

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

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULTS

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

Group Income Statement for Half Year ended 30 June 2019. These figures have not been audited.

	Group		
	S\$'000		%
	6 Months ended 30/06/2019	6 Months ended 30/06/2018	Increase/ (Decrease)
Continuing operations			
Revenue	9,425	6,128	53.8%
Cost of sales	(8,662)	(5,639)	53.6%
Gross profit	763	489	56.0%
Other income	47	165	-71.5%
Other gains/(losses) - net	358	(507)	N.M.
Selling and marketing expenses	(239)	(253)	-5.5%
Administrative expenses	(1,150)	(1,102)	4.4%
Finance expenses	(46)	(26)	76.9%
Share of loss from associated company	-	(6)	N.M.
Loss before income tax	(267)	(1,240)	-78.5%
Income tax expense	-	-	-
Loss for the period	(267)	(1,240)	-78.5%
Attributable to:			
Equity holders of the Company	(280)	(1,251)	-77.6%
Non-controlling interests	13	11	18.2%
	(267)	(1,240)	-78.5%

N.M. – not meaningful

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Note:

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

	Group	
	S\$'000	
	6 Months ended 30/06/2019	6 Months ended 30/06/2018
Commission income	(29)	(37)
Defined contribution included in staff costs	28	27
Depreciation of property, plant and equipment	151	148
Directors' fees	53	53
Directors' remuneration	282	282
Exchange (gain)/loss	(358)	507
Rental income	-	(87)
Rental expenses	11	50
Staff costs	448	434

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

Group Consolidated Statement of Comprehensive Income for Half Year ended 30 June 2019.

	S\$'000	
	6 Months ended 30/06/2019	6 Months ended 30/06/2018
Loss for the period	(267)	(1,240)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences arising from consolidation	(265)	476
Other comprehensive income, net of tax	(265)	476
Total comprehensive loss	(532)	(764)
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	(538)	(773)
Non-controlling interests	6	9
	(532)	(764)

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

	Group		Company	
	30/06/19	31/12/18	30/06/19	31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets				
Cash and bank balances	182	451	6	6
Financial assets, at fair value through profit or loss	9,000	9,000	-	-
Trade and other receivables	718	527	3,697	4,465
Inventories	2,475	3,219	-	-
Other current assets	111	166	41	3
	12,486	13,363	3,744	4,474
Non-current assets				
Investment in an associated company	-	-	-	-
Investments in subsidiary corporations	-	-	227	227
Property, plant and equipment	2,903	3,033	71	82
Right-of-use assets	57	-	-	-
Deferred tax assets	57	56	-	-
	3,017	3,089	298	309
Total assets	15,503	16,452	4,042	4,783
Current liabilities				
Trade and other payables	3,495	3,840	4,979	4,583
Lease liabilities	57	-	-	-
Borrowings	1,392	1,519	12	22
	4,944	5,359	4,991	4,605
Non-current liabilities				
Borrowings	3	6	3	6
Deferred income tax liabilities	239	238	-	-
	242	244	3	6
Total liabilities	5,186	5,603	4,994	4,611
Net assets	10,317	10,849	(952)	172
Capital and reserves attributable to equity holders of the Company				
Share capital	17,817	17,817	17,817	17,817
Other reserves	(388)	(130)	(22)	(22)
Accumulated losses	(7,277)	(6,997)	(18,747)	(17,623)
	10,152	10,690	(952)	172
Non-controlling interests	165	159	-	-
Total Equity	10,317	10,849	(952)	172

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

Amount repayable in one year or less, or on demand

	Group	
	S\$'000	
	As at 30/06/2019	As at 31/12/2018
Bank overdrafts	-	42
Bank borrowings	1,380	1,455
Finance lease liabilities	12	22

Amount repayable after one year

	Group	
	S\$'000	
	As at 30/06/2019	As at 31/12/2018
Finance lease liabilities - due within two to five years	3	6

Details of any collateral

- 1) The bank borrowings were secured on:
(i) Corporate guarantee of the Company

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

	Group	
	S\$'000	
	6 Months ended 30/06/2019	6 Months ended 30/06/2018
Cash flows from operating activities		
Loss before income tax	(267)	(1,240)
Adjustments for:		
Amortisation of right-of-use assets	37	-
Depreciation of property, plant and equipment	151	148
Interest expense	47	26
Unrealised translation loss	64	688
	32	(378)
Changes in working capital		
- Inventories	749	2
- Trade and other receivables	(313)	373
- Other current assets	54	(93)
- Trade and other payables	(649)	(325)
Cash used in operations	(127)	(421)
Interest paid	(47)	(26)
Net cash used in operating activities	(174)	(447)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(1)
Net cash used in investing activities	-	(1)
Cash flows from financing activities		
Proceeds from bank borrowings	-	392
Repayment of lease liabilities	(37)	-
Finance lease liabilities	(14)	(15)
Net cash (used in)/provided by financing activities	(51)	377
Net decrease in cash and cash equivalents	(225)	(71)
Cash and cash equivalents at beginning of financial period	410	355
Effects of currency translation on cash and cash equivalents	(3)	1
Cash and cash equivalents at end of financial period	182	285

