

SITRA HOLDINGS (INTERNATIONAL) LIMITED

Company Registration. No: 197901237E

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

	Note – (Page 15 to 17)	Group					
		Six-month period ended 31 December (“2H”)			Year ended 31 December (“FY”)		
		2H2023 S\$	2H2022 S\$	Change %	FY2023 S\$	FY2022 S\$	Change %
Revenue	2.01	7,824,821	7,708,781	+2%	14,508,798	21,872,920	-34%
Cost of sales	2.02	(7,386,025)	(7,017,664)	+5%	(13,309,661)	(20,132,867)	-34%
Gross profit		438,796	691,117	-37%	1,199,137	1,740,053	-31%
Other income		59,083	63,907	-8%	112,060	121,206	-8%
Other losses - net	2.03	(601,579)	(1,053,807)	-43%	(100,110)	(1,266,765)	-92%
Expenses:							
- Selling and marketing	2.04	(305,122)	(302,433)	+1%	(556,304)	(603,784)	-8%
- Administrative	2.05	(1,517,181)	(1,675,432)	-9%	(2,800,377)	(2,775,861)	+1%
- Finance	2.06	(95,372)	(34,287)	+178%	(184,271)	(38,818)	+375%
Loss before income tax		(2,021,375)	(2,310,935)	-13%	(2,329,865)	(2,823,969)	-17%
Income tax credit/(expenses)	2.07	104,730	(22,415)	-567%	131,879	(101,945)	-229%
Loss for the period/year	2.08	(1,916,645)	(2,333,350)	-18%	(2,197,986)	(2,925,914)	-25%
Other comprehensive income <i>Items that may be reclassified subsequently to profit or loss:</i> Currency translation differences arising from consolidation		128,886	27,488	+369%	43,059	173,467	-75%
<i>Items that will not be reclassified subsequently to profit or loss:</i> Revaluation gain on property, plant and equipment - net		-	368,520	-100%	-	368,520	-100%
Other comprehensive income, net of tax		128,886	396,008	-67%	43,059	541,987	-92%
Total comprehensive loss for the period/year		(1,787,759)	(1,937,342)	-8%	(2,154,927)	(2,383,927)	-10%
Loss for the period/year attributable to:							
Equity holders of the Company		(1,925,439)	(2,359,071)	-18%	(2,285,634)	(3,050,411)	-25%
Non-Controlling Interests		8,794	25,721	-66%	87,648	124,497	-30%
		(1,916,645)	(2,333,350)	-18%	(2,197,986)	(2,925,914)	-25%

A Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

	Note – (Page 15 to 17)	Group					
		Six-month period ended 31 December (“2H”)			Year ended 31 December (“FY”)		
		2H2023 S\$	2H2022 S\$	Change %	FY2023 S\$	FY2022 S\$	Change %
Total comprehensive loss for the period/year attributable to:							
Equity holders of the Company		(1,788,450)	(1,954,733)	-9%	(2,254,932)	(2,467,621)	-9%
Non-Controlling Interests		690	17,391	-96%	100,005	83,694	+19%
		(1,787,759)	(1,937,342)	-8%	(2,154,927)	(2,383,927)	-10%
Loss per share (cents per share)							
Basic [A]		(0.13)	(0.16)		(0.15)	(0.21)	
Diluted [B]		(0.13)	(0.16)		(0.15)	(0.21)	

[A] & [B] Basic and diluted loss per share attributable to equity holders of the Company is calculated as follows:

	Group	
	FY2023	FY2022
Loss attributable to equity holders of the Company (S\$)	(2,285,634)	(3,050,411)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	1,483,300	1,483,300
Basic and diluted loss per share (S\$ cents per share)	(0.15)	(0.21)

