

SITRA HOLDINGS (INTERNATIONAL) LIMITED

Company Registration. No: 197901237E

A Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

Group	Note – (Page 13)	Six-month period ended on 30 June ("1H")		
		1HFY2023 \$	1HFY2022 \$	Change %
Revenue	2.01	6,683,976	14,164,139	-53%
Cost of sales	2.02	(5,923,635)	(13,115,203)	-55%
Gross profit		760,341	1,048,936	-28%
Other income		52,977	57,299	-8%
Other gains/(losses) - net	2.03	501,469	(212,957)	-335%
Expenses:				
- Selling and marketing	2.04	(251,182)	(301,351)	-17%
- Administrative	2.05	(1,283,198)	(1,100,429)	+17%
- Finance	2.06	(88,897)	(4,531)	+1862%
Loss before income tax		(308,490)	(513,033)	-40%
Income tax credit / (expense)	2.07	27,149	(79,530)	-134%
Loss for the period		(281,341)	(592,563)	-53%
Other comprehensive (loss)/income: <i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency exchange differences arising on translating foreign operations		(85,827)	145,979	-159%
Total comprehensive loss for the period		(367,168)	(446,584)	-18%
Loss for the period attributable to:				
Equity holders of the Company		(360,195)	(691,339)	-48%
Non-Controlling Interests		78,854	98,776	-20%
		(281,341)	(592,563)	-53%
Total comprehensive loss for the period attributable to:				
Equity holders of the Company		(466,483)	(512,887)	-9%
Non-Controlling Interests		99,315	66,303	+50%
		(367,168)	(446,584)	-18%
Loss per share attributable to equity holders of the Company (cents per share)				
Basic & Diluted		(0.02)	(0.05)	

B Condensed Interim Statements of Financial Position as at 30 June 2023 ("2023") and as at 31 December 2022 ("2022")

	Note – (Page 14)	Group		Company	
		2023 \$	2022 \$	2023 \$	2022 \$
Current assets					
Cash and bank balances	2.08	1,053,678	1,746,456	702,847	1,051,897
Trade and other receivables	2.09	471,562	774,266	3,228,546	2,675,649
Inventories	2.10	2,772,089	2,619,703	-	-
Other current assets	2.11	221,270	230,662	1,410	1,410
		4,518,599	5,371,087	3,932,803	3,728,956
Non-current assets					
Investments in subsidiaries		-	-	5,216,036	5,216,036
Property, plant and equipment	2.12	9,820,046	9,851,207	21,979	25,986
Deferred tax assets		25,128	24,128	-	-
		9,845,174	9,875,335	5,238,015	5,242,022
Total assets		14,363,773	15,246,422	9,170,818	8,970,978
Current liabilities					
Trade and other payables	2.13	1,225,846	1,974,600	3,847,376	3,885,279
Borrowings	2.15	324,271	73,831	-	-
		1,550,117	2,048,431	3,847,376	3,885,279
Non-current liabilities					
Other financial liability	2.14	1,763,085	1,677,446	1,763,085	1,677,446
Borrowings	2.15	-	18,806	-	-
Deferred tax liabilities		293,000	377,000	-	-
		2,056,085	2,073,252	1,763,085	1,677,446
Total liabilities		3,606,202	4,121,683	5,610,461	5,562,725
Net assets		10,757,571	11,124,739	3,560,357	3,408,253
Capital and reserves attributable to equity holders of the Company					
Share capital		25,793,130	25,793,130	25,793,130	25,793,130
Other reserves		2,404,277	2,510,565	14,393	14,393
Accumulated losses		(18,228,546)	(17,868,351)	(22,247,166)	(22,399,270)
		9,968,861	10,435,344	3,560,357	3,408,253
Non-controlling interests		788,710	689,395	-	-
Total Equity		10,757,571	11,124,739	3,560,357	3,408,253

