

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

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

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 2015. These figures have not been audited.

	Group		
	S\$'000		%
	6 Months ended 30/06/2015	6 Months ended 30/06/2014	Increase/ (Decrease)
Continuing operations			
Revenue	7,488	7,778	-3.7%
Cost of sales	(6,959)	(7,038)	-1.1%
Gross profit	529	740	-28.5%
Other income	63	172	-63.4%
Other (losses)/gains - net	(617)	6,147	N.M.
Selling and marketing expenses	(312)	(283)	10.2%
Administrative expenses	(1,223)	(1,435)	-14.8%
Finance expenses	(2)	(94)	-97.9%
(Loss)/profit before income tax	(1,562)	5,247	N.M.
Income tax expense	-	-	-
(Loss)/profit from continuing operations	(1,562)	5,247	N.M.
Discontinued operations			
Loss from discontinued operations	-	(599)	N.M.
Total (loss)/profit	(1,562)	4,648	N.M.
Attributable to:			
Equity holders of the Company	(1,550)	4,619	N.M.
Non-controlling interests	(12)	29	N.M.
	(1,562)	4,648	N.M.

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Note:

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

	Group	
	S\$'000	
	6 Months ended 30/06/2015	6 Months ended 30/06/2014
Commission income	(41)	(49)
Profit on disposal of property	-	6,095
Defined contribution included in staff costs	25	21
Depreciation of property, plant and equipment	111	80
Directors' fees	52	50
Directors' remuneration	280	227
Exchange loss/(gain)	617	(54)
Interest income	-	-
Rental income		
- Non-investment property	(6)	(70)
- Warehouse	-	(43)
Rental expenses	127	120
Staff costs	414	426

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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 2015.

	S\$'000	
	6 Months ended 30/06/2015	6 Months ended 30/06/2014
(Loss)/profit for the period	(1,562)	4,648
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences arising from consolidation	500	(58)
Other comprehensive income/(loss), net of tax	500	(58)
Total comprehensive (loss)/income	(1,062)	4,590
Total comprehensive loss/(income) attributable to:		
Equity holders of the Company	(1,032)	4,577
Non-controlling interests	(30)	13
	(1,062)	4,590

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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	
	30/06/15	31/12/14	30/06/15	31/12/14
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets				
Cash and bank equivalents	221	545	39	230
Financial assets, at fair value through profit or loss	10,000	10,000	-	-
Trade and other receivables	3,036	2,311	5,997	5,382
Inventories	1,616	2,020	46	67
Other current assets	233	297	26	18
	15,106	15,173	6,108	5,697
Non-current assets				
Investments in subsidiaries	-	-	227	227
Property, plant and equipment	4,231	4,405	43	47
	4,231	4,405	270	274
Total assets	19,337	19,578	6,378	5,971
Current liabilities				
Trade and other payables	2,345	1,846	1,914	1,257
Borrowings	733	390	-	-
	3,078	2,236	1,914	1,257
Non-current liabilities				
Borrowings	-	18	-	-
Deferred income tax liabilities	1,945	1,948	-	-
Total liabilities	5,023	4,202	1,914	1,257
Net assets	14,314	15,376	4,464	4,714
Capital and reserves attributable to equity holders of the Company				
Share capital	17,817	17,817	17,817	17,817
Other reserves	4,096	3,578	(21)	(21)
Accumulated losses	(7,354)	(5,804)	(13,332)	(13,082)
	14,559	15,591	4,464	4,714
Non-controlling interests	(245)	(215)	-	-
Total Equity	14,314	15,376	4,464	4,714

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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 30/06/2015	As at 31/12/2014
Bank overdrafts	-	-
Bank borrowings	733	370
Trust receipts	-	-
Finance lease liabilities	-	20

Amount repayable after one year

	Group	
	S\$'000	
	As at 30/06/2015	As at 31/12/2014
Finance lease liabilities - due within two to five years	-	18

Details of any collateral

- 1) The bank overdrafts and bank borrowings as at 31/12/2014 were secured on:
 - (i) Corporate guarantee of the Company
 - (ii) Certain trade receivables of a subsidiary
 - (iii) Rights to the leased motor vehicles which will revert to the lessor in the event of default
 - (iv) Personal guarantee by the Executive Directors
- 2) The bank borrowing as at 30/06/2015 is secured on certain trade receivables of a subsidiary.