B Condensed Interim Statements of Financial Position

	Note – (Page 18 to 21)	Group		Company	
		FY2023 S\$	FY2022 S\$	FY2023 S\$	FY2022 S\$
ASSETS					
Current assets					
Cash and bank balances	2.09	549,183	1,746,456	407,732	1,051,897
Trade and other receivables	2.10	688,157	774,266	808,000	2,675,649
Inventories	2.11	2,039,211	2,619,703	-	-
Other current assets	2.12	247,607	230,662	1,410	1,410
		3,524,158	5,371,087	1,217,142	3,728,956
Non-current assets					
Investments in subsidiary corporations	2.13	-	-	7,104,632	5,216,036
Property, plant and equipment	2.14	8,956,300	9,851,207	18,065	25,986
Deferred tax assets		23,881	24,128	-	-
		8,980,181	9,875,335	7,122,697	5,242,022
Total assets		12,504,339	15,246,422	8,339,839	8,970,978
LIABILITIES					
Current liabilities					
Trade and other payables	2.15	1,217,934	1,974,600	3,840,903	3,885,279
Borrowings	2.16	182,788	73,831	-	-
		1,400,722	2,048,431	3,840,903	3,885,279
Non-current liabilities					
Other financial liability	2.17	1,853,096	1,677,446	1,853,096	1,677,446
Borrowings	2.16	133,987	18,806	-	-
Deferred income tax liabilities		188,750	377,000	-	-
		2,175,833	2,073,252	1,853,096	1,677,446
Total liabilities		3,576,555	4,121,683	5,693,999	5,562,725
Net assets		8,927,784	11,124,739	2,645,840	3,408,253
EQUITY					
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		2,541,267	2,510,565	14,393	14,393
Accumulated losses		(20,153,985)	(17,868,351)	(23,161,683)	(22,399,270)
		8,180,412	10,435,344	2,645,840	3,408,253
Non-controlling interests		747,372	689,395	-	-
Total equity		8,927,784	11,124,739	2,645,840	3,408,253

C Condensed Interim Statement of Changes in Equity

	Group					
	Attributable to equity holders of the Company				Non-controlling interests S\$	Total equity S\$
	Share Capital S\$	Other reserves S\$	Accumulated Losses S\$	Total S\$		
FY2023						
Balance at 1 January 2023	25,793,130	2,510,565	(17,868,351)	10,435,344	689,395	11,124,739
Loss for the year	-	-	(2,285,634)	(2,285,634)	87,648	(2,197,986)
Other comprehensive income	-	30,702	-	30,702	12,357	43,059
Total comprehensive loss for the year	-	30,702	(2,285,634)	(2,254,932)	100,005	(2,154,927)
Dividend paid to non-controlling interests	-	-	-	-	(42,028)	(42,028)
Balance at 31 December 2023	25,793,130	2,541,267	(20,153,985)	8,180,412	747,372	8,927,784
FY2022						
Balance at 1 January 2022	25,793,130	471,602	(14,817,940)	11,446,792	3,717,708	15,164,500
Loss for the year	-	-	(3,050,411)	(3,050,411)	124,497	(2,925,914)
Other comprehensive income	-	582,790	-	582,790	(40,803)	541,987
Total comprehensive loss for the year	-	582,790	(3,050,411)	(2,467,621)	83,694	(2,383,927)
Acquisition of non-controlling interests	-	1,456,173	-	1,456,173	(3,112,007)	(1,655,834)
Balance at 31 December 2022	25,793,130	2,510,565	(17,868,351)	10,435,344	689,395	11,124,739

C Condensed Interim Statements of Changes in Equity (cont'd)

	Company			
	Share Capital	Other reserves	Accumulated losses	Total equity
	S\$	S\$	S\$	S\$
FY2023				
Balance at 1 January 2023	25,793,130	14,393	(22,399,270)	3,408,253
Loss for the year	-	-	(762,413)	(762,413)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the financial year	-	-	(762,413)	(762,413)
Balance at 31 December 2023	25,793,130	14,393	(23,161,683)	2,645,840
FY2022				
Balance at 1 January 2022	25,793,130	14,393	(20,667,960)	5,139,563
Loss for the financial year	-	-	(1,731,310)	(1,731,310)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the financial year	-	-	(1,731,310)	(1,731,310)
Balance at 31 December 2022	25,793,130	14,393	(22,399,270)	3,408,253

D Condensed Interim Consolidated Statement of Cash Flows

	Note – (Page 22)	Group	
		FY2023 S\$	FY2022 S\$
Cash Flows from Operating Activities			
Loss for the year		(2,197,986)	(2,925,914)
Adjustments for:			
- Depreciation of property, plant and equipment		934,552	792,167
- Gain on disposal of property, plant and equipment		(28,621)	(2,768)
- Amortisation of notional interest		175,650	27,612
- Write-down of advances to suppliers		-	37,218
- Provision for slow-moving inventory		325,611	84,728
- Impairment loss on Right-of-Use asset		179,995	-
- Unrealised currency translation loss		45,142	1,118,658
- Interest income		(18,417)	(133)
- Interest expenses		8,621	11,206
- Income tax (credit)/expenses		(131,879)	101,945
		(707,332)	(755,281)
Change in working capital:			
- Trade and other receivables		134,932	1,504,777
- Inventories		254,880	234,629
- Other current assets		(16,945)	(79,701)
- Trade and other payables		(756,666)	(865,151)
Cash (used in) / generated from operations		(1,091,131)	39,273
Interest received		18,417	133
Interest paid		(6,852)	(7,311)
Income tax paid		(105,194)	(105,769)
Net cash used in operating activities	2.18	(1,184,760)	(73,674)
Cash Flows from Investing Activities			
Proceeds from disposal of financial assets (FVPL)		-	1,850,000
Additions of property, plant, and equipment	2.19 (a)	(31,217)	(15,337)
Proceeds from disposal of property, plant and equipment		28,621	2,768
Net cash (used in) / generated from investing activities		(2,596)	1,837,431
Cash Flows from Financing Activities			
Principal payment of lease liabilities	A	(73,831)	(73,002)
Repayment of term loan	A	-	(387,024)
Interest paid		(1,769)	(3,895)
Acquisition of non-controlling interests		-	(6,000)
Dividend paid non-controlling interests	2.19 (b)	(42,028)	-
Net cash used in financing activities		(117,628)	(469,921)

D Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	Note – (Page 22)	Group	
		FY2023 S\$	FY2022 S\$
Net (decrease)/increase in cash and cash equivalents		(1,304,984)	1,293,836
Cash and cash equivalents at 1 January		1,746,456	452,620
Cash and cash equivalents at 31 December	2.09	441,472	1,746,456

Note A. Reconciliation of liabilities arising from financing activities:

	Note - (Page 22)	At 1 January 2023 S\$	Principal and interest payments S\$	Non-cash changes			At 31 December 2023 S\$
				Additions S\$	Interest expense S\$	Foreign exchange S\$	
Lease liabilities	2.19 (c)	92,637	(75,600)	198,542	1,769	(8,284)	209,064

	Note	At 1 January 2022 S\$	Principal and interest payments S\$	Non-cash changes		At 31 December 2022 S\$
				Additions S\$	Interest expense S\$	
Lease liabilities		165,639	(75,600)	-	2,598	92,637
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 consolidated financial statements as at and for the six months and financial year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

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

The principal activities of the Company’s subsidiaries are:

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

2 Basis of Preparation

The condensed interim financial statements for the six months and financial year ended 31 December 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 dollars (“**S\$**”) which is the Company’s functional currency.

2.1 New and Amended Standards Adopted by the Group

A number of amendments to standards have become applicable for the current reporting year. 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.

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 is included in Note 2.14 on page 20 pertaining to the valuation and useful lives of leasehold land and buildings.

E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

3 Seasonal Operations

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

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 distribution 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 Europe.

(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 is of the opinion that 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 segment as the Group has not commenced the construction of the development project in Bintan, Indonesia. The board had decided to delay the commencement of the construction of the development project because of market uncertainty and the high interest rates.

4.1 Reportable Segment

The Group is principally engaged in the import and export of wood-based, lifestyle furniture, and other related products.

(a) **Revenue**

The Group derives revenue from 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			
	2H2023 S\$	2H2022 S\$	FY2023 S\$	FY2022 S\$
Sales of goods				
- Australia/New Zealand	3,275,616	2,488,058	5,150,180	6,384,906
- Europe	4,297,791	5,117,653	8,824,767	15,023,477
- Asia/Others	184,138	19,782	352,071	264,037
	7,757,545	7,625,493	14,327,018	21,672,420
Rendering of services - Asia	67,276	83,288	181,780	200,500
	7,824,821	7,708,781	14,508,798	21,872,920

E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.1 Reportable Segment (cont'd)

(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			
	FY2023		FY2022	
	S\$	%	S\$	%
Wood-based products	14,224,085	98.04	21,511,350	98.35
Outdoor lifestyle furniture	101,205	0.70	142,956	0.65
Others	183,508	1.26	218,614	1.00
	14,508,798	100.00	21,872,920	100.00

Major products	Group			
	2H2023		2H2022	
	S\$	%	S\$	%
Wood-based products	7,691,336	98.30	7,495,262	97.23
Outdoor lifestyle furniture	64,480	0.82	137,822	1.79
Others	69,005	0.88	75,697	0.98
	7,824,821	100.00	7,708,781	100.00

(c) Geographical information

The Group operates 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 and services of wood-based products and outdoor lifestyle furniture.

The geographical breakdown is as follows:

Revenue	Group			
	FY2023		FY2022	
	S\$	%	S\$	%
Australia/New Zealand	5,150,180	35.50	6,384,906	29.19
Europe	8,824,767	60.82	15,023,477	68.69
Asia/Others	533,851	3.68	464,537	2.12
	14,508,798	100.00	21,872,920	100.00

Revenue	Group			
	2H2023		2H2022	
	S\$	%	S\$	%
Australia/New Zealand	3,275,616	41.86	2,488,058	32.28
Europe	4,297,791	54.93	5,117,653	66.39
Asia/Others	251,414	3.21	103,070	1.33
	7,824,821	100.00	7,708,781	100.00

No significant revenue is derived from a single external customer.

