

CIRCULAR DATED 15 SEPTEMBER 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Sitra Holdings (International) Limited (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

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

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

This Circular has been made available on SGXNET and may be found at the URL <https://www.sgx.com/securities/company-announcements>. **A printed copy of this Circular will NOT be despatched to Shareholders.**

Due to the current COVID-19 situation in Singapore, Shareholders will not be able to attend the extraordinary general meeting (the “**EGM**”) in person. Alternative arrangements relating to the conduct of the EGM, including (A) attending the EGM via electronic only means (including arrangements by which the EGM can be accessed via “live” webcast or “live” audio feed), (B) submitting questions in advance of, or live at, the EGM, and addressing of substantial and relevant questions in advance of, or live at, the EGM, and (C) voting at the EGM live by the Shareholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means or by appointing the Chairman of the EGM as proxy to vote on the Shareholder’s behalf at the EGM are set out in Section 9 of this Circular.

Please refer to Section 9 of this Circular and the Notice of Extraordinary General Meeting for further information, including the steps to be taken by Shareholders to participate at the EGM. The Notice of Extraordinary General Meeting has been made available on SGXNET and may be found at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the Infectious Diseases Regulations and the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNET.

Sitra Holdings (International) Limited

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED ACQUISITION OF THE REMAINING 46% INTEREST IN MAPUR ROCKY RESORT LIMITED (“PROPOSED ACQUISITION”), AS AN INTERESTED PERSON TRANSACTION

Independent Financial Adviser in respect of the Proposed Acquisition



Novus Corporate Finance Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 20172348W)

IMPORTANT DATES AND TIMES

Last date and time for submission of Proxy Form	: 28 September 2022 at 10.00 a.m.
Last date and time to pre-register online to attend the EGM	: 28 September 2022 at 10.00 a.m.
Date and time of EGM	: 30 September 2022 at 10.00 a.m.
Place of EGM	: The EGM will be held by way of electronic means.

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
“Audit Committee”	:	The audit committee of the Company as at the Latest Practicable Date, comprising Mr. Sim Guan Seng (Chairman), Mr. Chan Hock Keng and Mr. Lim Kian Thong
“Board”	:	The board of Directors of the Company for the time being
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	Section B: Rules of Catalist of the Listing Manual, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular dated 15 September 2022
“Company”	:	Sitra Holdings (International) Limited
“Completion”	:	The completion of the Proposed Acquisition in accordance with the terms and conditions set out in the SPA
“Conditions Precedent”	:	Has the meaning ascribed to it in Section 4.2 of this Circular
“Consideration”	:	S\$2,600,000, being the consideration for the Proposed Acquisition
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
“CPF”	:	Central Provident Fund
“Directors”	:	The directors of the Company for the time being
“EBR”	:	PT East Bintan Resort
“EGM”	:	The extraordinary general meeting of the Company to be held on 30 September 2022 at 10:00 am (or any adjournment thereof)
“FY2021”	:	Financial year ended 31 December 2021
“FY2022”	:	Current financial year ending 31 December 2022
“Group”	:	The Company and its Subsidiaries
“IDR”	:	Indonesian rupiah
“IFA”	:	Novus Corporate Finance Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Proposed Acquisition
“IFA Letter”	:	The letter dated 15 September 2022 from the IFA to the Independent Directors, as set out in Appendix A of this Circular

DEFINITIONS

“Independent Directors”	:	The Directors who are regarded as independent in respect of the Proposed Acquisition, being Mr. Sim Guan Seng, Mr. Guo Shaozeng, Mr. Chan Hock Keng and Mr. Lim Kian Thong
“IPT”	:	An interested person transaction as determined under Chapter 9 of the Catalist Rules
“Lands”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Latest Practicable Date”	:	9 September 2022, being the latest practicable date prior to the release of this Circular
“LPS”	:	Loss per Share
“Mr. Chew”	:	Mr. Chew Hua Seng, the Non-Executive Chairman and a controlling shareholder of the Company
“MRRL”	:	Mapur Rocky Resort Limited
“MRRL Group”	:	MRRL and EBR
“Mr. Steven Chew”	:	Mr. Steven Chew Chiew Siang, the Executive Director of the Company
“Notice of EGM”	:	The notice of EGM as set out on pages N-1 to N-6 of this Circular
“NTA”	:	Net tangible asset attributable to the owners of the Company, ie, total assets less the sum of total liabilities, non-controlling interests, and intangible assets (net of non-controlling interests)
“Previous Acquisition”	:	Has the meaning ascribed to it in Section 1.2 of this Circular
“Proposed Acquisition”	:	The proposed acquisition of the Sale Shares pursuant to the SPA
“Proposed Project”	:	Has the meaning ascribed to it in Section 2.2 of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Relevant Intermediary”	:	The relevant intermediary as defined in Section 181(6) of the Act
“Sale Shares”	:	46 ordinary shares representing 46% of the issued and paid-up share capital of MRRL owned by the Vendor
“Securities Account”	:	The securities accounts maintained by depositors with CDP, but not including securities sub-accounts maintained with a depository agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholder”	:	Persons who are registered as holders of Shares in the Register of the Company except that where the registered holder is CDP, the term “Shareholders” shall mean the depositors who have Shares credited to their Securities Accounts
“Shares”	:	Ordinary shares in the capital of the Company

DEFINITIONS

“SPA”	:	The sale and purchase agreement dated 10 August 2022 between the Company and the Vendor in relation to the Proposed Acquisition
“SRS”	:	Supplementary Retirement Scheme
“Subsidiary”	:	A company which is for the time being a subsidiary of the Company, as defined under Section 5 of the Act
“Substantial Shareholder”	:	A person (including a corporation) who has an interest or interests in one or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all voting Shares (excluding treasury shares) in the Company
“Valuation”	:	Has the meaning ascribed to it in Section 2.4 of this Circular
“Valuation Report”	:	The report dated 12 July 2022 was issued by the Valuer in relation to the Valuation
“Valuation Summary”	:	The valuation letter dated 5 September 2022 issued by the Valuer, summarising the key information of the Valuation Report, as set out in Appendix B of this Circular
“Valuer”	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
“Vendor”	:	Madam Doris Chung Gim Lian
“1HFY2022”	:	The financial period ended 30 June 2022
“2019 Circular”	:	Has the meaning ascribed to it in Section 1.2 of this Circular
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Percentage or per centum

The expressions **“depositor”**, **“depository agent”** and **“depository register”** shall have the respective meanings ascribed to them in Section 81SF of the SFA.

Except where specifically defined, the terms **“we”**, **“us”** and **“our”** in this Circular refer to the Group.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA, or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Act, SFA or any statutory modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference to a time of day or date in this Circular is a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

Sitra Holdings (International) Limited

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

Directors:

Mr. Chew Hua Seng (Non-Executive Chairman)
Mr. Guo Shaozeng (Non-Executive Director)
Mr. Steven Chew Chiew Siang (Executive Director)
Mr. Sim Guan Seng (Lead Independent Director)
Mr. Chan Hock Keng (Independent Director)
Mr. Lim Kian Thong (Independent Director)

Registered Office:

15 Hillview Terrace
Singapore 669226

15 September 2022

To: The Shareholders of the Company

Dear Sir / Madam,

THE PROPOSED ACQUISITION OF THE REMAINING 46% INTEREST IN MAPUR ROCKY RESORT LIMITED, AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

1.1 Proposed Acquisition

On 10 August 2022 ("**Announcement Date**"), the Board announced that the Company had entered into the sale and purchase agreement with Madam Doris Chung Gim Lian in relation to the proposed acquisition by the Company of 46 ordinary shares representing the remaining 46% of the issued and paid-up share capital in Mapur Rocky Resort Limited.

1.2 Previous Acquisition

The Company had on 4 October 2019 completed the acquisition of 54% of the total issued and paid-up shares of MRRL ("**Previous Acquisition**"). Details of the Previous Acquisition are set out in the circular to Shareholders dated 10 July 2019 ("**2019 Circular**") and the Company's announcements on 27 February 2019, 13 May 2019, 26 June 2019, 10 July 2019, 26 July 2019, and 4 October 2019.

In the event that the Proposed Acquisition is completed, any agreement and arrangement agreed between the Company and the Vendor as shareholders of MRRL shall cease when the Vendor is no longer a shareholder of MRRL.

1.3 The EGM

The Board proposes to convene an EGM on 30 September 2022 at 10:00 am to seek Shareholders' approval in relation to the Proposed Acquisition, the notice of which is set out at pages N-1 to N-6 of this Circular.

The Company is seeking Shareholders' approval as the Proposed Acquisition is deemed an IPT pursuant to Chapter 9 of the Catalist Rules.

1.4 Legal Adviser

Virtus Law LLP is the legal adviser to the Company as to Singapore law in relation to the Proposed Acquisition.

LETTER TO SHAREHOLDERS

2. INFORMATION ON THE MRRL GROUP AND THE VENDOR

2.1 Information on MRRL Group

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

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

MRRL is an investment holding company that holds 99.9% of the issued and paid-up share capital in EBR. As at the Latest Practicable Date, the Company holds the remaining 0.1% of the issued and paid-up share capital in EBR. The Company acquired 0.1% of the issued and paid-up share capital in EBR from the Vendor for a consideration of S\$6,000 on 8 August 2022.

