

Katrina GROUP LTD.

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BUSINESS UPDATES RELATING TO THE GROUP'S HOSPITALITY BUSINESS

The Board of Directors (“**Board**”) of Katrina Group Ltd. (“**Company**”, and together with its subsidiaries, “**Group**”) wishes to update the shareholders of the Company on the business updates relating to the Group’s hospitality business.

Since the Group diversified its business to include hospitality business through the acquisition of ST Hospitality Pte. Ltd. (“**ST Hospitality**”) in 2018, the Group has been expanding its hospitality business. The revenue of the Group’s hospitality business for the financial year ended 31 December 2019 was approximately S\$15.4 million, as reflected in page 9 of the Company’s Annual Report. Based on paragraph 8 of the Group’s latest unaudited financial statement for the half year ended 30 June 2020, the revenue of the Group’s hospitality business was S\$9.0 million for the first 6 months of 2020.

Currently, the Group’s hospitality business is principally operating under: (i) ST Residences for furnished corporate service apartments, and (ii) ST Signature for co-living hotels. As at the date of this announcement, the Group currently leases and manages more than 200 private residences, 2 apartment buildings and 4 co-living hotels across Singapore with the latest co-living hotel recently opened at 85 Beach Road, Bugis in March 2020.

Whilst the Group anticipates that the hospitality business will be affected by the ongoing pandemic, the Group continues to look out for opportunities in co-living business model as it offers affordable, flexible and convenient alternative accommodation. ST Hospitality is currently working and/or negotiating with owners of at least three properties in Singapore to be reconfigured for co-living model under the ‘ST Signature’ brand. In addition, it intends to further expand its hospitality business in Australia, Philippines, Indonesia, Vietnam, Japan, and the People’s Republic of China, as and when the opportunities arise. To support its expansion plans, ST Hospitality is also exploring fund-raising opportunities.

Further, the Group has on 26 June 2020 obtained the approval of the Company’s shareholders to further expand its business to include property business to complement its hospitality business. Further details on the property business can be found in its Shareholders Circular dated 4 June 2020. In this respect, ST Hospitality is currently exploring project opportunities to kickstart its property business and has appointed Mr Tan Juay Hiang, who was a former chief executive officer of Ascendas Hospitality trust, as a senior adviser to ST Hospitality to assist with its expansion plans and real estate diversification.

By Order of the Board

Alan Goh Keng Chian
Executive Chairman and CEO
2 November 2020

DINING BRANDS OF KATRINA GROUP



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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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