E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.1 Reportable Segment (cont'd)

(c) Geographical information (cont'd)

Non-current Assets ^(a)	Group			
	FY2023		FY2022	
	S\$	%	S\$	%
Europe	31,675	0.35	10,442	0.11
Asia/Others	8,924,625	99.65	9,840,765	99.89
	8,956,300	100.00	9,851,207	100.00

a. Non-current assets exclude deferred tax assets.

5. A Breakdown of Sales

	Group		
	FY2023	FY2022	Change
	S\$	S\$	%
(a) Sales reported for first half year	6,683,977	14,164,139	-53%
(b) Loss after tax before deducting non-controlling interests reported for first half year	(281,341)	(592,564)	-53%
(c) Sales reported for second half year	7,824,821	7,708,781	+2%
(d) Loss after tax before deducting non-controlling interests reported for second half year	(1,916,645)	(2,333,350)	-18%

6. Loss before Taxation

	Group			
	2H2023 S\$	2H2022 S\$	FY2023 S\$	FY2022 S\$
<u>(A) Included in other income</u>				
- Commission income	44	14,842	14,682	14,842
- Interest income from bank deposits	7,775	48	18,417	133
- Government grants ^(a)	26,976	1,467	37,759	7,077
- Rental income ^(b)	19,207	36,202	35,808	36,202
- VAT claims ^(c)	-	10,780	-	61,162
- Others	5,081	568	5,394	1,790
	59,083	63,907	112,060	121,206
<u>(B) Included in other losses – net</u>				
- Foreign currency translation gains/(losses) - net	(450,205)	(1,019,357)	51,264	(1,232,315)
- Write-down of advances to suppliers	-	(37,218)	-	(37,218)
- Gain on disposal of property, plant and equipment	28,621	2,768	28,621	2,768
- Impairment loss on Right-of-Use asset	(179,995)	-	(179,995)	-
	(601,579)	(1,053,807)	(100,110)	(1,266,765)

E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

6. Loss before Taxation (cont'd)

	Group			
	2H2023 S\$	2H2022 S\$	FY2023 S\$	FY2022 S\$
<u>(C) Included in finance expenses</u>				
- Bank overdrafts	(4,753)	(4,969)	(6,852)	(7,311)
- Term loan	-	-	-	(1,297)
- Lease liabilities	(608)	(1,706)	(1,769)	(2,598)
- Amortisation of notional interest ^(d)	(90,011)	(27,612)	(175,650)	(27,612)
	(95,372)	(34,287)	(184,271)	(38,818)

Notes: -

- (a) The government grants received in 2023 were mainly from the career conversion programme for furniture industry talent and productivity solutions.
- (b) Rental income received is from letting part of the subsidiary's warehouse in Indonesia.
- (c) Value Added Tax ("VAT") is the extra VAT claims received by a subsidiary in Indonesia.
- (d) Further details are disclosed in Note 2.17 on page 22.

7. Expenses by Nature

	Group			
	2H2023 S\$	2H2022 S\$	FY2023 S\$	FY2022 S\$
Bank charges	64,865	41,281	115,789	75,216
Changes in inventories	732,877	81,030	580,491	319,357
Commission expenses	35,611	53,303	49,847	81,665
Depreciation of property, plant, and equipment	486,303	568,116	934,552	792,167
Directors' fees	50,000	50,000	100,000	100,000
Employee compensation	749,132	779,012	1,345,595	1,459,885
Freight and other costs	592,144	981,060	1,092,998	3,429,689
Fees on audit services paid/payable to:				
- Auditor of the Company	42,500	41,500	85,000	83,000
- Under-provision in the previous year	816	-	2,927	4,000
- Other auditors	9,508	5,475	12,397	11,850
Insurance	40,870	38,932	66,630	63,628
Legal and professional fees	67,853	166,095	133,410	262,287
Purchases of inventories	6,012,683	5,906,442	11,537,799	16,267,868
Rental expense on operating leases	15,869	7,382	24,336	17,910
Water and electricity	30,346	27,309	58,851	71,385
Others	276,951	248,592	525,721	472,605
Total cost of sales, selling and marketing, and administrative expenses	9,208,328	8,995,529	16,666,343	23,512,512
In summary:				
Cost of sales	7,386,025	7,017,664	13,309,661	20,132,867
Selling and marketing	305,122	302,433	556,304	603,784
Administrative	1,517,181	1,675,432	2,800,378	2,775,861
	9,208,328	8,995,529	16,666,343	23,512,512

