

# Katrina GROUP LTD.

Incorporated in the Republic of Singapore  
Registration No. 201608344N

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The Board of Directors of Katrina Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on 25 February 2022 in relation to its unaudited full year financial results (“**Unaudited Full Year Financial Results**”) for the financial year ended 31 December 2021 (“**FY2021**”) and its subsequent announcements on 18 March 2022 and 23 March 2022.

Pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Section B: Rules of Catalist (“**Catalist Rules**”), the Company wishes to announce that, subsequent to the release of the Unaudited Full Year Financial Results, certain items were adjusted and/or reclassified in the financial statements of the Group.

The details and clarification of the variances are set out below.

*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.*

## VARIANCES BETWEEN THE UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

	6 months ended 31 December 2021 \$'000 (Unaudited)	6 months ended 31 December 2021 \$'000 (Unaudited)	Variances \$'000	12 months ended 31 December 2021 \$'000 (Audited)	12 months ended 31 December 2021 \$'000 (Unaudited)	Variances \$'000	Note
<b>Revenue</b>	27,236	27,236	-	53,798	53,798	-	
Cost of sales	(26,432)	(26,384)	(48)	(53,308)	(53,260)	(48)	1
<b>Gross profit/(loss)</b>	804	852	(48)	490	538	(48)	
Other income	5,467	5,467	-	10,246	10,246	-	
Selling and distribution costs	(634)	(634)	-	(1,409)	(1,409)	-	
Administrative expenses	(3,809)	(3,833)	24	(6,583)	(6,607)	24	2
Finance costs	(1,523)	(1,523)	-	(3,321)	(3,321)	-	
Other gains/(expenses)	767	1,115	(348)	364	712	(348)	3
<b>Profit/(loss) before tax</b>	1,072	1,444	(372)	(213)	159	(372)	
Income tax expense	-	-	N.M.	(1)	(1)	-	
<b>Profit/(loss) for the period, representing profit/(loss) for the period attributable to owners of the Company</b>	1,072	1,444	(372)	(214)	158	(372)	
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Foreign currency translation	(4)	(4)	-	(7)	(7)	-	
Other comprehensive income for the period, net of tax	(4)	(4)	-	(7)	(7)	-	
<b>Total comprehensive income for the period, representing total comprehensive income attributable to owners of the Company</b>	1,068	1,440	(372)	(221)	151	(372)	
Earnings per share for profit/(loss) for the period attributable to the owners of the Company during the year:							
<b>Basic and diluted (SGD in cents)</b>	0.46	0.63	(0.17)	(0.09)	0.07	(0.16)	

**Note:**

a. "N.M." denotes not meaningful.

## B. Condensed interim statements of financial position

	31 December 2021 \$'000 (Audited)	31 December 2021 \$'000 (Unaudited)	Group Variances \$'000	Note
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6,361	6,361	–	
Right-of-use assets	33,303	33,303	–	
Investment property	860	860	–	
Investment in subsidiaries	–	–	–	
Refundable deposits	4,254	4,254	–	
	44,778	44,778	–	
<b>Current assets</b>				
Inventories	155	155	–	
Trade receivables	1,327	1,327	–	
Other receivables	1,189	1,189	–	
Refundable deposits	2,393	2,393	–	
Prepayments	300	300	–	
Amount due from a joint venture	103	103	–	
Amounts due from subsidiaries	–	–	–	
Cash and bank balances	7,200	7,200	–	
	12,667	12,667	–	
<b>Total assets</b>	57,445	57,445	–	
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	8,760	8,353	407	4
Amount due to subsidiaries	–	–	–	
Other liabilities	2,406	2,441	(35)	5
Lease liabilities	14,359	14,359	–	
Provision	443	443	–	
Contract liabilities	506	506	–	
Provision for taxation	–	–	–	
Loans and borrowings	5,164	5,164	–	
	31,638	31,266	372	
<b>Net current (liabilities)/assets</b>	(18,971)	(18,599)	(372)	

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

	31 December 2021 \$'000 (Audited)	Group 31 December 2021 \$'000 (Unaudited)	Increase / (Decrease) \$'000	Note
<b>Non-current liabilities</b>				
Contract liabilities	–	–	–	
Other payables	142	142	–	
Lease liabilities	28,578	28,578	–	
Provision	821	821	–	
Deferred tax liabilities	6	6	–	
Loans and borrowings	5,135	5,135	–	
	34,682	34,682	–	
<b>Total liabilities</b>	66,320	65,948	372	
<b>Net (liabilities)/assets</b>	(8,875)	(8,503)	(372)	
<b>Equity attributable to owners of the Company</b>				
Share capital	8,192	8,192	–	
Foreign currency translation reserve	15	15	–	
(Accumulated losses)	(17,082)	(16,710)	(372)	
<b>Total equity</b>	(8,875)	(8,503)	(372)	
<b>Total equity and liabilities</b>	57,445	57,445	–	