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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 30/06/2015	6 Months ended 30/06/2014
Cash flows from operating activities		
Profit/(loss) before income tax	(1,562)	4,648
Adjustments for:		
Depreciation of property, plant and equipment	111	146
Gain on disposal of non-current asset held-for-sale	-	(6,095)
Loss on disposal of property, plant and equipment	-	26
Interest expense	2	160
Interest income	-	(3)
Unrealised translation gains	548	(52)
	(901)	(1,170)
Changes in working capital		
- Inventories	404	239
- Trade and other receivables	(724)	(596)
- Other current assets	64	(37)
- Trade and other payables	500	873
Cash used in operations	(657)	(691)
Interest received	-	3
Interest paid	-	(13)
Income tax paid	-	(7)
Net cash used in operating activities	(657)	(708)
Cash flows from investing activities		
Proceed from disposal of non-current asset held-for-sale	-	8,650
Purchase of property, plant and equipment	(4)	(34)
Net cash (used in)/provided by investing activities	(4)	8,616

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	Group	
	S\$'000	
	6 Months ended 30/06/2015	6 Months ended 30/06/2014
Cash flows from financing activities		
Proceeds from/(Repayment of) bank borrowings	362	(7,398)
Loan from directors and their immediate family members	-	8
Finance lease liabilities	(38)	244
Interest paid	(2)	(146)
Net cash provided by/(used in) financing activities	322	(7,292)
Net (decrease)/increase in cash and cash equivalents	(339)	616
Cash and cash equivalents at beginning of financial period	545	(339)
Effects of currency translation on cash and cash equivalents	15	(4)
Cash and cash equivalents at end of financial period	221	273

Note

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

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

Group	Share capital	Other reserves	(Accumulated losses)	Total Attributable to equity holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2014	13,633	7,158	(19,210)	1,581	(197)	1,384
Issued of new shares	4,382	-	-	4,382	-	4,382
Share issue expenses	(198)	-	-	(198)	-	(198)
Transfer upon disposal of non-current asset held-for sale	-	(4,637)	4,637	-	-	-
Reclassification on disposal of a subsidiary	-	21	-	21	-	21
Total comprehensive income /(loss) for the year	-	1,036	8,769	9,805	(18)	9,787
Balance at 31 December 2014	17,817	3,578	(5,804)	15,591	(215)	15,376
Balance at 1 January 2015	17,817	3,578	(5,804)	15,591	(215)	15,376
Total comprehensive (loss)/income for the period	-	518	(1,550)	(1,032)	(30)	(1,062)
Balance at 30 June 2015	17,817	4,096	(7,354)	14,559	(245)	14,314

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

Company	Share capital	Other reserves	Retained profits / (Accumulated losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2014	13,633	4,651	(15,767)	2,517
Issued of new shares	4,382	-	-	4,382
Share issue expenses	(198)	-	-	(198)
Transfer upon disposal of non-current asset held-for sale	-	(4,672)	4,672	-
Total comprehensive loss for the year	-	-	(1,987)	(1,987)
Balance at 31 December 2014	17,817	(21)	(13,082)	4,714
Balance at 1 January 2015	17,817	(21)	(13,082)	4,714
Total comprehensive loss for the period	-	-	(250)	(250)
Balance at 30 June 2015	17,817	(21)	(13,332)	4,464

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

The total numbers of issued shares were 751,200,000 as at 31 December 2014 and 751,200,000 as at 30 June 2015.

- 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 2014 and 751,200,000 as at 30 June 2015.

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

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

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

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

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

Not applicable.

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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 has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the audited financial statements for the financial year ended 31 December 2014.

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

In 1HFY2015, the Group has adopted all the applicable new/revised Financial Reporting Standards ("FRS") which became effective for financial year beginning on or after 1 January 2015. There is no material impact on the Group's financial statements upon adoption of these FRS.