E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

8. Financial Assets and Financial Liabilities.

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

	Group		Company	
	FY2023 S\$	FY2022 S\$	FY2023 S\$	FY2022 S\$
<u>Financial Assets</u>				
Cash and bank balances	549,183	1,746,456	407,732	1,051,897
Financial assets, at FVPL	-	-	-	-
Trade and other receivables (excluding GST receivable & advances to suppliers)	561,749	627,375	803,671	2,670,234
Other current assets (excluding prepayments)	176,275	163,180	1,410	1,410
Total	1,287,207	2,537,011	1,212,813	3,723,541
<u>Financial Liabilities</u>				
Trade and other payables (excluding advances received from customers)	(2,886,323)	(3,259,249)	(5,693,999)	(5,562,725)
Borrowings	(316,775)	(92,637)	-	-
Total	(3,203,098)	(3,351,886)	(5,693,999)	(5,562,725)
<u>Net financial liabilities</u>	(1,915,891)	(814,875)	(4,481,186)	(1,839,184)

9. Net Asset Value

	Group		Company	
	FY2023	FY2022	FY2023	FY2022
Net asset value per ordinary share (cents)	0.55	0.70	0.18	0.23

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

10. Share Capital

	Group and Company			
	FY2023		FY2022	
	No. of shares '000	Amount S\$	No. of shares '000	Amount S\$
<u>Issued and paid-up:</u>				
Beginning and end of the year	1,483,300	25,793,130	1,483,300	25,793,130

E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

10. Share Capital (cont'd)

(i) Outstanding Convertibles

The Company does not have any outstanding convertibles as at 31 December 2023 and 31 December 2022.

(ii) Treasury Shares

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

(iii) Subsidiary Holdings

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 (31 December 2022: Nil)

11. Related party transactions

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

12. Subsequent Events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

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

1. Review.

The condensed consolidated statement of financial position of Sitra Holdings (International) Ltd and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the financial year ended 31 December 2023 and certain explanatory notes have not been audited or reviewed.

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

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 year 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 year reported on.

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

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

2.01 Revenue

2H2023 vs 2H2022

Revenue increased by 2% or S\$0.116 million from S\$7.709 million in 2H2022 to S\$7.825 million in 2H2023 mainly due to an increase in sales of wood-based products in our Australia/New Zealand and Asia/Others markets. This increase is partially offset by the decrease in our Europe market. This is further described below by geographical regions.

- (a) Revenue from Australia/New Zealand has increased by 32% or S\$0.788 million from S\$2.488 million in 2H2022 to S\$3.276 million in 2H2023 mainly because more customers replenish their inventory in 2H2023.
- (b) Revenue from Asia/Others has increased by 144% or S\$0.148 million from S\$0.103 million in 2H2022 to S\$0.251 million in 2H2023, and
- (c) Revenue from Europe has decreased by 16% or S\$0.820 million from S\$5.118 million in 2H2022 to S\$4.298 million in 2H2023 mainly caused by ongoing geopolitical tensions and war in Ukraine.

FY2023 vs FY2022

Revenue decreased by 34% or S\$7.364 million from S\$21.873 million in FY2022 to S\$14.509 million in FY2023 mainly due to a decrease in sales of wood-based products in all our key markets. This is further described below by geographical regions.

- (d) Revenue from Australia/New Zealand has decreased by 19% or S\$1.235 million from S\$6.385 million in FY2022 to S\$5.150 million in FY2023 because customers who replenish their inventory amount are lower in FY2023.
- (e) Revenue from Europe has decreased by 41% or S\$6.198 million from S\$15.023 million in FY2022 to S\$8.825 million in FY2023 mainly caused by ongoing geopolitical tensions and war in Ukraine.

2.02 Cost of Sales and Gross Profit Margin

2H2023 vs 2H2022

Cost of sales increased by 5% or S\$0.368 million from S\$7.018 million in 2H2022 to S\$7.386 million in 2H2023 mainly due to the provision of slow-moving inventory in 2H2023.

Gross profit margin decreased from 9% in 2H2022 to 6% in 2H2023 mainly due to the provision of slow-moving inventory in 2H2023.

FY2023 vs FY2022

Cost of sales decreased by 34% or S\$6.824 million from S\$20.133 million in FY2022 to S\$13.309 million in FY2023, in tandem with the decrease in revenue.