## C. Condensed interim consolidated statement of cash flows

	12 months ended 31 December 2021 \$'000 (Audited)	12 months ended 31 December 2021 \$'000 (Unaudited)	Variance \$'000	Note
<b>Operating activities</b>				
Profit/(loss) before tax	(213)	159	(372)	1-3
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	1,964	1,910	54	1
Depreciation of investment property	58	58	–	
Depreciation of right-of-use assets	16,665	16,665	–	
Write-off of property, plant and equipment	548	548	–	
(Write-back of)/impairment loss on property, plant and equipment	(2,645)	(2,993)	348	3
Impairment loss on right-of-use assets	2,219	2,219	–	
Impairment loss on goodwill	–	–	–	
Provision for restoration cost written back	(39)	(39)	–	
Loss on disposal of property, plant and equipment	51	51	–	
Finance costs	3,321	267	3,054	6
Interest on finance lease liabilities	–	3,054	(3,054)	6
Gain on early termination of leases, net	(93)	(93)	–	
Interest income	–	–	–	
Reversal of expected credit losses on trade receivables	(30)	(30)	–	
Currency realignment	(9)	(9)	–	
Total adjustments	22,010	21,608	402	
<b>Operating cash flows before changes in working capital</b>	21,797	21,767	30	
<u>Changes in working capital</u>				
Decrease in inventories	9	9	–	
Decrease/(increase) in trade and other receivables	1,253	1,253	–	
Decrease in refundable deposits	1,857	1,857	–	
(Increase)/decrease in prepayments	(10)	(10)	–	
(Decrease)/increase in trade and other payables	(1,805)	(2,152)	347	7
(Decrease)/increase in other liabilities	(469)	(434)	(35)	5
Increase in amounts due to a director	206	206	–	
Increase/(decrease) in contract liabilities	27	27	–	
Total changes in working capital	1,068	756	312	
<b>Cash flows from operations</b>	22,865	22,523	342	
Income taxes (paid)/refunded	(18)	(18)	–	
Interest received	–	–	–	
<b>Net cash flows generated from operating activities</b>	22,847	22,505	342	
<b>Investing activities</b>				
Purchase of property, plant and equipment	(1,782)	(1,440)	(342)	8
Cash paid for restoration cost	(132)	(132)	–	
Proceeds from disposal of property, plant and equipment	11	11	–	
<b>Net cash flows used in investing activities</b>	(1,903)	(1,561)	(342)	

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

	<b>12 months ended 31 December 2021 \$'000 (Audited)</b>	<b>12 months ended 31 December 2021 \$'000 (Unaudited)</b>	<b>Variance \$'000</b>	<b>Note</b>
<b>Financing activities</b>				
Proceeds from loan and borrowings	1,000	1,000	–	
Repayments of loan and borrowings	(2,494)	(2,494)	–	
Interest paid	(312)	(312)	–	
Lease payments	(22,576)	(22,576)	–	
Cash restricted in use	(500)	(500)	–	
<b>Net cash flows used in financing activities</b>	<b>(24,882)</b>	<b>(24,882)</b>	–	
Net change in cash and cash equivalents	(3,938)	(3,938)	–	
<b>Cash and cash equivalents at 1 January</b>	<b>10,638</b>	<b>10,638</b>	–	
<b>Cash and cash equivalents at 31 December <sup>(1)</sup></b>	<b>6,700</b>	<b>6,700</b>	–	

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Note:

<b>1</b>	<b>Cost of sales</b>	<b>S\$'000</b>
	Depreciation of previously unrecorded fixed assets	(54)
	Repair and maintenance expenses previously unrecorded	(5)
	Overstatement of bonus accrual, net	11
		(48)
<b>2</b>	<b>Administrative expenses</b>	<b>S\$'000</b>
	Overstatement of bonus accrual, net	24
		24
<b>3</b>	<b>Other gains/(expenses)</b>	<b>S\$'000</b>
	Impairment expenses recognised for previously unrecorded fixed assets	(348)
		(348)
<b>4</b>	<b>Trade and other payables</b>	<b>S\$'000</b>
	Under recognition of trade payables	435
	Over recognition of GST payable	(28)
		407
<b>5</b>	<b>Other liabilities</b>	<b>S\$'000</b>
	Overstatement of bonus accrual, net	35
		35
<b>6</b>	<b>Finance cost/Interest on finance lease liabilities</b>	<b>S\$'000</b>
	Change of presentation, showing only finance cost instead of interest on finance lease liabilities and finance cost	3,054
		3,054
<b>7</b>	<b>Decrease/(increase) in trade and other payables</b>	<b>S\$'000</b>
	Under recognition of trade payables	435
	Over recognition of GST payable	(28)
	Provision for restoration cost previously not deducted	(60)
		347
<b>8</b>	<b>Purchase of property, plant and equipment</b>	<b>S\$'000</b>
	Previously unrecorded fixed assets	402
	Provision for restoration cost previously not deducted	(60)
		342

## 1. Profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the Group's profit/(loss) for the year 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 profit/(loss) per share for the six-months ended 31 December and financial year ended 31 December 2021:

	<b>6 months ended 31 December 2021</b>	<b>6 months ended 31 December 2021</b>	<b>Variance</b>	<b>12 months ended 31 December 2021</b>	<b>12 months ended 31 December 2021</b>	<b>Variance</b>
	\$'000 (Unaudited)	\$'000 (Unaudited)	\$'000	\$'000 (Audited)	\$'000 (Unaudited)	\$'000
Profit/(loss) for the period attributable to owners of the Company	1,072	1,444	(372)	(214)	158	(372)
Weighted average number of ordinary shares for basic and diluted profit/(loss) per share computation	231,521,008	231,521,008	–	231,521,008	231,521,008	–

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.

## 2. Net Asset Value

	<b>As at 31 December 2021</b>	<b>As at 31 December 2021</b>	<b>Variance</b>
	(Audited)	(Unaudited)	
Net asset value ("NAV") (\$'000)	(8,875)	(8,503)	(372)
Number of ordinary shares	231,521,008	231,521,008	–
NAV per ordinary share (cents)	(3.83)	(3.67)	(0.16)

### On behalf of the Board

Alan Goh Keng Chian  
Executive Chairman and CEO

Madaline Catherine Tan Kim Wah  
Executive Director

7 April 2022