

SITRA HOLDINGS (INTERNATIONAL) LIMITED
(Co. Regn. No: 197901237E)

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULTS

1(a) (i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for Half Year ended 30 June 2017. These figures have not been audited.

	Group		
	S\$'000		%
	6 Months ended 30/06/2017	6 Months ended 30/06/2016	Increase/ (Decrease)
Continuing operations			
Revenue	9,510	9,283	2.4%
Cost of sales	(8,450)	(8,438)	0.1%
Gross profit	1,060	845	25.4%
Other income	219	151	45.0%
Other losses - net	(489)	(61)	N.M.
Selling and marketing expenses	(268)	(216)	24.1%
Administrative expenses	(1,159)	(962)	20.5%
Finance expenses	(6)	(2)	200.0%
Loss before income tax	(643)	(245)	162.4%
Income tax expense	-	-	-
Loss for the period	(643)	(245)	162.4%
Attributable to:			
Equity holders of the Company	(671)	(223)	200.9%
Non-controlling interests	28	(22)	N.M.
	(643)	(245)	162.4%

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Note:

Result before income tax is arrived at after charging / (crediting) the following:

	Group	
	S\$'000	
	6 Months ended 30/06/2017	6 Months ended 30/06/2016
Commission income	(42)	(42)
Defined contribution included in staff costs	29	32
Depreciation of property, plant and equipment	139	113
Directors' fees	53	53
Directors' remuneration	282	201
Exchange loss	489	61
Rental income	95	-
Rental expenses	56	47
Staff costs	438	316

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1(a) (ii) A statement of comprehensive income for the corresponding period of the immediately preceding financial year.

Group Consolidated Statement of Comprehensive Income for Half Year ended 30 June 2017.

	S\$'000	
	6 Months ended 30/06/2017	6 Months ended 30/06/2016
Loss for the period	(643)	(245)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences arising from consolidation	518	249
Other comprehensive income, net of tax	518	249
Total comprehensive (loss)/income	(125)	4
Total comprehensive loss/(income) attributable to:		
Equity holders of the Company	(162)	(49)
Non-controlling interests	37	53
	(125)	4

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1(b)(i) A statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/17	31/12/16	30/06/17	31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets				
Cash and bank balances	372	203	44	85
Financial assets, at fair value through profit or loss	9500	9500	-	-
Trade and other receivables	2,051	1,294	4,875	6,502
Inventories	1,925	2,276	11	13
Other current assets	262	273	27	26
	14,110	13,546	4,957	6,626
Non-current assets				
Investment in an associated company	-	-	-	-
Investments in subsidiary corporations	-	-	227	227
Property, plant and equipment	3,926	4,117	120	132
Deferred tax assets	62	65	-	-
	3,988	4,182	347	359
Total assets	18,098	17,728	5,304	6,985
Current liabilities				
Trade and other payables	2,666	2,851	2,576	2,909
Borrowings	730	36	31	31
	3,396	2,887	2,607	2,940
Non-current liabilities				
Borrowings	45	56	45	56
Deferred income tax liabilities	242	244	-	-
Total liabilities	3,683	3,187	2,652	2,996
Net assets	14,415	14,541	2,652	3,989
Capital and reserves attributable to equity holders of the Company				
Share capital	17,817	17,817	17,817	17,817
Other reserves	3,875	3,367	(21)	(21)
Accumulated losses	(7,027)	(6,356)	(15,144)	(13,807)
	14,665	14,828	2,652	3,989
Non-controlling interests	(250)	(287)	-	-
Total Equity	14,415	14,541	2,652	3,989

*Denotes amount less than S\$1,000.