C Condensed Interim Statements of Changes in Equity

Group	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share Capital	Other reserves	Accumulated Losses	Total		
	\$	\$	\$	\$	\$	\$
2023						
Balance as at 1 January 2023	25,793,130	2,510,565	(17,868,351)	10,435,344	689,395	11,124,739
Loss for the period	-	-	(360,195)	(360,195)	78,854	(281,341)
Other comprehensive loss - Currency exchange differences arising on translating foreign operations	-	(106,288)	-	(106,288)	20,461	(85,827)
Total comprehensive loss for the period	-	(106,288)	(360,195)	(466,483)	99,315	(367,168)
Balance as at 30 June 2023	25,793,130	2,404,277	(18,228,546)	9,968,861	788,710	10,757,571
2022						
Balance as at 1 January 2022	25,793,130	471,602	(14,817,940)	11,446,792	3,717,708	15,164,500
Loss for the period	-	-	(691,339)	(691,339)	98,776	(592,563)
Other comprehensive income - Currency exchange differences arising on translating foreign operations	-	178,452	-	178,452	(32,473)	145,979
Total comprehensive loss for the period	-	178,452	(691,339)	(512,887)	66,303	(446,584)
Balance as at 30 June 2022	25,793,130	650,054	(15,509,279)	10,933,905	3,784,011	14,717,916

D Condensed Interim Consolidated Statement of Cash Flows

	Note - (Page 18)	Group	
		1HFY2023 \$	1HFY2022 \$
Cash flows from operating activities			
Loss for the period		(281,341)	(592,563)
Adjustments for:			
- Depreciation of property, plant and equipment		448,249	224,051
- Amortisation of notional interest		85,639	-
- Interest expenses		3,258	4,531
- Interest income		(10,643)	(86)
- Tax expenses		(27,149)	79,530
- Unrealised currency translation (loss)/gain		(469,788)	166,765
Operating cash flows before working capital changes		(251,775)	(117,772)
Change in working capital:			
- Trade and other receivables		298,594	1,271,486
- Inventories		(152,386)	238,327
- Other current assets		9,392	(27,107)
- Trade and other payables		(751,000)	(1,185,067)
Cash (used in) / generated from operations		(847,175)	179,867
Interest paid		(2,098)	(2,343)
Interest received		10,643	86
Income tax paid		(54,605)	(54,182)
Net cash (used in) / generated from operating activities	2.16	(893,235)	123,428
Cash flows from investing activities			
Proceeds from disposal of financial assets (FVPL)		-	1,850,000
Additions of property, plant, and equipment	2.17 (a)	(30,017)	(18,645)
Net cash (used in) / generated from investing activities		(30,017)	1,831,355
Cash flows from financing activities			
Principal payment of lease liabilities	A	(36,640)	(36,909)
Principal repayment of term loan	A	-	(387,024)
Interest paid		(1,160)	(2,188)
Net cash used in financing activities		(37,800)	(426,121)
Net (decreased) / increase in cash and cash equivalents		(961,052)	1,528,662
Cash and cash equivalents at 1 January		1,746,456	452,620
Cash and cash equivalents at 30 June		785,404	1,981,282

D Condensed Interim Consolidated Statement of Cash Flows (continued)

Note A. Reconciliation of liabilities arising from financing activities:

	Note (Page 19)	1 January 2023	Proceeds	Principal & interest payments	Non-cash changes	30 June 2023
					Interest expense	
		\$	\$	\$	\$	\$
Lease liabilities	2.17 (b)	92,637	-	(37,800)	1,160	55,997

	Note	1 January 2022	Proceeds	Principal & interest payments	Non-cash changes	30 June 2022
					Interest expense	
		\$	\$	\$	\$	\$
Lease liabilities		165,639	-	(37,800)	891	128,730
Term loan		387,024	-	(388,321)	1,297	-

E. Notes to the Condensed Interim Consolidated Financial Statements

1 Corporate Information

Sitra Holdings (International) Ltd (the Company) is a limited liability company incorporated and domiciled in the Republic of Singapore (Registration Number: 197901237E) and listed on the official list of SGX Catalist. The address of its registered office and principal place of business is 15 Hillview Terrace, Singapore 669226.

