

SITRA HOLDINGS (INTERNATIONAL) LIMITED

Company Registration No.: 197901237E
Incorporated in the Republic of Singapore

THE PROPOSED ACQUISITION OF THE REMAINING INTEREST IN THE COMPANY'S 46% MAPUR ROCKY RESORT LIMITED ("MRRL"), AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

- 1.1 The board of directors (the "**Board**") of Sitra Holdings (International) Limited ("**Sitra**" or the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 10 August 2022 entered into a sale and purchase agreement (the "**MRRL SPA**") with Madam Doris Chung Gim Lian (the "**Vendor**") in relation to the proposed acquisition (the "**Proposed Acquisition**") by the Company of 46 ordinary shares representing the remaining 46% of the issued and paid-up share capital (the "**MRRL Sale Shares**") in MRRL.
- 1.2 The Company had on 4 October 2019 completed the acquisition of 54% of the total issued and paid-up shares of MRRL (the "**Initial Acquisition**"). Details of the Initial Acquisition were set out in the circular to shareholders of the Company ("**Shareholders**") dated 10 July 2019 and Company's announcements on 27 February 2019, 13 May 2019, 26 June 2019, 10 July 2019, 26 July 2019 and 4 October 2019.

2. INFORMATION ON THE PROPOSED ACQUISITION

2.1 Information on the Vendor

The Vendor is the wife of Mr. Chew Hua Seng ("**CHS**"), the Non-executive Charman of the Board and a controlling shareholder of the Company, and Mr. Steven Chew ("**SC**"), the Executive Director of the Company, is the nephew-in-law of the Vendor.

The Vendor is not a shareholder of the Company.

CHS holds 654,033,520 ordinary shares representing 44.09% of the issued and paid-up share capital of the Company as of the date of this announcement and is a controlling shareholder of the Company.

SC holds 24,393,900 ordinary shares representing 1.64% of the issued and paid-up share capital of the Company.

2.2 Information on MRRL

MRRL was incorporated under the laws of the British Virgin Islands on 7 February 2017. On 4 October 2019, the Company completed the Initial Acquisition of 54 ordinary shares, constituting 54% of the total issued shares of MRRL, from the Vendor and Mr Chew Han Wei.

As at the date of this announcement, MRRL has an issued and paid-up capital of US\$100 comprising 100 ordinary shares. The Company holds 54 ordinary shares, constituting 54% of the total issued shares of MRRL, while the remaining 46 ordinary shares, constituting 46% of the total issued shares of MRRL, are held by the Vendor.

MRRL is an investment holding company that holds 99.9% of the issued and paid-up share capital in PT East Bintan Resort ("**EBR**") (MRRL, together with EBR, "**MRRL Group**"). Except for its investment in EBR, as at the date of this announcement, MRRL is dormant and does not

have any operating income since its incorporation. On 8 August 2022, the Company acquired the 0.01% of EBR from the Vendor for a consideration of approximately S\$6,000.

EBR is a foreign investment company incorporated in the Republic of Indonesia on 26 July 2018 with its principal business in property development. It owns two pieces of land in Bintan, Indonesia (the "**Lands**").

On 4 May 2022, the Company announced that the Group has appointed an architect for the development of a resort and apartments on the Lands (the "**Proposed Project**").

On completion of the Proposed Acquisition, the Company will be the sole shareholder holding 100% of the total issued and paid-up share capital of MRRL and will effectively control 100% interest of EBR.

2.3 Value of the MRRL Sale Shares

Based on the unaudited consolidated financial statements of MRRL Group for the period ended 30 June 2022 ("**1H2022**"):

- (a) the book value of the MRRL Sale Shares was approximately S\$3,021,875;
- (b) the net tangible asset value represented by the MRRL Sale Shares was approximately S\$3,021,875;
- (c) the net loss (1H2022) attributable to the MRRL Sale Shares was approximately S\$16,708.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Group has reviewed its plan for MRRL, EBR and the Proposed Project and, through the Proposed Acquisition, intends to have full control over several matters including:

- (a) the timing of the commencement of the development of the land and construction of the Proposed Project;
- (b) the scale of the Proposed Project;
- (c) financing the current operating cost of MRRL and EBR;
- (d) financing the construction of the Proposed Project; and
- (e) building its own experience to oversee the Proposed Project.