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

2.2 The Proposed Project

On 4 May 2022, the Company announced that the Group has appointed an architect for the development of a resort and apartments on the Lands ("**Proposed Project**"), the details of which are set out in the 2019 Circular. The Group is planning to build 150 apartments in the first phase of the Proposed Project.

In the 2019 Circular, the Company announced that the original development plan is intended to be a mixed hotel resort and residence development. The current plan of the Group is to build a resort and apartments in the first phase of the Proposed Project. The Group will assess whether to build a hotel in the second phase.

The Group is currently in the planning stage and is expected to complete the planning by the first quarter of 2023. The development plan, including the construction costs, will be approved by the Board, considering the Lands' highest and best use, legally permissible limits, market sentiments and demand, and financial feasibility.

The Group was not able to commence preparatory work for the Proposed Project until the second quarter of 2022 due to the challenging circumstances caused by Covid-19.

The Group targets to launch the pre-sale of apartments under the Proposed Project in 2024. The Group intends to apply part of the proceeds from the pre-sale to pay for the Consideration in tranches and the remaining proceeds from the pre-sale will be used to pay for the development cost of the Proposed Project. Prior to the launch, the Group will use its internal resources to pay for the preparatory works for the Proposed Project.

The target construction commencement date of the Proposed Project is expected to be in the second quarter of 2024 and the estimated construction period is 3 years. The actual commencement and completion of the Proposed Project might be affected by external factors such as possible delays to the construction works. As such, delays to the estimated timeline stated above are possible.

2.3 Value of the Sale Shares

Based on the unaudited consolidated financial statements of the MRRL Group for 1HFY2022:

- (a) the book value of the Sale Shares was approximately S\$3,021,875;

LETTER TO SHAREHOLDERS

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

2.4 Valuation of the Lands

The Company has appointed Colliers International Consultancy & Valuation (Singapore) Pte Ltd to carry out a valuation of the Lands for the purpose of the Proposed Acquisition and for the purpose of determining the Consideration (“**Valuation**”). As set out in the Valuation Report and the Valuation Summary, based on market value, “As is” basis, the value of the Lands is IDR65,900,000,000.00 equivalent to approximately S\$6,100,000.00 adopting an exchange rate of IDR10,672:S\$1 as at 30 June 2022, being the date of Valuation of the Lands.

The Valuer applied the market approach in the Valuation which is based upon comparing the property to be valued against the prices obtained for similar properties in recent transactions in the open market. In arriving at the estimates, the Valuer have taken into consideration the current substantial impact the Covid-19 pandemic is having on the travel and hospitality sector across Indonesia and globally; and its anticipated recovery period, which as at the valuation date remains uncertain.

Given the unknown future impact that Covid-19 might have on the real estate market, the Valuer recommends that the Company keep the valuation of the Lands under frequent review.

The Valuation Summary is attached as Appendix B to this Circular.

2.5 Information on the Vendor

The Vendor is the wife of Mr. Chew, the Non-executive Chairman of the Board and a controlling shareholder of the Company. Mr. Chew holds 654,033,520 ordinary shares representing 44.09% of the issued and paid-up share capital of the Company as at the Latest Practicable Date.

The Vendor is not a Shareholder of the Company.

3. RATIONALE FOR THE PROPOSED ACQUISITION

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

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

If the Vendor, being an interested person, continues to hold 46% interest in MRRL, it will limit the flexibility of the Group to solely determine all the abovementioned matters.

By consolidating control over MRRL, the Group will also have more control in building up the management team of EBR and its experience.

LETTER TO SHAREHOLDERS

EBR will continue to be managed by its current five local staff in Indonesia who will report to the management of the Company and the Board. None of the local staffs are key executive officers of the Group. They will handle roles like applications for permits/licences, accounting, and securities. The Group will hire key management staff as may be necessary for the daily operations of EBR and the Proposed Project, and such key management staff will report to the management of the Company and the Board. Major roles of the Proposed Project, like planning, project management, construction, site supervision, marketing, and sales will be outsourced to professionals. The Group has appointed an architect to work on the planning and will be appointing other professionals in due course. The outsourced professionals will report directly to the management of the Company and the Board. In view of the size of the Proposed Project and taking into consideration that the Group will hire key management staff as may be necessary for the daily operations of EBR and the Proposed Project and the major roles of the Proposed Project will be outsourced to professionals, the Board is of the view that the existing staff of EBR and the Group will be sufficient for the daily operations of EBR and the Proposed Project.

The Group may in the future apply the experience and expertise it gains from the Proposed Project to future projects in the region. Moving forward, the Group will consider recruiting more management staff to manage the Group's property development projects when the number of projects increases.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 Consideration

The Consideration for the Sale Shares is S\$2,600,000. The Consideration was arrived at on a willing-buyer-willing-seller basis after arm's length negotiations between the Company and the Vendor taking the value of the Lands as the benchmark together with the accumulated loss of the company in the computation of the value of the Vendor's interest in MRRL.

The Consideration shall be paid in the following manner:

- The "**Reference Date**" shall be the earlier of the date of launch of the pre-sale of the Proposed Project or 31 December 2024.
- Unless with the Vendor's written consent, no postponement of the Reference Date beyond 31 December 2024 is allowed.
- The Consideration shall be paid in cash to the Vendor in 5 tranches according to the following payment schedule:
 - (a) S\$520,000.00 payable 6 months after the Reference Date;
 - (b) S\$520,000.00 payable 18 months after the Reference Date;
 - (c) S\$520,000.00 payable 30 months after the Reference Date;
 - (d) S\$520,000.00 payable 42 months after the Reference Date; and
 - (e) the balance 54 months after the Reference Date.
- The Consideration will be fully paid on or before 31 December 2030.
- In the event that the Company fails to pay each tranche of the Consideration in accordance with the above payment schedule, the Vendor will be entitled to claim from the Company a default interest of 10% per annum commencing from the day after the payment period.

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As explained in Section 2.2 of this Circular, the Group intends to apply part of the proceeds from the pre-sale of the apartments under the Proposed Project to pay for the Consideration in tranches. If the launch of pre-sale is delayed beyond 31 December 2024 due to unforeseeable circumstances, the Group will consider other financing options to pay for each tranche including but not limited to equity fundraising.

4.2 Conditions Precedent

Completion is subject to, *inter alia*, the following conditions precedent (“**Conditions Precedent**”) to be satisfied by 30 September 2022:

- (a) the approval from Shareholders is obtained in relation to the acquisition of the Sale Shares;
- (b) each of the warranties and undertakings remaining true in all material respects and not misleading in any material respect at Completion as if repeated at Completion and at all times between the date of the SPA and Completion;
- (c) no order or judgment of any court or governmental, statutory, or regulatory body in Singapore or elsewhere having been issued or made prior to Completion which has the effect of making the transactions contemplated herein unlawful or otherwise prohibiting the Vendor from selling or the Company from acquiring the Sale Shares or any of them; and
- (d) all approvals, authorisations, confirmations, consents, and waivers as may be required (by law or under contract) or appropriate for or in connection with the sale and purchase or transfer of the Sale Shares or the transactions contemplated in the SPA and for carrying on the business of the Company from all parties having been obtained and not withdrawn or revoked, and where any such approvals, authorisations, consents, and waivers are obtained subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Company.

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

4.3 Completion

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

4.4 Financial Effects of the Proposed Acquisition

The pro forma financial effects of the Proposed Acquisition on the NTA per Share and the LPS are set out below. The pro forma financial effects have been prepared based on the audited financial results of the Group for FY2021 and after taking into account estimated professional fees of approximately S\$95,000 to be incurred in connection with the Proposed Acquisition.

NTA

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

NTA	Before the Proposed Acquisition	After the Proposed Acquisition
NTA	S\$11,446,792	S\$11,881,922
Number of Shares	1,483,300,000	1,483,300,000
NTA per Share (cents)	0.77	0.80

LETTER TO SHAREHOLDERS

LPS

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

LPS	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to the Shareholders	(S\$245,633)	(S\$423,260)
Number of Shares (weighted average)	1,295,368,000	1,295,368,000
LPS (cents)	(0.02)	(0.03)

4.5 Relative Figures under Chapter 10 of the Catalist Rules

The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition and based on the latest announced unaudited consolidated financial statements of the Group for the financial period ended 30 June 2022 ("1HFY2022"), are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss	7.08% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	14.6% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽¹⁾

Note(s):

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

LETTER TO SHAREHOLDERS

Reference is made to Practice Note 10A of the Catalist Rules (“**PN10A**”) as the Group is in a loss-making position and the Proposed Acquisition involves the acquisition of a loss-making asset by the Company.

The absolute relative figure computed on the basis of Rule 1006(c) of the Catalist Rules is more than 5% but does not exceed 75% and the absolute relative figure of the net loss attributable to the Sale Shares is more than 5% but does not exceed 10%. The Proposed Acquisition falls within the situation as set out in paragraph 4.4(a)(ii) of PN10A and is a “discloseable transaction” under Rule 1010 of the Catalist Rules. Based on paragraph 4.4(a)(ii) of PN10A, the Proposed Acquisition does not require shareholders’ approval under Rule 1014(2) of the Catalist Rules.