These condensed interim financial statements as at and for the financial period ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Company are those of an investment holding.

The principal activities of the subsidiaries are:

- (a) Importer and exporter of wood-based & manufacturing, supplying, and distributing wood-based and other related products; and
- (b) Property development.

2 Basis of Preparation

The condensed interim financial statements for the financial period ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 December 2022.

The accounting policies and methods of computation in the financial statements adopted by the Group and the Company are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“\$”) which is the Company’s functional currency.

2.1 New and Amended Standards Adopted by the Group

Some amendments to Standards have become applicable for the current reporting period. The Group and the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of Estimates and Judgements

In preparing the condensed interim financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

2.2 Use of Estimates and Judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies and estimates that have the most significant effect on the amounts recognized in the financial statements are the valuation of leasehold land and buildings and useful lives and property, plant and equipment.

3 Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and Revenue Information

The Group has two reportable segments, as described below, which are the Group's strategic business units. The following summary describes the operation in each of the Group's reportable segments.

(a) Importer and exporter of wood-based & manufacturing, supplying, and distributing of wood-based and other related products

The Group offers a wide range of wood-based and lifestyle outdoor furniture products through our subsidiaries in Asia and European countries.

(b) Property development

The Group intends to embark on the property development business.

The Group has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions.

The Group considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the following primary geographic areas: (i) Australia & New Zealand, (ii) Europe, and (iii) Asia & Others. All geographic locations are engaged in the sale of wood-based products and outdoor lifestyle furniture.

No separate segmental information by business segment is presented, except for segment revenue, as both business segments use the same resources and share the same costs. Management believes it is not practicable to separate the costs, assets, and liabilities for each business segment.

No revenue was generated from the Group's property development business segments as the Group has not commenced the construction of the development project in Bintan, Indonesia.

4.1 Reportable Segment

The Group is principally engaged in importing and exporting wood-based, lifestyle furniture, and other related products.

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4.1 Reportable Segment (continued)

(a) Revenue

The Group derives revenue for the transfer of goods and services at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by the location of customers.

At a point in time	Group	
	1HFY2023 \$	1HFY2022 \$
Sales of goods		
- Australia / New Zealand	1,874,564	3,896,847
- Europe	4,526,976	9,905,824
- Asia / Others	167,933	244,255
	6,569,473	14,046,926
Rendering of services - Asia	114,503	117,213
Total	6,683,976	14,164,139

Note: No significant revenue is derived from a single external customer.

(b) Revenue from major products

Revenues from external customers are derived mainly from the sale of wood-based products and outdoor lifestyle furniture. The breakdown of the revenue is as follows:

Major products	Group			
	1HFY2023		1HFY2022	
	\$	%	\$	%
Wood-based products	6,532,748	97.7	14,016,088	99.0
Outdoor lifestyle furniture	36,725	0.6	30,838	0.2
Others	114,503	1.7	117,213	0.8
Total	6,683,976	100.0	14,164,139	100.0

(c) Geographical information

The Group's two business segments operate in three main geographical areas:

- Australia/New Zealand – the operations in this area are principally the sales of wood-based products and outdoor lifestyle furniture.
- Europe – the operations in this area are principally the sales of wood-based products and outdoor lifestyle furniture.
- Asia/Others – the operations in this area are principally the sales of wood-based products and rendering of services.

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

4.1 Reportable Segment (continued)

(a) Geographical information (continued)

The Group	1HFY2023		1HFY2022	
	Revenue		Revenue	
	\$	%	\$	%
Australia / New Zealand	1,874,564	28.0	3,896,847	27.5
Europe	4,526,976	67.7	9,905,824	69.9
Asia / Others	282,436	4.3	361,468	2.6
Total	6,683,976	100.0	14,164,139	100.0
	Non-current assets ^(A)		Non-current assets ^(A)	
	\$	%	\$	%
Europe	32,671	0.3	27,280	0.3
Asia / Others	9,787,375	99.7	10,766,901	99.7
Total	9,820,046	100.0	10,794,181	100.0

Note (A) Non-current assets exclude deferred tax assets.