By consolidating control over MRRL, the Group will also have more control in building up the management team of EBR and its experience. EBR will continue to be managed by its current five local staff in Indonesia who will report to the management of the Company and the Board. Major roles of the Proposed Project will be outsourced to professionals, like the architect, professional project managers and property agents. The Group has appointed the architect and will be appointing other professionals in due course. The Group may in the future apply the experience and expertise it gains from the Project to future projects in the region.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 Consideration

The aggregate consideration for the Proposed Acquisition is S\$2,600,000 (the "**Consideration**") being the consideration for the MRRL Sale Shares. The Consideration was arrived at on a willing-buyer-willing-seller basis after arm's length negotiations between the

Company and the Vendor taking the value of the Lands as the benchmark together with the accumulated loss of the company in the computation of the value of the Vendor's interest in MRRL.

The Company has appointed Colliers International Consultancy & Valuation (Singapore) to carry out a valuation of the Lands ("**Valuation**"). As set out in the Valuation, based on market value, "As is" basis, the valuation of the Lands is IDR65,900,000,000.00 equivalent to approximately S\$6,100,000.00 adopting an exchange rate of IDR10,800:S\$1 as at 30 June 2022. Further details of the valuation will be set out in the Circular (as defined below).

The Consideration shall be paid in the following:

The "**Reference Date**" shall be the earlier of:

- (a) The date of launch of the pre-sale of the Proposed Project; or
- (b) 31 December 2024.

Unless with the Vendor's written consent, no postponement of the Reference Date beyond 31 December 2024 is allowed.

The Consideration shall be paid in cash to the Vendor in 5 tranches according to the following payment schedule:

- (c) S\$520,000.00 payable 6 months after the Reference Date;
- (d) S\$520,000.00 payable 18 months after the Reference Date;
- (e) S\$520,000.00 payable 30 months after the Reference Date;
- (f) S\$520,000.00 payable 42 months after the Reference Date; and
- (g) The balance 54 months after the Reference Date.

Notwithstanding the above, the Consideration shall be fully paid on and before 31 December 2030. In the event that the Company fails to pay each tranche of the Consideration in accordance with the above payment schedule, the Vendor will be entitled to claim from the Company a default interest of 10% per annum commencing from the day after the payment period.

The Group will apply part of the proceeds from the pre-sale of the Proposed Project to pay for the Consideration in tranches and the remaining proceeds from the pre-sale of the Proposed Project will be used to pay for the development cost of the Proposed Project. If the pre-sale of the Proposed Project is delayed beyond 31 December 2024 due to unforeseeable circumstances, the Group will consider other financing options to pay for including but not limited to equity fundraising.

4.2 **Conditions Precedent**

Completion of the Proposed Acquisition ("**Completion**") is subject to, *inter alia*, the following conditions precedent (the "**Conditions Precedent**") to be satisfied by 30 September 2022:

- (a) The approval from Shareholders is obtained in relation to the acquisition of the MRRL Sale Shares;
- (b) Each of the warranties and undertakings remaining true in all material respects and not misleading in any material respect at Completion as if repeated at Completion and at all times between the date of this agreement and Completion;

- (c) No order or judgment of any court or governmental, statutory, or regulatory body in Singapore or elsewhere having been issued or made prior to Completion which has the effect of making the transactions contemplated herein unlawful or otherwise prohibiting the Vendor from selling or the Company from acquiring the MRRL Sale Shares or any of them; and
- (d) All approvals, authorisations, confirmations, consents, and waivers as may be required (by law or under contract) or appropriate for or in connection with the sale and purchase or transfer of the MRRL Sale Shares or the transactions contemplated in this agreement and for carrying on the business of the Company from all parties having been obtained and not withdrawn or revoked, and where any such approvals, authorisations, consents, and waivers are obtained subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Company.

In the event that any of the Conditions Precedent is not satisfied by 30 September 2022 and there is no supplemental agreement for any extension, the MRRL SPA may lapse.

4.3 Completion

Completion of the Proposed Acquisition shall take place on the fifth business day after the Conditions Precedent are satisfied.