5. THE PROPOSED ACQUISITION AS INTERESTED PERSON TRANSACTIONS

5.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company’s interested persons. Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or any of its associated companies which is an entity at risk proposes to enter into transactions with the listed company’s interested persons, the listed company is required to seek shareholders’ approval if the value of the transaction (either in itself or aggregated with the value of other transactions with the same interested person) is equal to or exceeds 5% of the group’s latest audited NTA. For the avoidance of doubt, the requirement for shareholders’ approval does not apply to any transaction below S\$100,000.

For the purposes of Chapter 9 of the Catalist Rules:

- (a) “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules.
- (b) “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
- (c) “**interested person**” means:
 - (i) a director, chief executive officer, or controlling shareholder of the listed company; or
 - (ii) an associate of any such director, chief executive officer, or controlling shareholder.
- (d) “**interested person transaction**” means a transaction between an entity at risk and an interested person.
- (e) “**transaction**” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

LETTER TO SHAREHOLDERS

5.2 Details of the Interested Person

The Company is an entity at risk within the meaning of Chapter 9 of the Catalist Rules in relation to the Proposed Acquisition. The Vendor is the wife of Mr. Chew, the Non-executive Charman of the Board and a controlling shareholder of the Company. As such, the Vendor is an interested person and the Proposed Acquisition is an IPT within the meaning of Chapter 9 of the Catalist Rules.

5.3 Requirement for Shareholders' Approval

Under Rule 906 of the Catalist Rules, Shareholders' approval is required for an IPT or a series of IPTs with the same interested person during the same financial year of a value equal to, or more than 5% of the Group's latest audited NTA.

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

5.4 Total Value of the IPTs

Save for the Proposed Acquisition and excluding transactions that were less than S\$100,000, during the course of FY2022, which is from 1 January 2022 up to the Latest Practicable Date:

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

The Previous Acquisition was completed on 4 October 2019 which was approximately 3 years ago, and accordingly, the value of the Previous Acquisition will not be aggregated with the value of the Proposed Acquisition.

5.5 Opinion of the IFA

Novus Corporate Finance Pte. Ltd. has been appointed as the IFA to advise the Independent Directors on whether the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter is reproduced in full in Appendix A to this Circular.

Shareholders are advised to read the IFA Letter in its entirety carefully and consider it in the context of this Circular before deciding on whether to approve the Proposed Acquisition.

The IFA's opinion can be found in paragraph 7 of the IFA Letter and a summary of the IFA's opinion has been extracted from the IFA Letter and are set out in italics below. Unless otherwise defined or the context otherwise requires, all terms defined in the IFA Letter shall have the meanings therein.

"Having regard to the considerations set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.

Accordingly, we would advise the Independent Directors to recommend that the Independent Shareholders vote in favour of the Proposed Acquisition at the EGM."

Shareholders are advised to read Appendix A entitled the IFA Letter on pages A-1 to A-28 of this Circular in full and consider carefully the IFA's recommendation to the Independent Directors.

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5.6 Statement of the Audit Committee

The Audit Committee, having reviewed, among other things, the terms and rationale for the Proposed Acquisition, and after considering the opinion of the IFA as set out in Appendix A to this Circular, concurs with the IFA and is of the opinion that the Proposed Acquisition is on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 Interests in Shares

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Mr. Chew Hua Seng ⁽²⁾	654,033,520	44.09	—	—	654,033,520	44.09
Mr. Guo Shaozeng	440,000,000	29.66	—	—	440,000,000	29.66
Mr. Steven Chew Chiew Siang	24,393,900	1.64	—	—	24,393,900	1.64
Mr. Sim Guan Seng	—	—	—	—	—	—
Mr. Chan Hock Keng	—	—	—	—	—	—
Mr. Lim Kian Thong	—	—	—	—	—	—
Substantial Shareholders (other than Directors)						
Mr. Chew Ah Ba George	120,949,081	8.15	46,029,318 ⁽²⁾	3.10	166,978,399	11.25
Mdm. Tan Teresa	46,029,318	3.10	120,949,081 ⁽³⁾	8.15	166,978,399	11.25

Notes:

- (1) Based on the total number of 1,483,300,000 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Mr. Chew Ah Ba George is deemed to have an interest in the shareholdings of Mdm. Tan Teresa by virtue of their relationship as husband and wife.
- (3) Mdm. Tan Teresa is deemed to have an interest in the shareholdings of Mr. Chew Ah Ba George by virtue of their relationship as wife and husband.

As the Proposed Acquisition does not involve any consideration in Shares, there is no change in the shareholding structure of the Company.

6.2 Relationship between the Vendor and the Directors and Substantial Shareholders of the Company

Mr. Chew, the Non-executive Chairman of the Board and a controlling shareholder of the Company, is the husband of the Vendor, and accordingly is interested in the Proposed Acquisition.

Mr. Steven Chew, the Executive Director of the Company, is the nephew-in-law of the Vendor, the son of Mr. Chew Ah Ba George.

The Vendor is the sister-in-law of Mr. Chew Ah Ba George and Mdm. Tan Teresa.

Mr. Steven Chew, Mr. Chew Ah Ba George and Mdm. Tan Teresa are not associates of the Vendor under the Catalist Rules and are not interested in the Proposed Acquisition. However, due to their familial relationship with the Vendor, they are not considered independent in the decision for the Proposed Acquisition.

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Save as disclosed above and other than through their respective shareholdings in the Company none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Acquisition.

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

7. INDEPENDENT DIRECTORS' RECOMMENDATION

Shareholders should read and consider carefully the recommendation of the Independent Directors and the opinion of the IFA in its entirety before giving their approvals pertaining to the Proposed Acquisition. Shareholders are also urged to read carefully the terms and conditions of the Proposed Acquisition, the rationale for the Proposed Acquisition and the financial effects of the Proposed Acquisition, as set out in this Circular.

Mr. Chew and Mr. Steven Chew, being interested in the Proposed Acquisition, will abstain from making any recommendation to Shareholders on the Proposed Acquisition in their respective capacity as Directors.

The Independent Directors, having considered and reviewed, among other things, the terms of the Proposed Acquisition, the opinion of the IFA contained in the IFA Letter, the rationale for the Proposed Acquisition, and all the other relevant information set out in this Circular, concur with the opinion of the IFA given in the IFA Letter. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution in relation to the Proposed Acquisition at the EGM.

Please refer to Section 5.5 of this Circular and the IFA Letter reproduced in Appendix A to this Circular for the opinion of the IFA.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 30 September 2022 at 10:00 am by way of electronic means for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

In line with the First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will conduct the EGM by electronic means and Shareholders will not be able to physically attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) attending the EGM via electronic only means (including arrangements by which the EGM can be accessed via "live" webcast or "live" audio feed);
- (b) submitting questions in advance of, or live at, the EGM, and addressing of substantial and relevant questions in advance of, or live at, the EGM; and
- (c) voting at the EGM (i) live by the Shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means; or (ii) by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM.

Additional information on the participation at the EGM via electronic means is set out in the Notice of EGM section of this Circular.

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10. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, an interested person and any associate of the interested person must abstain from voting on the resolution approving the interested person transactions involving themselves and their associates. Accordingly, Mr. Chew will abstain, and will ensure that his associates will abstain, from voting on the Proposed Acquisition.

Notwithstanding Mr. Steven Chew, Mr. Chew Ah Ba George and Mdm. Tan Teresa are not associates of the Vendor under the Catalist Rules, Mr. Steven Chew, Mr. Chew Ah Ba George and Mdm. Tan Teresa due to their familial relationship with the Vendor are not independent in the decision of the Proposed Acquisition and as such, they will also abstain from voting on the Proposed Acquisition.

Other Shareholders who are associates of the Vendor or related to the Vendor will also abstain from voting on the Proposed Acquisition.

All individuals who have abstained from voting on the Proposed Acquisition will not accept any nominations to act as proxy for any Shareholder in voting on the Proposed Acquisition unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast. The Company will disregard any votes cast on a resolution by any individuals required to abstain from voting on the Proposed Acquisition.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. CONSENT

The IFA has given and has not withdrawn its consent to the issue of this Circular, with the inclusion of its name and the IFA Letter as set out in Appendix A to this Circular and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

The Valuer has given and has not withdrawn its consent to the issue of this Circular, with the inclusion of its name and the Valuation Summary as set out in Appendix B to this Circular and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 10.00 a.m. to 5.00 p.m. at the registered office of the Company at 15 Hillview Terrace, Hillview Industrial Estate, Singapore 669226 from the date of this Circular up to and including 10 November 2022:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2021;
- (c) the 1HFY2022 results;

LETTER TO SHAREHOLDERS

- (d) the SPA;
- (e) the Valuation Summary and the Valuation Report; and
- (f) the IFA Letter.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 6742 3223 prior to making any visits to arrange for a suitable time slot for the inspection. The annual report of the Company for FY2021, 1HFY2022 results and this Circular (including the Valuation Summary and IFA Letter) are also available on SGXNET.