5. Expenses by nature

	Group	
	1HFY2023 \$	1HFY2022 \$
Bank charges	50,925	33,935
Changes in inventories	(152,386)	238,327
Commission expenses	14,237	28,362
Depreciation of property, plant, and equipment	448,249	224,051
Directors' fees	50,000	50,000
Employee compensation	596,463	680,873
Freight and other costs	500,853	2,448,628
Fees on audit services paid/payable to:		
- Auditor of the Company	42,500	41,500
- Under-provision in the previous year	2,111	4,000
- Other auditors	2,890	6,374
- Internal auditors	15,000	13,500
Insurance	25,759	24,696
Legal and professional fees	65,558	96,191
Purchases of inventories	5,525,115	10,361,426
Rental expenses on operating leases	8,467	10,528
Water and electricity	28,504	44,075
Others	233,770	210,517
Total cost of sales, selling and marketing, and administrative expenses	7,458,015	14,516,983
Summary:		
Cost of sales	5,923,635	13,115,203
Selling and marketing	251,182	301,351
Administrative expenses	1,283,198	1,100,429
Total	7,458,015	14,516,983

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

6. Loss before Taxation

	Group	
	1HFY2023 \$	1HFY2022 \$
<u>Included in other income</u>		
- Government grants	10,784	5,610
- Interest income from bank deposits	10,643	86
- Rental income ^(A)	16,601	-
- Others	14,949	51,603
<u>Included in other gains/(losses) - net</u>		
- Unrealised and realised foreign currency translation gains/(losses) - net	501,469	(212,957)
<u>Included in finance expenses</u>		
- Lease interest	(1,160)	(891)
- Term loan interest	-	(1,297)
- Bank overdraft interest	(2,098)	(2,343)
- Amortisation of notional interest ^(B)	(85,639)	-

Notes:

(A) Rental income received is from letting a small part of the subsidiary's warehouse in Indonesia.

(B) Amortisation of notional interest. The detail is disclosed in Note 2.15 on page 18.

7. Net Asset Value

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset value per ordinary share (cents)	0.67	0.70	0.24	0.23

Net asset value per ordinary share is calculated based on 1,483,300,000 shares as at 30 June 2023 (31 December 2022: 1,483,300,000).

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

8. Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 ("2023") and as at 31 December 2022 ("2022").

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
<u>Financial Assets</u>				
Cash and bank balances	1,053,678	1,746,456	702,847	1,051,897
Trade and other receivables (excluding VAT recoverable & prepayment to suppliers)	336,949	627,375	3,223,029	2,670,235
Other current assets (excluding prepayments)	150,506	163,180	1,410	1,410
Total	1,541,133	2,537,011	3,927,286	3,723,542
<u>Financial Liabilities</u>				
Trade and other payable (excluding advance from customers)	(1,176,944)	(1,581,803)	(3,847,376)	(3,885,279)
Borrowings	(324,271)	(92,637)	-	-
Other financial liability	(1,763,085)	(1,677,446)	(1,763,085)	(1,677,446)
Total	(3,264,300)	(3,351,886)	(5,610,461)	(5,562,725)
Net financial liabilities	(1,723,167)	(814,875)	(1,683,175)	(1,839,183)

9. Share Capital

	Group and Company			
	2023		2022	
	No. of ordinary shares '000	Amount \$	No. of ordinary shares '000	Amount \$
<u>Issued and paid up:</u>				
At 1 January and 30 June / 31 December	1,483,300	25,793,130	1,483,300	25,793,130

E. Notes to the Condensed Interim Consolidated Financial Statements (continued)

9. Share Capital (continued)

(i) Share Options

The Company does not have any outstanding share options as at 30 June 2023 and 31 December 2022.