5. THE PROPOSED ACQUISITION AS INTERESTED PERSON TRANSACTIONS

5.1 Details of the Interested Person

The Company is an entity at risk within the meaning of Chapter 9 of the Catalist Rules in relation to the Proposed Acquisition. The Vendor is the wife of CHS, the Non-executive Charman of the Board and a controlling shareholder of the Company, and the aunt of SC, the Executive Director of the Company. As such, the Vendor is an interested person and the Proposed Acquisition is interested person transactions ("IPT") within the meaning of Chapter 9 of the Catalist Rules.

5.2 Requirement for Shareholders' Approval

Under Rule 906 of the Catalist Rules, Shareholders' approval is required for an interested person transaction or a series of interested person transactions with the same interested person during the same financial year of a value equal to, or more than 5% of the Group's latest audited net tangible assets ("NTA").

The total value of the Proposed Acquisition is S\$2,600,000.00, being the Consideration payable by the Company for the Proposed Acquisition, and represents approximately 17% of the Group's latest audited NTA of approximately S\$15,164,500 as at 31 December 2021. Accordingly, the Proposed Acquisition will require the approval of Shareholders, to be obtained by the Company at an extraordinary general meeting of the Company (the "EGM") to be held in due course.

5.3 Total Value of the IPTs

Save for the Proposed Acquisition and excluding transactions that were less than S\$100,000, during the course of the current financial year ending 31 December 2022 ("FY2022"), which is from 1 January 2022 up to the date hereof:

- (a) there are no other interested person transactions entered into by the Group with the Vendor and her associates (including CHS and SC); and
- (b) there are no other interested person transactions entered into by the Group and other interested persons.

The Initial Acquisition was completed on 4 October 2019 which was approximately 3 years

ago, and accordingly, the value of the Initial Acquisition will not be aggregated with the value of the Proposed Acquisition.

5.4 **Audit Committee's Statement**

The audit committee of the Board (the "**Audit Committee**") will form its view as to whether the Proposed Acquisition is on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders after considering the opinion of the IFA (as defined herein) to be obtained in due course. The Audit Committee's view of the Proposed Acquisition will be set out in the Circular.

5.5 **Abstention from Voting**

Pursuant to Rule 919 of the Catalist Rules, an interested person and any associate of the interested person must abstain from voting on the resolution approving interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolution unless specific voting instructions had been given by the Shareholders.

The Vendor and her associates (including CHS and SC) will abstain from voting on the Proposed Acquisition at the EGM. The Vendor and her associates (including CHS and SC) shall not accept any nominations to act as a proxy for any Shareholder in approving the Proposed Acquisition at the EGM unless specific instructions as to voting are given by such Shareholder in the proxy instrument.

6. **FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

The *pro forma* financial effects of the Proposed Acquisition on the NTA attributable to the owners of the Company per share and the loss per share ("**LPS**") of the Group are set out below. The *pro forma* financial effects have been prepared based on the audited financial results of the Group for the financial year ended 31 December 2021 assuming no expenses incurred in connection with the Proposed Acquisition.

6.1 **NTA**

For illustrative purposes only, the *pro forma* financial effects of the Proposed Acquisition on the Group's NTA per share, assuming that the Proposed Acquisition had been completed on 31 December 2021, being the end of the most recently completed financial year, are set out below:

NTA	Before the Proposed Acquisition	After the Proposed Acquisition
NTA ⁽¹⁾ attributable to the Shareholders	S\$11,446,792	S\$11,976,922
Number of shares	1,483,300,000	1,483,300,000
NTA per share (cents)	0.77	0.81

Note(s):

(1) NTA means total assets less the sum of total liabilities, non-controlling interests, and intangible assets (net of non-controlling interests).