Yours faithfully

For and on behalf of the Board of Directors of
SITRA HOLDINGS (INTERNATIONAL) LIMITED

Mr. Sim Guan Seng
Lead Independent Director

**APPENDIX A – LETTER OF ADVICE FROM
NOVUS CORPORATE FINANCE PTE. LTD. TO THE INDEPENDENT DIRECTORS**

NOVUS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201723484W)

7 Temasek Boulevard
#18-03B Suntec Tower 1
Singapore 038987

15 September 2022

To: The Independent Directors of Sitra Holdings (International) Limited (the “**Company**”)
(deemed to be independent in respect of the Proposed Acquisition)

Mr. Sim Guan Seng
Mr. Guo Shaozeng
Mr. Chan Hock Keng
Mr. Lim Kian Thong

Dear Sirs,

**INDEPENDENT FINANCIAL ADVICE TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE
PROPOSED ACQUISITION OF THE REMAINING 46% INTEREST IN MAPUR ROCKY RESORT
LIMITED AS AN INTERESTED PERSON TRANSACTION**

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 15 September 2022 (the “**Circular**”) issued by the Company to shareholders of the Company (the “**Shareholders**”) shall have the same meanings herein.*

1. INTRODUCTION

On 10 August 2022 (the “**Announcement Date**”), the board of directors (the “**Directors**”) of the Company announced (the “**Announcement**”) that the Company had entered into a sale and purchase agreement (the “**MRRL SPA**”) with Madam Doris Chung Gim Lian (the “**Vendor**”) in relation to the proposed acquisition by the company of 46 ordinary shares of Mapur Rocky Resort Limited (“**MRRL**”) (the “**Proposed Acquisition**”), representing the remaining 46% of the issued and paid-up share capital of MRRL (the “**Sale Shares**”), at a consideration of S\$2,600,000 (the “**Consideration**”) to be satisfied fully in cash.

On 4 October 2019, the Company had completed the initial acquisition of 54 ordinary shares of MRRL, representing 54% of the issued and paid-up share capital of MRRL, from the then shareholders of MRRL comprising the Vendor and Mr. Chew Han Wei (collectively, the “**2019 Vendors**”) (the “**Previous Acquisition**”) at a consideration of S\$3,510,000 (the “**2019 Consideration**”), which was satisfied by the allotment and issuance of an aggregate 319,100,000 new ordinary shares in the capital of the Company (the “**Shares**” and the “**2019 Consideration Shares**”) to Mr. Chew Hua Seng (“**Mr. Chew**”), who was a then Substantial Shareholder and who had been nominated by the 2019 Vendors to receive the 2019 Consideration Shares.

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

APPENDIX A – LETTER OF ADVICE FROM NOVUS CORPORATE FINANCE PTE. LTD. TO THE INDEPENDENT DIRECTORS

The Vendor, being the wife of Mr. Chew, the present Non-Executive Chairman and controlling Shareholder of the Company with a direct interest in 44.09% of the total issued Share capital of the Company as at the Latest Practicable Date, is deemed to be an associate of Mr. Chew, and accordingly an “interested person” for the purposes of Chapter 9 of the Catalist Rules. In this regard, the Proposed Acquisition will constitute an “interested person transaction” under Chapter 9 of the Catalist Rules (“**IPT**”).

Under Rule 906 of the Catalist Rules, approval is required from Shareholders for an IPT of a value equal to, or more than:

- (a) 5.0% of the latest audited net tangible assets (“**NTA**”) of the Company and its subsidiaries (collectively, the “**Group**”); or
- (b) 5.0% of the Group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

The value of the Proposed Acquisition (being the amount at risk to the Company) is the Consideration. As the value of the Proposed Acquisition represents approximately 17.1% of the Group’s audited NTA of approximately S\$15.2 million as at 31 December 2021 (being the latest audited NTA as at the date of the MRRL SPA), the approval of the Shareholders for the Proposed Acquisition as an IPT is required and will be sought at the extraordinary general meeting of the Company to be held on 30 September 2022 (the “**EGM**”).

Novus Corporate Finance Pte. Ltd. (“**NCF**”) has been appointed by the Company as the independent financial adviser (the “**IFA**”) to advise the Directors deemed to be independent in respect of the Proposed Acquisition (the “**Independent Directors**”) on the Proposed Acquisition as required under Rule 921(4)(a) of the Catalist Rules to provide an opinion on whether the Proposed Acquisition, as an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders (the “**Independent Shareholders**”). This letter sets out, *inter alia*, our views and evaluation of the Proposed Acquisition, which has been prepared pursuant to Rule 921(4)(a) of the Catalist Rules, and our opinion thereon (the “**Letter**”), and will form part of the Circular providing, *inter alia*, the terms and conditions of the Proposed Acquisition and the recommendation of the Independent Directors.

2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Independent Directors in respect of the Proposed Acquisition.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Acquisition nor were we involved in the deliberations leading up to the decision of the Directors to undertake the Proposed Acquisition. Accordingly, we do not, by this Letter, warrant the merits of the Proposed Acquisition other than to express an opinion on whether the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders.

Our terms of reference do not require us to evaluate or comment on the legal, commercial or strategic merits of the Proposed Acquisition. Such evaluations and comments are and remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion and advice as set out in this Letter.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made, whether written or verbal, including relevant financial analyses, estimates and representations contained in the Circular by the management of the Company (the “**Management**”), the Directors and the Company’s solicitors.

APPENDIX A – LETTER OF ADVICE FROM NOVUS CORPORATE FINANCE PTE. LTD. TO THE INDEPENDENT DIRECTORS

We have not independently verified such information, representation or assurance, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or representations. We have nevertheless made reasonable enquiries and exercised our judgement as we deemed necessary in assessing the information and representations provided to us and have found no reason to doubt the reliability of the information and representations.

We have relied upon the assurances of the Directors (including those who may have been delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, that (a) all material information in connection with the Proposed Acquisition, the Company and its subsidiaries (collectively, the “**Group**”), as well as MRRL and EBR (collectively, the “**MRRL Group**”) has been disclosed to us; (b) such information is true, complete and accurate in all material aspects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Acquisition, the Company, the MRRL Group and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purpose of assessing the Proposed Acquisition and reaching our conclusion thereon, we have not conducted a comprehensive independent review of the business, operations or financial condition of the Company, the MRRL Group and/or the Group. We have also not relied upon any financial projections or forecasts in respect of the Company, the MRRL Group and/or the Group. We are not required to express, and we do not express, any view on the growth prospects and earnings potential of the Company, the MRRL Group and/or the Group in connection with our opinion and advice in this Letter.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Company, the MRRL Group and/or the Group. As such, we have relied on the Valuation Report (as defined herein) and the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of the Company, the MRRL Group and/or the Group. Save for the Valuation Report, we have also not been furnished with any other such independent evaluation or appraisal.

Our analysis, opinion and advice as set out in this Letter is based on the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Proposed Acquisition which may be released by the Company after the Latest Practicable Date.

In rendering our opinion and advice, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter).

Our opinion and advice in respect of the Proposed Acquisition, as set out in paragraph 7 of this Letter, should be considered in the context of the entirety of this Letter and the Circular.

APPENDIX A – LETTER OF ADVICE FROM NOVUS CORPORATE FINANCE PTE. LTD. TO THE INDEPENDENT DIRECTORS

3. INFORMATION ON THE VENDOR AND THE MRRL GROUP

3.1 Information on the Vendor

As stated in the Circular, we note that the Vendor is not a Shareholder.

The Vendor is the wife of Mr Chew, who as at the Latest Practicable Date holds 654,033,520 Shares representing 44.09% of the issued and paid-up Share capital of the Company.

The Vendor is also the aunt-in-law of Mr Steven Chew Chiew Siang (“**Mr Steven**”), the Executive Director of the Company, as well as the sister-in-law of Mr Chew Ah Ba, George (“**Mr George Chew**”) and Mdm Tan Teresa (“**Mdm Tan**”), who are the spouse of each other and are Substantial Shareholders of the Company. The respective shareholding interests of Mr Steven, Mr George Chew and Mdm Tan have been set out in Section 6.1 of the Circular.

3.2 Information on the MRRL Group

The details on the MRRL Group have been set out in Section 2.1 of the Circular. The key information is extracted and reproduced in italics below:

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

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

MRRL is an investment holding company that holds 99.9% of the issued and paid-up share capital in EBR. As at the Latest Practicable Date, the Company holds the remaining 0.1% of the issued and paid-up share capital in EBR. The Company acquired 0.1% of the issued and paid-up share capital in EBR from the Vendor for a consideration of approximately S\$6,000 on 8 August 2022.

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

Upon completion of the Proposed Acquisition in accordance with the terms and conditions set out in the MRRL SPA (“**Completion**”), it is envisaged that the Company will be the sole shareholder of MRRL, and will effectively control 100% interest of EBR.

3.3 Information on the Proposed Project

On 4 May 2022, the Company announced that the Group has appointed an architect for the development of a resort and apartments on the two (2) vacant plots of land in Bintan, Indonesia owned by EBR (the “**Lands**”) (the “**Proposed Project**”) and is planning to build 150 apartments in the first phase of the Proposed Project. We note that further information in respect of the Proposed Project, namely the description of the Lands and the development plans were previously set out in Sections 4.1 and 4.2 of the circular dated 1 July 2019 which was issued by the Company (the “**2019 Circular**”) in respect of the Previous Acquisition.

In the 2019 Circular, the Company had announced that the development plan for the Lands was intended to be a mixed hotel resort and residences development (the “**Original Development Plan**”). Notwithstanding the Original Development Plan, we note that the Group’s current development plan for the Lands is to build a resort and apartments in the first phase of the Proposed Project. The Group will subsequently assess whether to build a hotel in the second phase of the Proposed Project.

