the Rights Issue of Warrants[8] 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	118,200	21,800
Total	232,481	118,200	114,281

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.

[8] 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.

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

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

10. Negative Confirmation Pursuant to Rule 705(5)

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

On behalf of the Board

Alan Goh Keng Chian
Executive Chairman and CEO

Madaline Catherine Tan Kim Wah
Executive Director

14 November 2023