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

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

Group	Share capital	Other reserves	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2019	17,817	(130)	(6,997)	10,690	159	10,849
Total comprehensive (loss)/income for the period	-	(258)	(280)	(538)	6	(532)
Balance at 30 June 2019	17,817	(388)	(7,277)	10,152	165	10,317
Balance at 1 January 2018 as restated	17,817	(706)	(4,017)	13,094	158	13,252
Total comprehensive income/(loss) for the year	-	576	(2,980)	(2,404)	1	(2,403)
Balance at 31 December 2018	17,817	(130)	(6,997)	10,690	159	10,849

Company	Share capital	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2019	17,817	(22)	(17,623)	172
Total comprehensive loss for the period	-	-	(1,124)	(1,124)
Balance at 30 June 2019	17,817	(21)	(18,747)	(952)
Balance at 1 January 2018	17,817	(22)	(16,426)	1,369
Total comprehensive loss for the year	-	-	(1,197)	(1,197)
Balance at 31 December 2018	17,817	(22)	(17,623)	172

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The total numbers of issued shares were 751,200,000 as at 31 December 2018 and 751,200,000 as at 30 June 2019.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2018 and 30 June 2019.

The Company did not have any subsidiary holdings as at 31 December 2018 and 30 June 2019.

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

The total number of issued shares excluding treasury shares was 751,200,000 as at 31 December 2018 and 751,200,000 as at 30 June 2019.

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

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

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the financial period reported on.**

Not applicable. The Company does not have any subsidiary holdings.

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

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

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

Not applicable.

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

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period which are consistent with those described in the audited financial statements for the year ended 31 December 2018, except for those as disclosed under paragraph 5.

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

The Group adopted the SFRS(I) 16 Leases on 1 January 2019, using the modified retrospective approach, without restating prior years' figure.

The adoption of the SFRS(I) 16 leases will not have material impact on the financial statements of the Group in the period on its initial adoption.

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

	Group	
	6 Months ended 30/06/2019	6 Months ended 30/06/2018
Loss per ordinary share of the group, after deducting any provision for preference dividends (cents):		
(a) Based on weighted average number of ordinary shares on issue; and		
- Basic and diluted	(0.04)	(0.17)

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

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Net asset value per ordinary share based on issued share capital at the end of (cents):	1.35	1.42	(0.13)	0.02

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

Revenue

Revenue posted an increase of S\$3.3 million or 53.8% from S\$6.1 million in 1HFY2018 to S\$9.4 million in 1HFY2019, due entirely to higher sales registered for the wood-based products.

The wood-based segment revenue increased by S\$3.3 million or 54.1% to S\$9.4 million and the lifestyle outdoor furniture registered a S\$0.01 million or 33.32% increase in sales to S\$0.04 million in 1HFY19. In terms of business by geographical regions, all the Australia/New Zealand market, Europe market and Asia/Others market registered an increase in sales of S\$0.3 million or 21.4% to S\$1.7 million, S\$2.8 million or 60.9% to S\$7.4 million and S\$0.1 million or 50.0% to S\$0.3 million respectively in 1HFY19.

Cost of sales and gross profit margin

The cost of sales increased by 53.6% or S\$3.1 million to S\$8.7 million in 1HFY19 in tandem with the increase in revenue for the period. The cost of sales as a percentage of revenue decreased from 92.0% in 1HFY18 to 91.9% in 1HFY19, thus resulting in higher gross margin of 8.1% in 1HFY19 compared to 8.0% gross margin for 1HFY18.

Other income

Other income decreased by S\$0.11 million to S\$0.05 million in 1HFY19 due mainly to no rental income received, lower government grant and commission income as compared to 1HFY18.

Other gains/(losses) – net

Other gains/(losses) changed by S\$0.87 million from other losses of S\$0.51 million in 1HFY2018 to other gains of S\$0.36 million in 1HFY2019, due mainly from the foreign exchange gain arising from the weakening of the United States Dollar.

Selling and marketing expenses

Selling and marketing expenses decreased by S\$0.01 million and remained almost the same as prior corresponding period at S\$0.25 million.

Administrative expenses

Administrative expenses increased by S\$0.05 million and remained approximately the same as prior corresponding period at \$1.1 million.

Finance expenses

Finance cost increased by S\$0.02 million due to the higher bill payable interest incurred and interest on lease liabilities.