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The Group is currently in the planning stage and is expected to complete the planning by the first quarter of 2023. The development plan, including the construction costs, will be approved by the Board, considering the Lands' highest and best use, legally permissible limits, market sentiments and demand, and financial feasibility. Save as disclosed in the Circular, the Directors and Management have confirmed that there are no other changes from the aforementioned information of the Proposed Project contained in the 2019 Circular.

The Group was not able to commence preparatory work for the Proposed Project until the second quarter of 2022 due to the challenging circumstances caused by Covid-19.

The Group targets to launch the pre-sale of apartments under the Proposed Project in 2024. We note that the Group intends to apply part of the proceeds from the pre-sale to pay for the Consideration in tranches and the remaining proceeds from the pre-sale will be used to pay for the development cost of the Proposed Project. We further note that prior to the launch, the Group will use its internal resources to pay for the preparatory works for the Proposed Project.

The target construction commencement date of the Proposed Project is expected to be in the second quarter of 2024 and the estimated construction period is three (3) years. However, Shareholders should note that the actual commencement and completion of the Proposed Project may be affected by external factors, such as possible delays to the construction works. As such, delays to the estimated timeline stated above are possible.

3.4 Value of the Sale Shares

Based on the unaudited consolidated financial statements of the MRRL Group for the financial period ended 30 June 2022, we note that:

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

4. SALIENT INFORMATION IN RESPECT OF THE PROPOSED ACQUISITION

The salient terms and details of the Proposed Acquisition are set out in Section 4 of the Circular. **We recommend that the Independent Directors advise the Independent Shareholders to read this section of the Circular very carefully.**

4.1 The Consideration

The following information on the Consideration has been extracted from Section 4.1 of the Circular and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

“The Consideration for the Sale Shares is S\$2,600,000. The Consideration was arrived at on a willing-buyer-willing-seller basis after arm’s length negotiations between the Company and the Vendor taking the value of the Lands as the benchmark together with the accumulated loss of the company in the computation of the value of the Vendor’s interest in MRRL.

The Consideration shall be paid in the following manner:

- *The “Reference Date” shall be the earlier of the date of launch of the pre-sale of the Proposed Project or 31 December 2024.*
- *Unless with the Vendor’s written consent, no postponement of the Reference Date beyond 31 December 2024 is allowed.*

APPENDIX A – LETTER OF ADVICE FROM NOVUS CORPORATE FINANCE PTE. LTD. TO THE INDEPENDENT DIRECTORS

- *The Consideration shall be paid in cash to the Vendor in 5 tranches according to the following payment schedule:*
 - (a) *S\$520,000.00 payable 6 months after the Reference Date;*
 - (b) *S\$520,000.00 payable 18 months after the Reference Date;*
 - (c) *S\$520,000.00 payable 30 months after the Reference Date;*
 - (d) *S\$520,000.00 payable 42 months after the Reference Date; and*
 - (e) *The balance 54 months after the Reference Date.*
- *The Consideration will be fully paid on or before 31 December 2030.*
- *In the event that the Company fails to pay each tranche of the Consideration in accordance with the above payment schedule, the Vendor will be entitled to claim from the Company a default interest of 10% per annum commencing from the day after the payment period.*

As explained in Section 2.2 of the Circular, the Group intends to apply part of the proceeds from the pre-sale of the apartments under the Proposed Project to pay for the Consideration in tranches. If the launch of pre-sale is delayed beyond 31 December 2024 due to unforeseeable circumstances, the Group will consider other financing options to pay for each tranche including but not limited to equity fundraising.”

4.2 Independent Valuation

The Company has appointed Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the “**Valuer**”) to carry out a valuation of the Lands for the purpose of the Proposed Acquisition and for the purpose of determining the Consideration (the “**Independent Valuation**”). As set out in the valuation report prepared by the Valuer dated 12 July 2022 (the “**Valuation Report**”) and the valuation letter dated 5 September 2022 (the “**Valuation Summary**”), the market value of the Lands on an “as is” basis as at 30 June 2022 is IDR65,900,000,000 or equivalent to approximately S\$6,100,000 based on an exchange rate of IDR10,672:S\$1. Please refer to paragraph 5.2 of this Letter for more details on the Independent Valuation.

4.3 Conditions Precedent

The following information on the conditions precedent in respect of the Proposed Acquisition have been extracted from Section 4.2 of the Circular and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Circular.

*“Completion is subject to, inter alia, the following conditions precedent (“**Conditions Precedent**”) to be satisfied by 30 September 2022:*

- (a) *the approval from Shareholders is obtained in relation to the acquisition of the Sale Shares;*
- (b) *each of the warranties and undertakings remaining true in all material respects and not misleading in any material respect at Completion as if repeated at Completion and at all times between the date of the SPA and Completion;*
- (c) *no order or judgment of any court or governmental, statutory, or regulatory body in Singapore or elsewhere having been issued or made prior to Completion which has the effect of making the transactions contemplated herein unlawful or otherwise prohibiting the Vendor from selling or the Company from acquiring the Sale Shares or any of them; and*

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- (d) *all approvals, authorisations, confirmations, consents, and waivers as may be required (by law or under contract) or appropriate for or in connection with the sale and purchase or transfer of the Sale Shares or the transactions contemplated in the SPA and for carrying on the business of the Company from all parties having been obtained and not withdrawn or revoked, and where any such approvals, authorisations, consents, and waivers are obtained subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Company.*

In the event that any of the conditions precedent is not satisfied by 30 September 2022 and there is no supplemental agreement for any extension the SPA may lapse.”

4.4 Voting

Independent Shareholders are requested to vote by way of a poll on the Proposed Acquisition as set out in the Notice of EGM on pages N-1 to N-6 of the Circular.

5. EVALUATION OF THE PROPOSED ACQUISITION

In our evaluation of the Proposed Acquisition, we have considered the following factors which we consider to be pertinent and have a significant bearing on our assessment:

- (i) the rationale for the Proposed Acquisition;
- (ii) the Independent Valuation;
- (iii) the historical financial performance of the Group;
- (iv) the financial information of the MRRL Group as consolidated under the Group;
- (v) the comparison with selected acquisition transactions by companies listed on the SGX-ST;
- (vi) the valuation statistics of the Previous Acquisition;
- (vii) the terms of the Consideration;
- (viii) the financial effects of the Proposed Acquisition; and
- (ix) other relevant considerations.

5.1 Rationale for the Proposed Acquisition

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Acquisition or the future prospects of the Group after the Proposed Acquisition.

Nevertheless, we have reviewed the rationale for the Proposed Acquisition as set out in Section 3 of the Circular, the full text of which has been reproduced in italics below.

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

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

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If the Vendor, being an interested person, continues to hold 46% interest in MRRL, it will limit the flexibility of the Group to solely determine all the abovementioned matters.

By consolidating control over MRRL, the Group will also have more control in building up the management team of EBR and its experience.

EBR will continue to be managed by its current five local staff in Indonesia who will report to the management of the Company and the Board. None of the local staffs are key executive officers of the Group. They will handle roles like applications for permits/licences, accounting, and securities. The Group will hire key management staff as may be necessary for the daily operations of EBR and the Proposed Project, and such key management staff will report to the management of the Company and the Board. Major roles of the Proposed Project, like planning, project management, construction, site supervision, marketing, and sales will be outsourced to professionals. The Group has appointed an architect to work on the planning and will be appointing other professionals in due course. The outsourced professionals will report directly to the management of the Company and the Board. In view of the size of the Proposed Project and taking into consideration that the Group will hire key management staff as may be necessary for the daily operations for EBR and the Proposed Project and the major roles of the Proposed Project will be outsourced to professionals, the Board is of the view that the existing staffs of EBR and the Group will be sufficient for the daily operations of EBR and the Proposed Project.

The Group may in the future apply the experience and expertise it gains from the Proposed Project to future projects in the region. Moving forward, the Group will consider recruiting more management staffs to manage the Group's property development projects when the number of projects increases."

In this regard, we note that upon Completion, any agreement and/or arrangement between the Company and the Vendor as shareholders of MRRL, such as but not limited to the shareholders' agreement which was entered into among MRRL, the Company and the Vendor following completion of the Previous Acquisition, shall cease in view that the Vendor will no longer be a shareholder of MRRL.

5.2 Independent Valuation

For the purpose of the Proposed Acquisition, we note that the Company had commissioned the Valuer to carry out the Independent Valuation as at 30 June 2022 (the "**Valuation Date**"). The Valuation Summary summarises the key information of the Valuation Report and is attached as Appendix B to the Circular.

Basis of Independent Valuation

As set out in the Valuation Report and the Valuation Summary, the Valuer had conducted its valuation based on "Market Value" which is defined as:

"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion"

The definition of value is consistent with the international definition of "Market Value" as advocated by The Royal Institution of Chartered Surveyors (RICS), International Valuation Standards (IVS), and where applicable local valuation standards.

As at 30 June 2022 (the "**Valuation Date**"), the Lands are vacant and have been identified as an area for future development. Having considered the location and zoning of the subject site, together with the performance of the relevant sectors, we note that the Valuer has analysed that a tourism development is best suited for the Lands.

The Independent Valuation has been carried out in accordance with the RICS Valuation Standards and Guidelines, incorporating International Valuation Standards.