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1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	Group	
	S\$'000	
	As at 30/06/2017	As at 31/12/2016
Bank overdrafts	370	5
Bank borrowings	329	-
Finance lease liabilities	31	31

Amount repayable after one year

	Group	
	S\$'000	
	As at 30/06/2017	As at 31/12/2016
Finance lease liabilities - due within two to five years	45	56

Details of any collateral

- 1) The bank overdrafts and bank borrowings as at 30/06/2017 were secured on:
- (i) Corporate guarantee of the Company
 - (ii) Certain trade receivables of a subsidiary
 - (iii) Rights to the leased motor vehicles which will revert to the lessor in the event of default

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- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	S\$'000	
	6 Months ended 30/06/2017	6 Months ended 30/06/2016
Cash flows from operating activities		
Loss before income tax	(643)	(223)
Adjustments for:		
Depreciation of property, plant and equipment	139	113
Interest expense	6	-
Unrealised translation loss	570	259
	72	149
Changes in working capital		
- Inventories	351	1,418
- Trade and other receivables	(757)	(2,286)
- Other current assets	11	(56)
- Trade and other payables	(185)	477
Cash used in operations	(508)	(298)
Interest paid	(6)	-
Income tax paid	-	(46)
Net cash used in operating activities	(514)	(344)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1)	-
Net cash (used in)/provided by investing activities	(1)	-
Cash flows from financing activities		
Proceeds from bank borrowings	329	-
Finance lease liabilities	(11)	(38)
Net cash provided by/(used in) financing activities	318	(38)
Net (decrease)/increase in cash and cash equivalents	(197)	(382)
Cash and cash equivalents at beginning of financial period	198	97
Effects of currency translation on cash and cash equivalents	1	(14)
Cash and cash equivalents at end of financial period	2	(299)

Note

Cash and cash equivalents include cash and bank balances less bank overdraft.

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Other reserves	(Accumulated losses)	Total Attributable to equity holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	17,817	3,926	(8,074)	13,669	(307)	13,362
Total comprehensive income/(loss) for the year	-	(559)	1,718	1,159	20	1,179
Balance at 31 December 2016	17,817	3,367	(6,356)	14,828	(287)	14,541
Balance at 1 January 2017	17,817	3,367	(6,356)	14,828	(287)	14,541
Total comprehensive (loss)/income for the period	-	508	(671)	(163)	37	(126)
Balance at 30 June 2017	17,817	3,875	(7,027)	14,655	(250)	14,415

Company	Share capital	Other reserves	Retained profits / (Accumulated losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	17,817	(21)	(13,129)	4,667
Total comprehensive loss for the year	-	-	(678)	(678)
Balance at 31 December 2016	17,817	(21)	(13,807)	3,989
Balance at 1 January 2017	17,817	(21)	(13,807)	3,989
Total comprehensive loss for the period	-	-	(1,337)	(1,337)
Balance at 30 June 2017	17,817	(21)	(15,144)	2,652

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The total numbers of issued shares were 751,200,000 as at 31 December 2016 and 751,200,000 as at 30 June 2017.

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1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares was 751,200,000 as at 31 December 2016 and 751,200,000 as at 30 June 2017.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the audited financial statements for the financial year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In 1HFY2017, the Group has adopted all the applicable new/revised Financial Reporting Standards ("FRS") which became effective for financial year beginning on or after 1 January 2017. There is no material impact on the Group's financial statements upon adoption of these FRS.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	6 Months ended 30/06/2017	6 Months ended 30/06/2016
(Loss)/profit per ordinary share of the group, after deducting any provision for preference dividends (cents):		
(a) Based on weighted average number of ordinary shares on issue; and		
- Basic and diluted	(0.09)	(0.03)

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- 7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Net asset value per ordinary share based on issued share capital at the end of (cents):	1.92	1.94	0.35	0.53

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

Revenue posted an increase of 2.4% from S\$9.3 million in 1HFY2016 to S\$9.5 million in 1HFY2017, due to higher sale revenue for both the wood-based products and the lifestyle outdoor furniture products.

The wood-based segment revenue increased by 1.97% to S\$9.3 and the lifestyle outdoor furniture registered a 31.94% increase in sales to S\$0.19 million in 1HFY17. In terms of business by geographical regions, both the Australia/New Zealand market and Europe market registered an increase in sales of 46.3% to S\$1.76 million and 1.41% to S\$6.98 million respectively. The sales by Asia/Others market had declined by S\$0.43 million or 35.8% to S\$0.77 million in 1HFY17.