Gross profit margin increased by 0.31% from 7.95% in FY2022 to 8.26% in FY2023 mainly from the high-profit margin achieved in 1H2023 and was partially offset by the decrease in 2H2023 caused by the provision of slow-moving inventory. The gross profit margin in 1H2023 is 11.4% whereas in 1H2022 is 7.4%. This increase is mainly due to the decrease in freight and handling charges in 1H2023.

F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

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

2.03 Other losses - Net

2H2023 vs 2H2022

Other losses - net decreased by 43% or S\$0.452 million from S\$1.054 million in 2H2022 to S\$0.602 million in 2H2023 mainly due to the lower foreign currency translation loss in 2H2023. Further detail is disclosed in note 6 (b) on page 11.

FY2023 vs FY2022

Other losses - net decreased by 92% or S\$1.167 million from S\$1.267 million in FY2022 to S\$0.100 million in FY2023 mainly due to the foreign currency translation loss in FY2023. Further detail is disclosed in note 6 (b) on page 11.

2.04 Selling and Marketing Expenses

2H2023 vs 2H2022

Selling and marketing expenses increased by 1% or S\$0.003 million from S\$0.302 million in 2H2022 to S\$0.305 million mainly due to the increase of certification fees and grader fees. This increase was partially offset by the decrease in the commission expenses and buyers' claims in 2H2023.

FY2023 vs FY2022

Selling and marketing expenses decreased by 8% or S\$0.048 million from S\$0.604 million in FY2022 to S\$0.556 million in FY2023 mainly due to the decrease in commission expenses and employee compensation. This decrease was partially offset by the increase in advertisement expenses in FY2023.

2.05 Administrative Expenses

2H2023 vs 2H2022

Administrative expenses decreased by 9% or S\$0.158 million from S\$1.675 million in 2H2022 to S\$1.517 million due mainly to the decrease in depreciation of property, plant and equipment, and legal and professional fees. This decrease was partially offset by the increase in bank charges in 2H2023.

FY2023 vs FY2022

Administrative expenses increased by 1% or S\$0.024 million from S\$2.776 million in FY2022 to S\$2.800 million in FY2023 due mainly to the increase in depreciation of property, plant and equipment, and bank charges. This increase was partially offset by the decrease in legal and professional fees in FY2023.

2.06 Finance Expenses

2H2023 vs 2H2022

Finance expenses increased by 178% or S\$0.061 million from S\$0.034 million in 2H2022 to S\$0.095 million in 2H2023 mainly due to the increase in amortisation of notional interest in 2H2023. Further detail is disclosed in note 6 (c) on page 12.

F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

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

2.06 Finance Expenses (cont'd)

FY2023 vs FY2022

Finance expenses increased by 375% or S\$0.145 million from S\$0.039 million in FY2022 to S\$0.184 million in FY2023 mainly due to the increase in the amortisation of notional interest in FY2023. Further detail is disclosed in note 6 (c) on page 12.

2.07 Income Tax Credit/(Expenses)

Income tax expenses are mainly due to the provision of estimated tax payable in the French subsidiary. 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 credit/(expenses) in the condensed interim consolidated statement of profit or loss and other comprehensive income are:

	Group			
	2H2023 S\$	2H2022 S\$	FY2023 S\$	FY2022 S\$
<u>Tax credit/(expenses) attributable to loss is made up of:</u>				
- Current income tax	(83,520)	(22,415)	(54,125)	(101,945)
- Withholding tax	-	-	(2,246)	-
- Deferred income tax	188,250	-	188,250	-
	104,730	(22,415)	131,879	(101,945)

2.08 Loss for the period/year

2H2023 vs 2H2022

Loss for the period decreased by 18% or S\$0.416 million from S\$2.333 million in 2H2022 to S\$1.917 million in 2H2023 mainly due to a decrease in foreign currency translation loss as disclosed in Note 2.03.

FY2023 vs FY2022

Loss for the year decreased by 25% or S\$0.728 million from S\$2.926 million in FY2022 to S\$2.198 million mainly due to a decrease in foreign currency translation loss as disclosed in Note 2.03.

F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

Commentary on the Interim Statements of Financial Position as at 31 December 2023 ("2023") and as at 31 December 2022 ("2022")

2.09 Cash and Bank Balances

Current:	Group		Company	
	FY2023 S\$	FY2022 S\$	FY2023 S\$	FY2022 S\$
Cash at banks	274,857	745,714	157,732	51,897
Cash on hand	1,826	742	-	-
Short-term bank deposit ^(a)	272,500	1,000,000	250,000	1,000,000
	549,183	1,746,456	407,732	1,051,897

(a) Short-term bank deposit is mainly for a tenure of three months. The interest rate ranges between 2.50% to 3.00% per annum during the year (31 December 2022: 2.50% per annum).