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Valuation Approach

As set out in the Valuation Report and the Valuation Summary, there are three (3) methods of valuation which are in common usage: the cost approach, market approach (comparable market transactions), and income method. The Valuer has used the market approach in undertaking the Independent Valuation as this is the most common method adopted by investors in assessing vacant land without development permissions or a master plan. Such method is the simplest and most direct approach and is based upon comparing the Lands against the prices obtained for similar properties in recent transactions in the open market. However, a major issue with this method as mentioned in the Valuation Report is to identify similar transactions in the same operating environment, which are recent enough to be relevant and for which sufficient relevant data relating to the sale and its conditions are available.

We note that as at the Valuation Date, no inspection of the Lands was carried out by the Valuer. The Valuer has made assumptions as to the surroundings nature, appearance, quality and condition of the Lands. The information on the assumptions adopted by the Valuer in performing the Independent Valuation has been extracted from the Valuation Report and is reproduced in italics below:

- *“The subject site is vacant and unspoilt, with direct access to the beach.*
- *The subject site is s short distance from the international ferry terminal, with access to Singapore and nearby islands.*
- *The area around Teluk Sebong is witnessing increased interest given its proximity to the nearby international ferry terminal.*
- *The site benefits from significant beach frontage and direct access from the main road.*
- *The area, whilst offering low-density developments, does provide the opportunity to develop an exclusive resort and villa development.*
- *We understand that it is the intention of the buyer to hold and development the site for a high-end villa resort.*
- *Long-term development plans for the island such as The Bintan Project, planned infrastructure improvements and the associated long-term economic benefits this is likely to generate.*
- *No planning permission is in place, however, given its location with a tourist zone there may be some element of hope value in the development potential. Hope value is an element of market value, which reflects the prospect of some more valuable future use or development in excess of the existing use.”*

We further note that in preparing the Independent Valuation, the Valuer has highlighted the following main risks associated with arriving at its valuation conclusion, which is based on the assumption that none of the below arises:

- that an adverse change in political and/or economic conditions results in a decline in demand through reduced commercial visitation;
- that demand does not eventuate as estimated or the estimated demand levels are not captured by the subject property; and
- that significant additions to the supply of tourism related products occur so as to create an oversupply in the area, resulting in a decline in market performance over and above those estimated.

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As part of the Independent Valuation, the Valuer has, among others, (a) considered the approximate future development land area to contain 123,534 square meters, (b) considered the underlying land value of the future development land by comparing recent sales of similar interests in the land in surrounding area, and (c) analysed such “arms-length” sale transactions, between willing buyers and sellers, and made adjustments for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the Lands.

The market value of the Lands (the “**Market Value**”) as assessed by the Valuer as at the Valuation Date is IDR65.9 billion or equivalent to approximately S\$6.1 million based on an exchange rate of S\$1.00 to IDR10,672 (the “**Valuation Exchange Rate**”) as at the Valuation Date.

Based on the Valuation Report and the Valuation Summary, we note that the Market Value is based on a 100% interest in the Lands. Accordingly, the implied see-through valuation of the Lands based on the Consideration for the Sale Shares, which represents an effective 46.0% interest in the Lands, and excluding the remaining assets and liabilities held under the MRRL Group is equivalent to approximately S\$5,652,174. This represents a discount of approximately 7.3% to the Market Value of approximately S\$6,100,000.

We recommend that the Independent Directors advise the Independent Shareholders to read the Valuation Summary which is attached as Appendix B to the Circular carefully, in particular the valuation methodology, assumptions and limiting conditions.

5.3 Historical financial performance of the Group

A summary of the financial performance of the Group for the last three (3) financial years ended 31 December (“**FY**”) 2019, 2020 and 2021 as well as the six-month financial periods ended 30 June (“**1HFY**”) 2021 and 2022 (collectively, the “**Period Under Review**”) is set out below:

Consolidated income statement

S\$'000	----- Audited -----			----- Unaudited -----	
	FY2019 ⁽¹⁾	FY2020 ⁽²⁾	FY2021	1HFY2021 ⁽³⁾	1HFY2022 ⁽³⁾
Revenue	16,435	17,268	26,621	11,250	14,164
Gross profit	930	1,379	2,584	1,071	1,049
(Loss) before tax	(958)	(6,588)	(37)	(107)	(512)
(Loss) after tax	(958)	(6,611)	(159)	(107)	(592)
(Loss) after tax attributable to owners of the Company	(967)	(6,608)	(246)	(92)	(691)

Statement of financial position

S\$'000	----- Audited -----			Unaudited
	As at 31 December 2019 ⁽¹⁾	As at 31 December 2020 ⁽²⁾	As at 31 December 2021	As at 30 June 2022 ⁽³⁾
Current assets	12,621	7,868	7,981	5,906
Current liabilities	4,707	4,739	3,285	1,726
Working capital	7,914	3,129	4,696	4,180
Non-current assets	11,083	11,014	11,047	10,821
Non-current liabilities	331	1,478	578	283
Equity attributable to owners of the Company	15,333	9,002	11,447	10,934

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Consolidated cash flow statement

S\$'000	----- Audited -----			----- Unaudited -----	
	FY2019 ⁽¹⁾	FY2020 ⁽²⁾	FY2021	1HFY2021 ⁽³⁾	1HFY2022 ⁽³⁾
Net cash flows (used in) / generated from operating activities	(1,762)	(1,893)	(1,149)	351	126
Net cash flows (used in) / generated from investing activities	(10)	(10)	1,824	(12)	1,831
Net cash flows (used in) / generated from financing activities	1,563	1,910	(427)	(48)	(428)
Net increase / (decrease) in cash and cash equivalents	(209)	7	249	291	1,529
Cash and cash equivalents at end of year / period	197	204	453	530	1,982

Source: Company's annual report for FY2020 and FY2021, and the interim results announcement of the Company for 1HFY2022.

Notes:

- (1) Based on the figures reflected in the annual report of the Company for FY2020.
- (2) Based on the figures reflected in the annual report of the Company for FY2021.
- (3) Based on the figures reflected in the interim results announcement of the Company for 1HFY2022.

In relation to the Period Under Review, we note the following:

Consolidated income statement

FY2019 vs FY2020

The Group's revenue increased by approximately S\$0.8 million or 5.1% from approximately S\$16.4 million in FY2019 to S\$17.3 million in FY2020 (rounding difference), mainly due to the increase in revenue from the wood-based products. In terms of business by geographical segmentation, revenue generated from the Group's European market increased by approximately S\$0.3 million or 2.3% to S\$12.0 million in FY2020 and revenue from the Australia/New Zealand market increased by approximately S\$0.7 million or 16.7% to S\$5.0 million in FY2020, which was partially offset by a decrease in revenue from Asia/Others market by approximately S\$0.2 million or 42.1% to S\$0.2 million in FY2020.

As a result of an increase in cost of sales of approximately S\$0.4 million from S\$15.5 million to S\$15.9 million in FY2020 in tandem with the increase in revenue, gross profit increased by approximately S\$0.4 million or 48.3% from S\$0.9 million in FY2019 to S\$1.4 million in FY2020 (rounding difference). The gross profit margin increased from approximately 5.7% in FY2019 to 8.1% in FY2020 due to the decrease in cost of sales as a percentage of revenue from approximately 94.3% in FY2019 to 92.0% in FY2020. The larger increase in revenue was mainly attributable to the increased demand for the Company's products as a result of the work from home situation and stay at home measures, notwithstanding the slowdown of business during the first half of the year.

The Group recorded an increased loss before tax of approximately S\$6.6 million in FY2020 as compared to a loss before tax of approximately S\$1.0 million in FY2019, which was mainly due to a one-time loss arising from the recognition of impairment on the value of the Group's 10% shares in World Furnishing Hub Pte Ltd of approximately S\$4.0 million (the **"One-Time Loss"**).

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As a result of the above, the net loss attributable to equity holders of the Company increased from approximately S\$1.0 million in FY2019 to S\$6.6 million in FY2020.

FY2020 vs FY2021

The Group's revenue increased by approximately S\$9.3 million or 54.2% from approximately S\$17.3 million in FY2020 to S\$26.6 million in FY2021 (rounding difference), mainly due to a significant increase in sale of the wood-based products across all the three (3) key geographical markets of the Group, with contribution from e-commerce platforms. In terms of geographical segmentation, revenue generated from the European market increased by approximately S\$4.0 million or 33.3% to S\$16.0 million in FY2021, while the revenue generated from the Australia/New Zealand market increased by approximately S\$5.0 million or 99.5% to S\$10.1 million in FY2021, and Asia market increased by approximately S\$0.3 million or 158.8% to S\$0.6 million in FY2021.

As a result of an increase in cost of sales of approximately S\$8.1 million from S\$15.9 million to S\$24.0 million in FY2021 in tandem with the increase in revenue, gross profit increased by approximately S\$1.2 million or 87.4% from S\$1.4 million in FY2020 to S\$2.6 million in FY2021. The gross profit margin increased from approximately 8.0% in FY2020 to 9.7% in FY2021 due mainly to the increase in e-commerce sales of the Group's French subsidiary.

The Group reported a loss before income tax of approximately S\$37,000 in FY2021 representing a decrease of S\$6.6 million or 99.4% from a loss before income tax of approximately S\$6.6 million recorded in FY2020. This was mainly attributable to (a) the absence of the One-Time Loss in FY2020.