(ii) Treasury Shares

The Company does not have any treasury shares as at 30 June 2023 and 31 December 2022.

(iii) Subsidiary holdings

There are no subsidiary holdings as at 30 June 2023 (31 December 2022: Nil).

10. Related party transactions

There are no material-related party transactions apart from those disclosed elsewhere in the financial statements.

11. Subsequent Events

There are no known subsequent events that led to adjustment or disclosure to this set of condensed interim financial statements.

F. Other Information Required by Appendix 7C of the Catalist Rules

1. Review

The condensed interim consolidated statement of financial position of Sitra Holdings (International) Ltd and its subsidiaries as at 30 June 2023 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity, and condensed interim consolidated statement of cash flows for the financial period ended 30 June 2023 and certain explanatory notes have not been audited or reviewed.

2. 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.

F. Other Information Required by Appendix 7C of the Catalyst Rules (continued)

Commentary on the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

2.01 Revenue

Revenue decreased by \$7.480 million or 53% from \$14.164 million in 1HFY2022 to \$6.684 million in 1HFY2023. The decrease in revenue is across all three business segments both geographically and by product type. This is further described below by geographical regions:

- (a) Revenue from Australia / New Zealand has decreased by \$2.022 million or 52% from \$3.897 million in 1HFY2022 to \$1.875 million in 1HFY2023; and
- (b) Revenue from Europe has decreased by \$5.379 million or 54% from \$9.906 million in 1HFY2022 to \$4.527 million in 1HFY2023.

The decrease in revenue is due to weak consumer spending sentiments caused by interest rate hikes and the war in Ukraine.

2.02 Cost of Sales and Gross Profit Margin

In line with the decrease in revenue, the cost of sales decreased by \$7.191 million or 55% from \$13.115 million in 1HFY2022 to \$5.924 million in 1HFY2023.

Gross profit margin increased from 7.4% in 1HFY2022 to 11.4% in 1HFY2023 mainly due to the decrease in freight and handling charges.

2.03 Other gains/(losses) - net

Other gains/(losses) - net change from losses of \$0.213 million in 1HFY2022 to gains of \$0.501 million in 1HFY2023 was mainly due to unrealized foreign currency translation gains in 1HFY2023.

2.04 Selling and Marketing Expenses

Selling and marketing expenses decreased by \$0.050 million or 17% from \$0.301 million in 1HFY2022 to \$0.251 million in 1HFY2023 mainly due to a decrease in commission expenses and employee compensation.

2.05 Administrative Expenses

Administrative expenses increased by \$0.137 million or 12% from \$1.100 million in 1HFY2022 to \$1.237 million in 1HFY2023 mainly due to an increase in depreciation of property, plant and equipment.

2.06 Finance Expenses

Finance expenses increased by \$0.084 million from \$0.004 million in 1HFY2022 to \$0.088 million in 1HFY2023 mainly due to the amortisation of notional interest of \$0.086 million in 1HFY2023.

F. Other Information Required by Appendix 7C of the Catalist Rules (continued)

Commentary on the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

2.07 Income Tax Credit / (Expense)

Income tax expenses are mainly due to a provision of \$54,605 estimated tax payable in the French subsidiary in 1HFY2023. The Group calculates the period income tax expense using a tax rate that would apply to the expected total annual earnings. The major components of income tax expenses in the condensed interim consolidated statement of profit or loss and other comprehensive income are:

	Group	
	1HFY2023 \$	1HFY2022 \$
<u>Tax expense attributable to loss is made up of:</u>		
- Current income tax	(54,605)	(79,530)
- Withholding tax	(2,246)	-
- Deferred income tax	84,000	-
	27,149	(79,530)

Commentary on the Condensed Interim Consolidated Financial Position as at 30 June 2023 ("2023") and as at 31 December 2022 ("2022")

2.08. Cash and Bank Balances

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Cash at banks	552,659	745,714	202,847	51,897
Cash on hand	1,019	742	-	-
Short-term bank deposit ^(A)	500,000	1,000,000	500,000	1,000,000
	1,053,678	1,746,456	702,847	1,051,897

Note:

(A) Short-term bank deposit is for a tenure of three months and earns interest at a rate of 3.00% per annum (31 December 2022: 2.50% per annum).