Cost of sales and gross profit margin

The cost of sales in dollar term remained approximately the same at S\$8.4 million and the cost of sales as a percentage of revenue decreased from 90.9% in 1HFY16 to 88.9% in 1HFY16. The increase in gross margin was derived from both the wood-based product and lifestyle outdoor furniture segments

Other income

Other income increased from S\$0.15 million to S\$0.22 million due mainly to the higher rental income, offset by lower commission income as compared to 1HFY16.

Other losses – net

Other losses increased by S\$0.43 million arising entirely from an increase in foreign exchange loss due to the weakening of United States dollars against Singapore dollars.

Selling and marketing expenses

Selling and marketing expenses increased by S\$0.05 million to S\$0.27 million mainly due to higher staff salaries as a result of reinstating the previously voluntary salaries deduction by a director and senior management and higher commission paid, offset by lower exhibition expenses incurred for 1HFY2017.

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Administrative expenses

Administrative expenses increased by S\$0.2 million to S\$1.16 million due mainly to higher staff salaries as a result of reinstating the previously voluntary deduction of a Director's salary, as well as higher office rental, professional fees and insurance cost being incurred.

Finance expenses

Finance cost increased by S\$5K due to the higher hire purchase interest and bill payable interest incurred.

BALANCE SHEET

Current assets

Current assets increased by S\$0.56 million to S\$14.1 million, accounting for 78.0% of the total assets. The increase was due to higher cash and bank balances of S\$0.17 million, higher trade and other receivables of S\$0.75 million, offset by lower inventories of S\$0.35 million and lower other current assets of S\$0.01 million. Higher trade and other receivables were mainly due to higher sales revenue and lower inventory were the result of holding less finished goods stock.

Non-current assets

Non-current assets decreased by S\$0.19 million to S\$3.99 million arising mainly from depreciation charges and translation loss for the period.

Current liabilities

Current liabilities increased by S\$0.51 million to S\$3.40 million due mainly to the increase in bank borrowing of S\$0.69 million, offset by lower trade and other payables of S\$0.18 million.

Non-current liabilities

Non-current liabilities remained approximately the same at S\$0.3 million.

Capital and reserves

Total equity decreased by S\$0.13 million to S\$14.4 million due mainly to the total comprehensive loss of S\$0.6 million, offset by higher other reserves of S\$0.5 million arising from the currency translation gain for the period.

Cash Flows

The Group had a positive operating net cash flow before working capital changes of approximately S\$0.01 million. Net cash used in working capital was S\$0.59 million due to the increase in trade and other receivables of S\$0.76 million and decrease in trade and other payables of S\$0.19 million, offset by a decrease in Inventories of S\$0.35 million and other current assets of S\$0.01 million respectively. Net cash used in operating activities stood at S\$0.51 million after the payment of interest.

The net cash used in investing activities of S\$1K was for the purchase of property, plant and equipment.

Net cash provided by financing activities was S\$0.32 million due mainly to the proceeds from bank borrowings of S\$0.33 million, offset by the repayment of finance lease liabilities and interest paid of S\$0.01 million.

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9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

10. 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.

Although the Group revenue has shown 2.4% improvement in the current reporting period, the recent weakening of the United States Dollar against the Singapore Dollar has dampened the Group's revenue growth for the period, as the Group's sales revenue was mainly transacted in United States currency.

The Group will continue to introduce new products with higher gross margin, enhance its profitability and increase its market presence in its key markets throughout the world. These include exploring possible joint ventures that can be funded by internal cash resources and/or bank borrowings.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared for 1HFY17.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

The Company has not declared or recommended any dividend for 1HFY17.

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- 13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate for the IPTs from the shareholders.

- 14. 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 confirms that it has procured undertaking from all its Directors and executive officers in the format set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

- 15. Confirmation pursuant to the Rule 705(5) of the listing manual.**

We, Chew Ah Ba and Steven Chew, being two directors of Sitra Holdings (International) Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Group for the 6-month period ended 30 June 2017 to be false or misleading.

On behalf of the Board of Directors

Chew Ah Ba
Director

Steven Chew
Director

BY ORDER OF THE BOARD

Chew Ah Ba
Executive Chairman
10 August 2017

This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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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