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SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT AND LICENCE AGREEMENT

*Unless otherwise defined, all capitalized terms used in this announcement shall have the same meaning as ascribed to them in the Company's Announcement dated 29 March 2017 ("**Announcement**").*

1. INTRODUCTION

The Board of Directors (the "**Board**") of Katrina Group Ltd. (the "**Company**", and together with its subsidiaries, collectively the "**Group**") refers to the Announcement in relation to the non-binding memorandum of understanding ("**MOU**") with Ajisen (China) Holdings Limited ("**Ajisen China**", and together with its subsidiaries, collectively, the "**Ajisen Group**"). Further to the Announcement, the Board wishes to announce that the Company's wholly-owned subsidiary, Katrina International Pte. Ltd. ("**KIPL**") has on 12 July 2017 entered into a subscription and shareholders' agreement with Ajisen China's wholly-owned subsidiary, Big Benefit Group Limited ("**Ajisen**") ("**SSA**").

In line with the Group's expansion plans, the entering into the SSA will allow the Group and Ajisen Group to leverage on each other's expertise. It will also strengthen the Group's market position and add value to the Group's existing business.

2. SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT AND LICENCE AGREEMENT

Pursuant to the SSA, KIPL shall subscribe for 30 shares in So Pho International Limited ("**JV Company**") representing 30% of the enlarged issued and paid-up capital of the JV Company at subscription price of US$30 ("**Proposed Subscription**") and Ajisen China shall subscribe for 69 shares in the JV Company, which together with the 1 share Ajisen holds at the date of this announcement, represents 70% of the enlarged issued and paid-up capital of the JV Company at the subscription price of US$69.

The JV Company was incorporated on 3 July 2017 with a total issued and paid-up capital of US$1 comprising 1 share held by Ajisen and the principal business activities of the JV Company will be managing and operating restaurants, snack-bars, cafes, cafeterias, canteens, bar services, self-service restaurants and/or food and drink catering which serve Vietnamese-style dishes under the Group's brand "So Pho" ("**Business**") in Hong Kong and the People's Republic of China ("**PRC**").

Under the SSA, each of KIPL and Ajisen has undertaken to provide funding for working capital purposes of up to US$450,000 and US$1,050,000 respectively to the JV Company by way of interest-free shareholder's loans as and when required by the JV Company.

Further, in accordance with the terms of the SSA, the Company's wholly-owned subsidiary, Katrina Holdings Pte. Ltd. ("**KHPL**") has on 12 July 2017 entered into a licence agreement with the JV Company ("**Licence Agreement**"). Pursuant to the Licence Agreement, KHPL has agreed to, *inter alia*, grant to the JV Company a sole and exclusive right to use, sub-licence and franchise the trade name of "So Pho" and the associated trademarks, logos, designs and trade names and know-how to operate the Business in Hong Kong and the PRC subject to the terms and on the conditions set out in the Licence Agreement.

The Group's investment in the JV Company will be funded through internal resources.

3. CHAPTER 10 OF THE CATALIST RULES

Based on the latest audited financial statements of the Group for the financial year ended 31 December 2016, the relative figures of the Proposed Subscription computed on the bases set out in Rule 1006 of the Catalist Rules is less than 5%. Accordingly, the Proposed Subscription constitutes a non-discloseable transaction under Chapter 10 of the Catalist Rules.

4. FINANCIAL EFFECTS

The Proposed Subscription is not expected to have any material financial impact on the consolidated net tangible assets and consolidated earnings per share of the Group for the current financial year ending 31 December 2017.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Subscription, interest-free shareholder's loans to the JV Company and Licence Agreement, other than through their respective shareholdings in the Company.

By Order of the Board

Alan Goh Keng Chian
Executive Chairman and Chief Executive Officer

12 July 2017

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor Hong Leong Finance Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by SGX-ST. The Sponsor and the SGX-ST assume 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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