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD
ENDED 30 JUNE 2019**

BALANCE SHEET

Current assets

Current assets decreased by S\$0.88 million to S\$12.5 million, accounting for 80.6% of the total assets. The decrease was due to lower inventories of S\$0.74 million, lower other current assets of S\$0.06 million and lower cash and cash equivalents of S\$0.27 million, offset by higher trade and other receivables of S\$0.19 million.

Non-current assets

Non-current assets decreased by S\$0.1 million to S\$3.0 million arising mainly from depreciation charges and currency translation gain for the period.

Current liabilities

Current liabilities decreased by S\$0.42 million to S\$4.94 million due mainly to the decrease in borrowing of S\$0.13 million and lower trade and other payables of S\$0.35 million, offset by higher lease liabilities of S\$0.06 million.

Non-current liabilities

Non-current liabilities remained approximately the same at S\$0.24 million.

Capital and reserves

Total equity decreased by S\$0.53 million to S\$10.16 million due to the loss attributable to shareholders of S\$0.27 million and currency translation loss of S\$0.26 million.

Cash Flows

The Group's cash flows from operating activities before working capital changes amounted to S\$0.03 million. Net cash used in working capital was S\$0.16 million due to the increase in trade and other receivables of S\$0.31 million and decrease in trade and other payables of S\$0.65 million, offset by a decrease in inventories of S\$0.75 million and decrease in other current assets of S\$0.05 million. Net cash used in operating activities stood at S\$0.17 million after the payment of interest.

Net cash used in financing activities was S\$0.05 arising from the repayment of hire purchase creditors and repayment of lease liabilities respectively.

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

Not applicable

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10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects that the overall demand for our wood-based products and lifestyle outdoor furniture products will remain weak given that the global economy has deteriorated in recent months.

On 27 February 2019, the Company announced that it has entered into a share sale cum subscription and option agreement (the "**Agreement**") with (1) Madam Doris Chung Gim Lian and Mr Chew Han Wei (collectively, the "**Vendors**" and individually, a "**Vendor**") and Mr Chew Hua Seng (the "**Subscriber**") and the proposed diversification of the business of the Company to include the development of resorts in Bintan, Indonesia. Under the Agreement,

- (a) the Vendors have collectively agreed to sell to the Company, and the Company has agreed to purchase an aggregate of 54 ordinary shares in the capital of the Target Company (the "**Target Sale Shares**") from the Vendors (the "**Proposed Acquisition**") constituting 54% of the issued share capital of the Target Company;
- (b) the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue 158,000,000 new ordinary shares in the capital of the Company (the "**Subscription Shares**") to the Subscriber (the "**Proposed Subscription**"); and
- (c) the Company has agreed to grant to the Subscriber an option (the "**Call Option**") to require the Company to allot and issue to the Subscriber up to 255,000,000 new ordinary shares in the capital of the Company (the "**Option Shares**"), and the Subscriber has agreed to grant to the Company an option (the "**Put Option**") to require the Subscriber to subscribe for up to the number of Option Shares (collectively, the "**Proposed Options**").

On 13 May 2019, the Company announced that the SIC has granted a waiver of the requirement under the Code for the Subscriber to make a general offer for the Company, in respect of the Proposed Transactions and announced the appointment of the IFA for the Proposed IPT Transactions and the Proposed Whitewash Resolution.

On 26 June 2019, the Company announced that it had obtained the listing and quotation notice from the SGX-ST for the listing and quotation of the Consideration Shares, subscription Shares and the Option Shares, in respect of the Proposed Acquisition, Proposed Subscription and the Proposed Options, subject to certain conditions set by the SGX-St, including among others, Shareholders' approval to be sought at an extraordinary general meeting to be convened in relation to the Proposed Acquisition as an interested person transaction and the Proposed Diversification.

On 9 July 2019, the Company announced that it will on 10 July 2019, dispatch to Shareholders a circular dated 10 July 2019 which contains, inter alia, a notice for convening an extraordinary general meeting of the Company ("**Notice of EGM**") on 26 July 2019 at 2.30 p.m. at 15 Hillview Terrace Singapore 669226 for the purpose of seeking Shareholders' approval for the Proposed Transactions.

On 26 July 2019, the Company announced that all the resolutions as set out in the Notice of extraordinary general meeting ("**EGM**") dated 10 July 2019 were duly approved and passed by the Shareholders at the EGM.

The Company will make further announcement as and when there are further updates on the Proposed Acquisition, Proposed Subscription and Proposed Options.

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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared for 1HFY19.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for 1HFY19 as the Company incurred a net loss for the six months ended 30 June 2019.

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

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

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

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

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

We, Chew Ah Ba and Steven Chew, being two directors of Sitra Holdings (International) Limited (the "**Company**"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Group for the 6-month period ended 30 June 2019 to be false or misleading.

On behalf of the Board of Directors

Chew Ah Ba
Director

Steven Chew
Director

BY ORDER OF THE BOARD

Chew Ah Ba
Executive Chairman
13 August 2019

*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**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are:

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