As a result of the above, the net loss attributable to equity holders of the Company increased from approximately S\$6.6 million in FY2020 to S\$0.2 million FY2021 respectively.

1HFYFY2021 vs 1HFY2022

The Group's revenue increased by approximately S\$2.9 million or 26.0% from approximately S\$11.3 million in 1HFY2021 to S\$14.2 million in 1HFY2022, mainly due to the increase in sales of wood-based products in all key markets of the Group. In terms of geographical segmentation, revenue generated from the European market increased by approximately S\$2.4 million or 31.5% to S\$9.9 million in 1HFY2022 and the Australia/New Zealand market increased by approximately S\$0.7 million or 23.8% to S\$3.9 million in 1HFY2022, which was partially offset by a decrease in the Asia/Others market by approximately S\$0.2 million or 36.3% to S\$0.4 million in 1HFY2022.

Cost of sales increased by approximately S\$2.9 million from S\$10.2 million in 1HFY2021 to S\$13.1 million in 1HFY2022, in tandem with the increase in revenue and freight cost increases of S\$1.7 million or 233.7% from 1HFY2021. While gross profit remained fairly consistent of approximately S\$1.1 million in 1HFY2021 to S\$1.1 million in 1HFY2022, gross profit margin decreased from approximately 9.5% in 1HFY2021 to 7.4% in 1HFY2022 as a result on the aforementioned increases in freight costs.

The Group recorded a loss before tax of approximately S\$0.1 million in 1HFY2021 as compared to an increased loss before tax of S\$0.5 million in 1HFY2022, mainly due to (a) the increase in other losses of approximately S\$0.1 million or 99.1% from approximately S\$0.1 million in 1HFY2021 to S\$0.2 million in 1HFY2022, arising mainly from the increased unrealized foreign currency translation losses in 1HFY2022, (b) the increase in administrative expenses of approximately S\$0.2 million or 20.5% from approximately S\$0.9 million in 1HFY2021 to approximately S\$1.1 million in 1HFY2022, arising mainly from an increase in department-related expenses such as depreciation of property, plant and equipment, fees on audit services, and employee compensation which was offset by decreased in telecommunication and sundry expenses, and (c) the increase in selling and marketing expenses of approximately S\$0.04 million or 17.1% from approximately S\$0.26 million in 1HFY2021 to S\$0.30 million in 1HFY2022 as a result of an increase in department-related expenses which include advertisement, grader fees and expenses, and employee compensation.

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As a result of the above, the net loss attributable to equity holders of the Company increased from approximately S\$0.1 million in 1HFY2021 to approximately S\$0.7 million in 1HFY2022.

Statement of financial position

Current assets: As at 30 June 2022, current assets amounted to approximately S\$5.9 million, representing 35.3% of the total assets of the Group. The current assets mainly comprised (i) inventories of approximately S\$2.7 million; (ii) trade and other receivables of approximately S\$1.0 million; and (iii) cash and bank balances of approximately S\$2.0 million.

Current liabilities: As at 30 June 2022, current liabilities amounted to approximately S\$1.7 million, representing 85.9% of the total liabilities of the Group. The current liabilities comprised (i) trade and other payables of approximately S\$1.7 million; and (ii) lease liabilities of approximately S\$42,000.

Non-current assets: As at 30 June 2022, non-current assets amounted to approximately S\$10.8 million, representing 64.7% of the total assets of the Group. The non-current assets comprised (i) property, plant and equipment of approximately S\$10.8 million; and (ii) deferred income tax assets of approximately S\$27,000.

Non-current liabilities: As at 30 June 2022, non-current liabilities amounted to approximately S\$0.3 million, representing 14.1% of the total liabilities of the Group. The non-current liabilities comprised (i) deferred income tax liabilities of approximately S\$0.2 million, and (ii) lease liabilities of approximately S\$88,000.

Working capital: The Group had experienced a decrease in its working capital position from approximately S\$4.7 million as at 31 December 2021 to S\$4.2 million as at 30 June 2022. This is mainly due to a decrease in (i) financial assets, at fair value through profit or loss of approximately S\$1.9 million, and (ii) current trade and other receivables of approximately S\$1.3 million during as at 30 June 2022.

Consolidated cash flow statement

The Group recorded net cash used in operating activities of approximately S\$1.8 million, S\$1.9 million and S\$1.1 million during FY2019, FY2020, and FY2021 respectively. For 1HFY2021 and 1HFY2022, the net cash generated from operating activities of the Group amounted to approximately S\$0.4 million and S\$0.1 million respectively. The net cash generated from operating activities of approximately S\$0.1 million in 1HFY2022 was mainly due to positive net changes in working capital.

Taking into account (a) the cash and cash equivalents at the beginning of the period of approximately S\$0.5 million; and (b) the net increase in cash and cash equivalents of approximately S\$1.5 million, mainly due to net cash generated from investing activities of approximately S\$1.8 million arising from the receipt of the balance of proceeds in January 2022 in relation to the sale of the Group's 10% equity investment in World Furnishing Hub Pte Ltd, which was partially offset by net cash used in financial activities of approximately S\$0.4 million, the Group's cash and cash equivalents as at 30 June 2022 amounted to approximately S\$2.0 million.

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5.4 Financial information of the MRRL Group as consolidated under the Group

Pursuant to the completion of the Previous Acquisition, the Company's 54% investment in the MRRL Group has been consolidated and recorded as investments in subsidiary corporations since the financial year ended 31 December ("FY") 2019. A summary of the key financial information of the MRRL Group as recorded in the Group's historical consolidated financial statements for FY2019, FY2020, FY2021 is as follows:

Consolidated income statement⁽¹⁾

S\$'000	----- Audited -----					
	FY2019 ⁽²⁾		FY2020 ⁽³⁾		FY2021	
	MRRL	EBR	MRRL	EBR	MRRL	EBR
Revenue	—	—	—	—	—	—
Profit / (loss) before tax	(763)	(18,562)	(1,637)	(76,823)	(112,518)	(66,910)
Net profit / (loss) after tax	(763)	(18,562)	(1,637)	(76,823)	(112,518)	(66,910)
Total comprehensive income / (loss)	(763)	(18,562)	(1,637)	197,208	(112,518)	(65,970)
Total comprehensive income / (loss) allocated to non-controlling interests ("NCI")	(351)	(8,548)	(754)	90,716	(51,815)	(30,379)

Statement of financial position⁽¹⁾

S\$	----- Audited -----					
	FY2019 ⁽²⁾		FY2020 ⁽³⁾		FY2021	
	MRRL	EBR	MRRL	EBR	MRRL	EBR
Current assets	30,041	5,575	93,884	18,667	91,455	18,258
Current liabilities	(34,042)	(27,998)	(99,522)	(116,919)	(209,611)	(184,744)
Working capital	(4,001)	(22,423)	(5,638)	(98,252)	(118,156)	(166,486)
Non-current assets	939,887	5,974,069	—*	7,005,650	—*	7,007,914
Net assets	935,886	5,951,646	(5,638)	6,907,398	(118,156)	6,841,428

* Excluded cost of investment in EBR.

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Consolidated cash flow statement⁽¹⁾

S\$'000	----- Audited -----					
	FY2019 ⁽²⁾		FY2020 ⁽³⁾		FY2021	
	MRRL	EBR	MRRL	EBR	MRRL	EBR
Net cash flows generated from / (used in) operating activities	3,478	2,133	(1,637)	(87,920)	(2,501)	(66,279)
Net cash flows generated from / (used in) investing activities	–	–	–	–	–	–
Net cash flows generated from / (used in) financing activities	–	–	(1,841)	88,312	2,501	67,069
Net increase / (decrease) in cash and cash equivalents	3,478	2,133	(3,478)	392	–	790
Cash and cash equivalents at end of year	3,478	4,095	–	3,703	–	3,202

Carrying value of non-controlling interests

S\$	----- Audited -----		
	FY2019 ⁽²⁾	FY2020 ⁽³⁾	FY2021
MRRL	430,508	(2,596)	(54,411)
EBR	2,737,757	3,180,857	3,150,478
Total	3,168,265	3,178,261	3,096,067

Source: Company's annual report for FY2020 and FY2021.

Notes:

- (1) The above summarised financial information are presented before inter-company eliminations.
- (2) Based on the figures reflected in the annual report of the Company for FY2020.
- (3) As discussed with Management, this is based on the figures reflected in the annual report of the Company for FY2021.

Shareholders should note that the aforementioned financial information is extracted and included in this Letter for completeness only. We understand from the Company that (a) MRRL is dormant and does not have any operating income since incorporation, and (b) the Lands owned by EBR are vacant and the Proposed Project has not yet commenced. Accordingly, the MRRL Group has not recorded any revenue and has recorded net losses after tax since the Previous Acquisition. The aforementioned financials, after adjusting for inter-company eliminations, have been included and reflected in the consolidated financial statements of the Group for FY2019, FY2020 and FY2021.

Based on the unaudited consolidated financial statements of the MRRL Group for 1HFY2022, we further note that the net loss recorded by the MRRL Group was approximately S\$36,321, while the net asset value ("NAV") and NTA of the MRRL Group as at 30 June 2022 was approximately S\$6.6 million. Accordingly, we note that the Consideration represents a discount of approximately 14.0% to the book value and NTA attributable to the Sale Shares. This also implies a price-to-book and price-to-NTA ratio of approximately 0.86 times of the MRRL Group on the basis of a 100% interest.