F. Other Information Required by Appendix 7C of the Catalist Rules (continued)

Commentary on the Condensed Interim Consolidated Financial Position as at 30 June 2023 ("2023") and as at 31 December 2022 ("2022") (continued)

2.08. Cash and Bank Balances (continued)

For the purpose of presenting the condensed interim consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2023 \$	2022 \$
Cash and bank balances (as above)	1,053,678	1,746,456
Less: Bank overdrafts (Note 2.15)	268,274	-
Cash and cash equivalents per condensed interim consolidated statement of cash flows	785,404	1,746,456

2.09 Current trade and other receivables

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Trade receivables – non-related parties	432,754	726,490	-	-
Less: Loss allowance (past due, more than 90 days)	(103,283)	(99,173)	-	-
Trade receivables – net	329,471	627,317	-	-
Other receivables				
- Prepayment to suppliers	26,293	48,521	-	-
- Non-related parties	7,478	58	-	-
- VAT recoverable	108,320	98,370	5,517	5,414
- Subsidiary corporations ^(A)	-	-	12,788,029	12,235,235
Less: Loss allowance	-	-	(9,565,000)	(9,565,000)
- Subsidiary corporation - net	-	-	3,223,029	2,670,235
Other receivables - net	142,091	146,949	3,228,546	2,670,649
Total	471,562	774,266	3,228,546	2,675,649

Note:

- (A) The other receivables from subsidiary corporations are unsecured, interest-free, and repayable on demand.

F. Other Information Required by Appendix 7C of the Catalist Rules (continued)

Commentary on the Condensed Interim Consolidated Financial Position as at 30 June 2023 (“2023”) and as at 31 December 2022 (“2022”) (continued)

2.10 Inventories

	Group	
	2023 \$	2022 \$
Work-in-progress	39,320	56,855
Finished goods	2,817,497	2,605,147
Goods in transit	-	42,429
	2,856,817	2,704,431
Less: Provision for slow-moving inventory	(84,728)	(84,728)
	2,772,089	2,619,703

2.11 Other current assets

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Deposits	150,506	163,180	1,410	1,410
Prepayments	70,764	67,482	-	-
	221,270	230,662	1,410	1,410

2.12 Property, plant, and equipment

Property, plant, and equipment remained largely unchanged at \$9.820 million as at 30 June 2023 compared to \$9.851 million as at 31 December 2022. There were additional purchases of property, plant and equipment amounting to \$0.030 million during the period. Apart from these, there were no significant purchases or disposals of property, plant, and equipment during the financial period.

The property, plant, and equipment comprised mainly the property in Bintan acquired in October 2019 and the Group’s land and factory in Indonesia. These properties were valued by a professional valuer at \$9.648 million as at 31 December 2022.

F. Other Information Required by Appendix 7C of the Catalist Rules (continued)

Commentary on the Condensed Interim Consolidated Financial Position as at 30 June 2023 ("2023") and as at 31 December 2022 ("2022") (continued)

2.13 Current trade and other payables

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Trade payable				
- Non-related parties	670,912	974,356	-	-
Other payables				
- Subsidiary corporations	-	-	3,760,630	3,760,630
- Non-related parties	302,221	233,474	21,677	30,491
	302,221	233,474	3,782,307	3,791,121
Accruals for operating expenses	145,368	361,906	58,373	87,462
Advances received from customers	48,902	392,798	-	-
Deposit received	58,443	12,066	6,696	6,696
	1,225,846	1,974,600	3,847,376	3,885,279

2.14 Non-current other financial liability

	Group and Company	
	2023 \$	2022 \$
Other financial liability ^(a)	1,763,085	1,677,446

Note:

- (a) Other financial liability relates to the fair value of the consideration payable for the acquisition of the remaining 46% equity interest in Mapur Rocky Resort Limited from a non-controlling interest on 7 October 2022. The consideration payable is unsecured and interest-free and will be paid in cash to the non-controlling interest in 5 tranches. The payment date will be 6 months after the earlier date of launch of the pre-sale of a resort and apartments on the Group's vacant land in Bintan, Indonesia, or 31 December 2024.