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

	Group	
	FY2023 S\$	FY2022 S\$
Cash and bank balances (as above)	549,183	1,746,456
Less: Bank overdrafts (Note 2.16)	107,711	-
Cash and cash equivalents per consolidated statement of cash flows	441,472	1,746,456

2.10 Trade and Other Receivables

	Group		Company	
	FY2023 S\$	FY2022 S\$	FY2023 S\$	FY2022 S\$
Current:				
Trade receivables				
- Non-related parties	637,887	726,490	-	-
Less: Loss allowance (past due, more than 90 days)	(98,156)	(99,173)	-	-
Trade receivables - net	539,731	627,317	-	-
Other receivables:				
- Advances to suppliers ^(a)	8,770	48,521	-	-
- Non-related parties	22,018	58	-	-
- GST receivables	117,638	98,370	4,329	5,415
- Subsidiary corporations ^(b)	-	-	803,671	12,235,234
- Less: Loss allowance	-	-	-	(9,565,000)
	-	-	803,671	2,670,234
Other receivables – net	148,426	146,949	808,000	2,675,649
	688,157	774,266	808,000	2,675,649

F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

Commentary on the Interim Statements of Financial Position as at 31 December 2023 ("2023") and 31 December 2022 ("2022") (cont'd)

2.10 Trade and Other Receivables (cont'd)

- a. Advance to supplies relates to the advances made to the non-related parties on the confirmed purchase orders. These advances are refundable.
- b. The other receivables from subsidiary corporations that relate to the advances by the Company to one subsidiary, which settlement is neither planned nor likely to occur in the foreseeable future have been reclassified to the Company's net investment in the subsidiary corporations during the year. This is further disclosed in Note 2.13 on page 20.

2.11 Inventories

	Group	
	FY2023 S\$	FY2022 S\$
Current:		
Work-in-progress	116,906	56,855
Finished goods	2,187,963	2,605,147
Goods in transit	144,681	42,429
	2,449,550	2,704,431
Less: Provision for slow-moving inventory	(410,339)	(84,728)
	2,039,211	2,619,703

2.12 Other Current Assets

	Group		Company	
	FY2023 S\$	FY2022 S\$	FYFY2023 S\$	FY2022 S\$
Current:				
Deposits	176,275	163,180	1,410	1,410
Prepayments	71,332	67,482	-	-
	247,607	230,662	1,410	1,410

F. **Other Information Required by Appendix 7C of the Catalist Rules (cont'd)**

Commentary on the Interim Statements of Financial Position as at 31 December 2023 ("2023") and 31 December 2022 ("2022") (cont'd)

2.13 **Investments in Subsidiary Corporations**

	Company	
	FY2023 S\$	FY2022 S\$
Non-current:		
<u>Equity investments, at cost</u>		
At the beginning of the financial year	5,578,310	3,922,476
Additions ^(a) ^(b)	-	1,655,834
At the end of the financial year	5,578,310	5,578,310
<u>Less: Allowance for impairment</u>		
At the beginning and end of the financial year	(362,274)	(362,274)
	5,216,036	5,216,036
Advances to a subsidiary corporation	11,453,596	-
Less: Loss allowance	(9,565,000)	-
	1,888,596	-
	7,104,632	5,216,036

- a. On 8 August 2022, the Company acquired the remaining 0.01% equity interest in PT East Bintan Resort Limited for a total consideration of S\$6,000.
- b. On 7 October 2022, the Company acquired the remaining 46.0% equity interest in Mapur Rocky Resort Limited for a total consideration of S\$2.600 million.

2.14 **Property, plant, and equipment**

The Group's property, plant and equipment ("PPE") decreased by S\$0.895 million from S\$9.851 million as at 31 December 2022 to S\$8.956 million as at 31 December 2023 mainly due to depreciation charge during the year of S\$0.935 million. This depreciation amount is partially offset by an addition to PPE of S\$0.031 million.

Apart from the above, there were no significant purchases or disposals of PPE during the financial year. The PPE comprised mainly the property in Bintan, Indonesia acquired in October 2019, and the Group's land and factory in Indonesia. These properties were valued by a professional valuer at S\$9.648 million as at 31 December 2022.