6.2 **LPS**

For illustrative purposes only, the *pro forma* financial effects of the Proposed Acquisition on the consolidated earnings of the Group, assuming that the Proposed Acquisition had been completed on 1 January 2021, being the beginning of the most recently completed financial year, are set out below:

LPS	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to the Shareholders	(\$245,633)	(\$328,260)
Number of shares (weighted average)	1,295,368,000	1,295,368,000
LPS (cents)	(0.02)	(0.03)

7. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition and based on the latest announced unaudited consolidated financial statements of the Group for the financial period ended 30 June 2022 ("1H2022"), are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss	7.09% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	14.6% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽¹⁾

Note(s):

- (1) This basis is not applicable to the Proposed Acquisition as the Company is not disposing its asset and the Company is not a mineral, oil and gas company.
- (2) "Net loss" is defined to be loss before income tax, non-controlling interests, and extraordinary items. Computed based on the net loss attributable to the MRRL Sale Shares for 1HFY2022 of S\$36,321 divided by the Group's unaudited net loss before tax and non-controlling interests of S\$513,033 for 1HFY2022.
- (3) Computed based on the aggregate consideration of S\$2,600,000, and the Company's market capitalisation of approximately S\$17.8 million. The market capitalisation of the Company was computed based on 1,483,300,000 Shares (excluding treasury shares) and the volume weighted average price of S\$0.012 each Share based on the trades done on the SGX-ST on the preceding full market day (being 8 August 2022) up to the time of signing of the MMRL SPA.
- (4) No Shares will be issued as consideration.

As the relative figures computed on the basis set out in Catalist Rule 1006(b) is 7.09%, reference is made to Practice Note 10A of the Catalist Rules ("PN10A") as the Group is in a

loss-making position and the Proposed Acquisition involves the acquisition of a loss-making asset by the Company.

The absolute relative figure computed on the basis of Catalist Rule 1006(c) is more than 5% but does not exceed 75% and the absolute relative figure of the net loss attributable to the MRRL Sale Shares is more than 5% but does not exceed 10%. The Proposed Acquisition falls within the situation as set out in paragraph 4.4(a)(ii) of PN10A and is a "discloseable transaction" under Catalist Rule 1010.

Nevertheless, as elaborated in section 5.2 of this announcement, the Company will be seeking the approval of Shareholders in relation to the Proposed Acquisition.

8. NO CHANGE IN SHAREHOLDINGS

As the Proposed Acquisition does not involve any consideration of Shares, there is no change in the shareholding structure of the Company. CHS remains the Company's sole controlling shareholder.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement (including the interest of CHS and CS), none of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and/or shareholdings in the Company.

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition and accordingly, no service contracts in relation thereto will be entered into by the Company.

11. INDEPENDENT FINANCIAL ADVISER

Rule 921(4)(a) of the Catalist Rules provides that if shareholder approval is required in respect of an IPT, the Circular must include an opinion in a separate letter from an independent financial adviser stating whether the relevant transaction is on normal commercial terms and is prejudicial to the interests of the issuer and its minority shareholders. Pursuant to the foregoing Rule, the Company will appoint an independent financial adviser (the "IFA") in due course to provide an opinion letter as to whether the Proposed Acquisition is on normal commercial terms and are not prejudicial to the interests of the Company and its independent Shareholders.

A copy of the letter from the IFA will be set out in the Circular and Shareholders are advised to read the letter carefully.

12. EGM AND CIRCULAR TO SHAREHOLDERS

12.1 Resolutions to be Passed

The Company will convene the EGM to seek the approval of the independent Shareholders for the Proposed Acquisition, as interested person transactions under Chapter 9 of the Catalist Rules.

12.2 Circular

A circular containing, *inter alia*, further details of the Proposed Acquisition, the opinion and recommendation of the IFA on the Proposed Acquisition, and enclosing a notice of the EGM to be convened, ("**Circular**") will be electronically despatched to the Shareholders in due course. Shareholders are advised to read the letter carefully and, in the meantime, refrain from taking any action in relation to their shares that may be prejudicial to their interest until they or their advisers have considered the information and recommendations to be set out in the Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the MRRL SPA and the Valuation Report will be available for inspection during normal business hours from 10.00 a.m. to 5.00 p.m. at the registered office of the Company at 15 Hillview Terrace, Hillview Industrial Estate, Singapore 669226 for a period of three (3) months from the date of this announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 6742 3223 prior to making any visits to arrange for a suitable time slot for the inspection.

14. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are material developments on the Proposed Acquisition.

15. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisors.

By Order of the Board
Sitra Holdings (International) Limited
10 August 2022

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the SGX-ST.*

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.

The contact person for the Sponsor is Mr. Leong Weng Tuck - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.