The fair value of the consideration payable is determined by discounted cash flows method using a discount rate of 10%. The difference between the present value of the consideration payable and the gross amount of \$950,166 is treated as notional interest.

	Group and Company	
	2023 \$	2022 \$
Gross amount	2,600,000	2,600,000
Less: Notional interest	(950,166)	(950,166)
Present value	1,649,834	1,649,834
Add: Amortisation of notional interest	113,251	27,612
Carrying amount	1,763,085	1,677,446

F. Other Information Required by Appendix 7C of the Catalist Rules (continued)

Commentary on the Condensed Interim Consolidated Financial Position as at 30 June 2023 ("2023") and as at 31 December 2022 ("2022") (continued)

2.15 Borrowings

	Group	
	2023 \$	2022 \$
Current: Amount repayable within one year or on-demand		
Bank overdraft (Note 2.08)	268,274	-
Lease liabilities	55,997	73,831
	324,271	73,831
Non-Current: Amount repayable after one year		
Lease liabilities	-	18,806
	-	18,806
Total borrowings	324,271	92,637

Commentary on the Condensed Interim Consolidated Statement of Cash Flows

2.16 Net cash used in operating activities amounted to \$0.893 million for 1HFY2023.

2.17 Major cash outflows of non-operating activities were for:
(a) Payment for property, plant, and equipment of \$0.030 million and
(b) Principal payment of lease liabilities of \$0.037 million

2.18 The Group's cash position was \$1.054 million at the end of the financial period 30 June 2023 (31 December 2022: \$1.746 million)

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

No forecast was made. The Group's operations are generally in line as stated in item 4 below of the Group's results announcement for the financial period ended 30 June 2023.

4 A commentary at the date of the announcement of the 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.

Economic condition remains difficult in our major markets due to continuing weakness in demand caused by high-interest hikes and war in Ukraine. The continued uncertainties resulting from the war in Ukraine and other geopolitical tensions have adverse effects on consumers' spending.

F. Other Information Required by Appendix 7C of the Catalist Rules (continued)

5 Dividend

(a) Current Financial Period Reported On. Any dividend declared for the current financial period reported on?

No dividend has been declared for the financial period ended 30 June 2023.

(b) Corresponding Period of the Immediately Preceding Financial Year. Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6 If no dividend has been declared/recommendeded, a statement to that effect and reason(s) for the decision.

No dividend has been declared or recommended for the financial period ended 30 June 2023 as the Company does not have accumulated profits to declare a dividend under Singapore Companies Act.

7 If the Company has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited ("Catalist Rules"). If no IPT mandate has been obtained, a statement to that effect.

Not applicable as the Group does not have in place a general mandate for interest person transactions.

8 Confirmation that the Company has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1).

The Board confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7H of the Catalist Rule in accordance with Catalist 720(1).

9 Disclosure on Acquisitions and Sales of Shares pursuant to Catalist Rule 706A.

There were no acquisition or realisation of shares resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group; or (ii) an entity becoming or ceasing to be a subsidiary or associated company of the Group during the financial period under review.

10 Confirmation by the Board pursuant to Catalist Rule 705(5)

The Board of Directors confirms that to the best of its knowledge, nothing has come to its attention which may render the condensed interim financial statements of the Group for the financial period ended 30 June 2023 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chew Hua Seng
Non-Executive Chairman
4 August 2023

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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 details of the contact person for the Sponsor are:
Name: Mr. Khong Choun Mun, Registered Professional
Address: 36 Robinson Road, #10-06 City House, Singapore 068877
Email: sponsor@rhtqoc.com*