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

	Group	
	6 Months ended 30/06/2015	6 Months ended 30/06/2014
(Loss)/profit per ordinary share of the group, after deducting any provision for preference dividends (cents):		
(a) Based on weighted average number of ordinary shares on issue; and		
- from continuing operations	(0.21)	1.67
- from discontinued operations	-	(0.19)
(b) On a fully diluted basis		
- from continuing operation	(0.21)	1.67
- from discontinued operations	-	(0.19)

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	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share based on issued share capital at the end of (cents):	1.91	2.05	0.59	0.63

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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 from continuing operations decreased by S\$0.3 million mainly due to lower sale revenue for the lifestyle outdoor furniture products. The wood-based segment revenue remained approximately the same at S\$7.4 million while the lifestyle outdoor furniture registered a 58.0% drop in sales from S\$0.36 million in 1HFY14 to S\$0.15 million in 1HFY15. In terms of business by geographical regions, both the Australia/New Zealand market and Asian/Others market registered a drop in sales of 36.1% to S\$2.0 million and 23.8% to S\$0.45 million respectively. The sales by Europe market grew by S\$1.0 million or 23.8% to S\$5.1 million in 1HFY15.

Cost of sales and gross profit margin

The cost of sales in dollar term remained approximately the same at S\$7.0 million, while the cost of sales as a percentage of revenue increased from 90.5% in 1HFY14 to 92.9% in 1HFY15, thus resulting in a decrease in gross profit margin from 9.5% in 1HFY14 to 7.1% in 1HFY15. The decreased in gross margin was derived from the wood-based product segments.

Other income

Other income from continuing operations decreased from S\$0.2 million to S\$0.1 million due mainly to lower commission income and office/warehousing rental income earned during 1HFY15 compared to 1HFY14.

Other losses/(gains) – net

Other gains/(losses) – net from continuing operations decreased by S\$6.7 million from other net gains of S\$6.1 million in 1HFY14 to other net losses of S\$0.6 million in 1HFY15. This was due to a one-time gain of S\$6.1 million arising from the disposal of 18 Sungei Kadut property in 1HFY14, as well as the shift in net exchange gain of S\$0.05 million during 1HFY14 to a net exchange loss of S\$0.6 million in 1HFY15.

Selling and marketing expenses

Selling and marketing expenses from continuing operations remained approximately the same at S\$0.3 million.

Administrative expenses

Administrative expenses from continuing operations decreased by S\$0.2 million to S\$1.2 million, due mainly to lower bank charges, legal and professional expenses and office, water and electricity expenses offset by higher depreciation charges, office rental and staff salaries.

Finance expenses

Finance cost from continuing operations decreased by S\$0.1 million in 1HFY15 as a result of the repayment and settlement of all bank overdraft and borrowing for Singapore operations in FY2014.

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BALANCE SHEET

Current assets

Current assets remained approximately the same at S\$15.1, accounting for 78.1% of the total assets.

Non-current assets

Non-current assets decreased by S\$0.17 million to S\$4.2 million mainly arising from depreciation charges and translation loss for the period.

Current liabilities

Current liabilities increased by S\$0.9 million to S\$3.1 million due mainly to the increase in trade and other payables of S\$0.5 million and bank borrowing of S\$0.3 million respectively.

Non-current liabilities

Non-current liabilities remained approximately the same at S\$1.9 million.

Capital and reserves

Total equity decreased by S\$1.1 million to S\$14.3 million. This was due mainly to the total comprehensive loss of S\$1.6 million, offset by higher other reserves of S\$0.5 million arising from the currency translation gain for the period.

Cash Flows

The Group incurred net cash used in operating activities before working capital changes of S\$0.9 million. Net cash provided by working capital was S\$0.2 million due to the decrease in Inventories of S\$0.4 million and increased in trade and other payables of S\$0.5 million, offset by the increase in trade and other receivables of S\$0.7 million. Net cash used in operating activities remained the same at S\$0.7 million after interest received and payment of interest.

The net cash used in investing activities of S\$0.04 million was for the purchase of property, plant and equipment.

Net cash provided by financing activities was S\$0.3 million due mainly to the proceeds from bank borrowing of S\$0.4 million, offset by the repayment of finance lease liabilities and interest paid.

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 for the rest of this financial year given the slow recovery of the global economy.

The Group intends to explore possible initiatives that will enhance its profitability and increase its market presence in key markets throughout the world. These include exploring possible joint ventures as well as mergers and acquisitions that can be funded by internal cash resources, as well as via debt and equity instruments.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared for 1HFY15.

(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/recommendeded, a statement to that effect.**

The Company has not declared or recommended any dividend for 1HFY15.

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 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 2015 to be false or misleading.

On behalf of the Board of Directors

Chew Ah Ba
Director

Steven Chew
Director

BY ORDER OF THE BOARD

George Chew
Executive Chairman
13 August 2015

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

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

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