F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

Commentary on the Interim Statements of Financial Position as at 31 December 2023 ("2023") and 31 December 2022 ("2022") (cont'd)

2.15 Trade and Other Payables

	Group		Company	
	FY2023 S\$	FY2022 S\$	FY2023 S\$	FY2022 S\$
Current:				
Trade payables ^(a)				
- Non-related parties	509,891	974,356	-	-
Other payables:				
- Subsidiary corporations	-	-	3,759,630	3,760,630
- Non-related parties	212,491	233,474	11,226	30,491
	212,491	233,474	3,770,856	3,791,121
Accruals for operating expenses	297,176	361,906	63,351	87,462
Advances received from customers	184,707	392,797	-	-
Deposit received	13,669	12,067	6,696	6,696
	1,217,934	1,974,600	3,840,903	3,885,279

(a) The trade payable decreased by S\$0.464 million from S\$0.974 million in FY2023 to S\$0.510 million in FY2022 in tandem with the decrease in sales in FY2023.

2.16 Borrowings

	Group	
	FY2023 S\$	FY2022 S\$
Current: Amount repayable within one year or on-demand		
- Bank overdrafts	107,711	-
- Lease liabilities ^{(a) (b)}	75,077	73,831
	182,788	73,831
Non-current: Amount repayable after one year		
- Lease liabilities ^{(a) (b)}	133,987	18,806
	133,987	18,806
Total borrowings	316,775	92,637

a. Lease liabilities are mainly the office premises, and secured by the rights to the leasehold building as the legal title is retained by the lessor.

b. The Company renewed the office premises tenancy for another two years during the financial year.

F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

Commentary on the Interim Statements of Financial Position as at 31 December 2023 ("2023") and 31 December 2022 ("2022") (cont'd)

2.17 Other Financial Liability

Non-current:	Group and Company	
	2023 S\$	2022 S\$
Other financial liability ^(a)	1,853,096	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 S\$950,166 is treated as notional interest.

	Group and Company	
	2023 S\$	2022 S\$
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	203,262	27,612
Carrying amount	1,853,096	1,677,446

Commentary on the Condensed Interim Consolidated Statement of Cash Flows.

- 2.18** Net cash used in operating activities amounted to S\$1.185 million for the 12 months ended 31 December 2023. These are mainly the operating costs of the holding company and those loss-making subsidiary corporations.
- 2.19** Major cash outflows for the 12 months ended 31 December 2023 were for the following:
- (a) Payment for property, plant, and equipment of S\$0.031 million,
 - (b) Payment for dividend to non-controlling interest of S\$0.042 million, and
 - (c) Payment for lease liabilities of S\$0.074 million.
- 2.20** The Group's cash position was S\$0.549 million at the end of the financial year 31 December 2023 (31 December 2022: S\$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 or prospect statement previously disclosed.

F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

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 conditions remain uncertain in our major markets due to continuing weakness in demand caused by ongoing geopolitical tensions. Whilst there are signs that inflationary effects have moderated, there have also been renewed concerns about the hike in freight rates due to the Suez crisis and this has especially affected our main markets in Europe which leads to a slowdown in demand for our timber products.

We expect the demand for our timber products in our European market to remain weak due to the above ongoing situation. We will continue to follow up closely with our export customers and adjust our strategies amidst market uncertainty.

5 Dividend information

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

No dividend has been declared for the financial year ended 31 December 2023.

(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.

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 year ended 31 December 2023 as the Company does not have accumulated profits to declare a dividend under the 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 Catalist Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have in place a general mandate for interest person transactions ("IPT"). There was no IPT greater than S\$100,000 or more for the financial year 2023.

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 it has procured undertakings from all its directors and executive officers as required in the format as set out in Appendix 7H of the Catalist Rules in accordance with Catalist Rule 720(1).

F. Other Information Required by Appendix 7C of the Catalist Rules (cont'd)

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 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Catalist Rule 704(10), the details of persons occupying managerial positions in the Company or any of its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company or any of its principal subsidiaries are as follows:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr Chew Ah Ba, George	75	Brother of Mr Chew Hua Seng (Non-Executive Chairman and substantial shareholder of the Company) and the father of Mr Chew Chiew Siang, Steven (Executive Director of the Company) and husband to Mdm Tan Teresa (a substantial shareholder of the Company). He is also a substantial shareholder of the Company.	Appointed as Director of Timber Division in 2003	Nil
Ms Lim Sook Hwa, Jacinta	53	Wife of Mr Chew Chiew Siang, Steven, Executive Director and Daughter-in-law of Chew Ah Ba, George and Tan Teresa (substantial shareholders of the Company).	Vice-President Operations in 2006	Nil

11 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividends were declared for the financial year ended 31 December 2023 and 31 December 2022.

BY ORDER OF THE BOARD
Chew Hua Seng
Non-Executive Chairman
23 February 2024

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:
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