

Katrina GROUP LTD.

Incorporated in the Republic of Singapore
Registration No. 201608344N

EMPHASIS OF A MATTER BY THE INDEPENDENT AUDITORS ON THE GROUP'S FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Pursuant to Rule 704(4) of the Catalist Rules, the Board of Directors (the “**Board**”) of Katrina Group Ltd. (the “**Company**” and together with its subsidiaries (the “**Group**”)) wishes to inform shareholders that the independent auditors of the Company, Messrs Ernst & Young LLP (the “**Independent Auditors**”), have in their Independent Auditor’s Report dated 15 April 2021 (the “**Report**”), included an emphasis of matter in respect of the existence of a material uncertainty which may cast doubt on the Group’s ability to continue as a going concern in relation to the financial statements of the Group for the financial year ended 31 December 2020 (the “**Audited Financial Statements**”). The audit opinion in the Report however remains unqualified.

A copy of the Report and the extract note to the Audited Financial Statements is annexed to this announcement as Appendix I.

The Board is of the opinion that the Group will be able to continue as a going concern on the basis of the following:

- (a) the Group will be able to generate sufficient cash flows from its operations to pay its liabilities as and when they fall due. Management has assumed that there will not be any further significant lockdown which will cause major disruption to business operations and that recovery of business will be in line with trajectory observed subsequent to the Phase 3 re-opening in Singapore. In particular, there are no significant changes in the economic environment and consumer sentiments from that observed subsequent to-date, which could result in changes in the revenue and gross margins forecasted by management;
- (b) management intends to manage cashflow of the subsidiaries on 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;
- (d) the Group has unutilised banking facilities of approximately \$1,000,000 as of 31 December 2020 that is available for use; and
- (e) Subsequent to the year end, the controlling shareholder of the Group has received a Letter of Offer for credit facility from a financial institution in Singapore, which is guaranteed by a personal pledge from the controlling shareholder of the Group. The controlling shareholder has indicated through a letter of undertaking to make this available to the Group as and when required.

Shareholders of the Company are advised to read this announcement in conjunction with the Company’s annual report for the financial year ended 31 December 2020.

DINING BRANDS OF KATRINA GROUP



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By Order of the Board

Alan Goh Keng Chian
Executive Chairman and CEO
15 April 2021

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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