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We further understand from the Company that (a) the net book value of the Lands recorded on the Group's balance sheet as at 31 December 2021 was approximately S\$7.0 million, and (b) the aforementioned NAV of the MRRL Group as at 30 June 2022, which mainly comprises the carrying value of the Lands amounting to approximately S\$6.5 million, has not yet taken into account the Market Value of the Lands pursuant to the Independent Valuation. While we note that there is a revaluation deficit of approximately S\$0.4 million in the value of the Lands based on the Valuation Report, Management has represented that (i) no impairment loss was provided in the unaudited consolidated financial statements of the Group for 1HFY2022 as they are of the view that this is a temporary drop in value, (ii) and they will review the valuation of the Lands again as at 31 December 2022 and consider making adjustments for impairment if there is a sustained substantial decline in value. Any such subsequent impairment adjustments will be recorded as an expense in the Group's consolidated statement of comprehensive income for FY2022.

Assuming that the unaudited NAV of the MRRL Group as at 30 June 2022 is adjusted to reflect the Market Value of the Lands, the revalued NAV ("**RNAV**") of the MRRL Group would be as follow:

NAV adjustments for revaluation deficit	S\$ million
Unaudited NAV of the MRRL Group as at 30 June 2022	6.6
Add: Revaluation deficit arising from the Lands	(0.4)
RNAV of the MRRL Group	6.1⁽¹⁾

Source: The Valuation Report and unaudited consolidated financial statements of the MRRL Group for 1HFY2022.

Notes:

(1) Due to rounding difference.

Based on the above, we note that the Consideration represents a discount of approximately 7.9% to the RNAV attributable to the Sale Shares, which implies a price-to-RNAV ratio of approximately 0.92 times of the MRRL Group on the basis of a 100% interest. Shareholders should note that the above analysis on RNAV provides an estimate of the value of the MRRL Group assuming a hypothetical sale of the Lands as at the Latest Practicable Date. However, such a hypothetical scenario is assumed to be made without considering factors such as, *inter alia*, time value of money, market conditions, professional fees, liquidation costs, contractual obligations, any other regulatory requirements and availability of potential buyers, which may in theory, alter the RNAV that can be realised.

Shareholders should also be aware that the Group has not realised the loss or gain as set out in the adjustments to the NAV as at the Latest Practicable Date. There is no assurance that the actual loss or gain (if any) eventually recorded by the Group will be the same as that derived from the assessments made based on the Independent Valuation and Management's accounts as at 30 June 2022.

Based on the unaudited consolidated financial statements of the MRRL Group for 1HFY2022, we note that apart from the Lands, (a) the remaining assets of the MRRL Group comprise certain prepayments, cash and payables from one (1) of the Company's subsidiaries amounting to an aggregate of approximately S\$50,000, and (b) the liabilities of the MRRL Group comprise payables to the Group and other third-parties as well as accrued liabilities amounting to an aggregate of approximately S\$0.4 million.

In respect of the above, the Directors have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

- (a) save as disclosed in this Letter, there are no material differences between the realisable values of the MRRL Group's assets and their respective carrying amounts as at the Latest Practicable Date which would have a material impact on the NAV of the MRRL Group as at 30 June 2022;

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- (b) there are no other contingent liabilities, bad or doubtful debts, impairment losses or material events which would likely have a material impact on the NAV of the MRRL Group as at 30 June 2022;
- (c) there are no litigation, claim or proceedings pending or threatened against the MRRL Group or likely to give rise to any proceedings which might materially and adversely affect the financial position of the MRRL Group as at 30 June 2022;
- (d) there are no material acquisitions or disposals of assets, including the Lands, by the MRRL Group between 30 June 2022 and the Latest Practicable Date, and the MRRL Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of the MRRL Group's material assets or material change in the nature of the MRRL Group's business; and
- (e) save as disclosed in this Letter, the Directors are not aware of any circumstances which may cause the NAV of the MRRL Group as at the Latest Practicable Date to be materially different from that recorded in the unaudited balance sheet of the MRRL Group as at 30 June 2022.

5.5 Comparison with selected acquisition transactions by companies listed on the SGX-ST

For the purpose of assessing the Consideration, we have compared the Price-to-Valuation ratio based on a 100% interest in the MRRL Group as implied by the Consideration with selected acquisitions of a controlling interest of 15% or more (having regard to the definitions under the Catalist Rules and excluding reverse take-over transactions) involving property assets (or through companies holding such property assets) which were undertaken and completed by companies (excluding real estate and business trusts) listed on the SGX-ST and which resulted in the consolidation of such assets and/or companies by the respective acquirers, that were announced since 1 January 2019 and up to the Latest Practicable Date, and for which information is publicly available (the “**Comparable Transactions**”). In the case of those Comparable Transactions which constitute IPTs, of which there are three (3) as indicated in the table below (the “**Comparable IPT Transactions**”), the IPT Comparable Transactions would have been subject to shareholders' approval at an extraordinary general meeting in accordance with the requirements of the SGX-ST listing rules.

Shareholders should note that some of these Comparable Transactions are three (3) years old and as such, such references or observation made herein is necessarily limited. The table below sets out the salient information in relation to the Comparable Transactions:

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Aquirer	Target	Date of announcement	Type	% of Interest in the Target Acquired	Consideration Structure	Total Consideration ('000)	Price-to-Valuation (times) ⁽¹⁾
CapitaLand Limited	Ascendas Pte Ltd and Singbridge Pte. Ltd. ⁽²⁾	14 January 2019	IPT	100%	50% cash, 50% shares	S\$6,035,900	0.90 – 0.91 ⁽³⁾
Raffles Education Corporation Limited	Campus facilities located at 28 Jinjing Road, Xiqing District, Tianjin, PRC and are located within the compound of the Tianjin University of Commerce Boustead College	24 April 2019	Non-IPT	100%	100% cash	RMB260,000	1.00 ⁽⁴⁾
Maxi-Cash Financial Services Corporation Ltd.	The properties being (i) Block 165, Bukit Merah Central, #01-3661, Singapore 150165 (the “ BM Property ”); (ii) Block 101, Yishun Avenue 5, #01-95, Singapore 760101 (the “ Yishun Property ”); (iii) Block 702, Ang Mo Kio Avenue 8, #01-2515, Singapore 560702 (the “ AMK Property ”); and (iv) 40 Changi Road, Singapore 419702 (the “ Changi Property ”)	29 October 2019	IPT	100%	100% cash	S\$23,700	0.98 ⁽⁵⁾
Koyo International Limited	A property located at 4 Kwong Min Road, Singapore 628707 (the “ Kwong Min Property ”)	13 January 2020	Non-IPT	100%	100% cash	S\$2,540	1.02 ⁽⁶⁾
Union Gas Holdings Limited	Property at 89 Defu Lane 10, Singapore 539220 (the “ Defu Property ”)	17 January 2020	Non-IPT	100%	100% cash	S\$10,500	0.88 ⁽⁷⁾
OneApex Limited	KC Industries Pte. Ltd. (“ KCI ”) ⁽⁸⁾	18 May 2020	IPT	50%	Approximately 17% cash, 83% corporate guarantee ⁽⁹⁾	S\$23,600 ⁽⁹⁾	1.20 ⁽¹⁰⁾

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Aquirer	Target	Date of announcement	Type	% of Interest in the Target Acquired	Consideration Structure	Total Consideration ('000)	Price-to-Valuation (times)⁽¹⁾
Chasen Holdings Limited	A parcel of industrial land held under Pajakan Negeri Hakmilik No. 6693, Lot No. 14639, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang together with all industrial buildings erected thereon bearing postal address of 99A, Solok Bayan Lepas, Kawasan Perindustrian Bayan Lepas, Fasa 4, 11900 Bayan Lepas, Pulau Pinang (the " Chasen Industrial Property ")	2 July 2020	Non-IPT	100%	100% cash	RM40,000	0.98 ⁽¹¹⁾
SLB Development Ltd.	All the strata units and the common property in the development known as "Thye Hong Centre" at 2 Leng Kee Road, Singapore 159086 comprised in land lot 1983X of MK 1 (the " Development ")	17 September 2020	Non-IPT	100%	100% cash	S\$112,500	1.00 ⁽¹²⁾
OKP Holdings Limited	Property at 35 Kreta Ayer Road, Singapore 089000 (the " Kreta Property ")	23 October 2020	Non-IPT	100%	100% cash	S\$11,300	1.00 ⁽¹³⁾
Natural Cool Holdings Limited	Properties located at 15 Woodlands Loop #04-15 (" #04-15 ") and #04-16 (" #04-16 "), Singapore 738322	22 January 2021	Non-IPT	100%	100% cash	S\$850	1.00 ⁽¹⁴⁾
Mun Siong Engineering Limited	A plot of 60 years leasehold industrial land and a building in the Mukim of Tanjung Surat, District of Kota Tinggi, State of Johor (the " Johor Property ")	5 March 2021	Non-IPT	100%	100% cash	RM6,400	0.98 ⁽¹⁵⁾
P5 Capital Holdings Ltd.	Property at 39 Kaki Bukit Place Singapore 416217 (the " Kaki Bukit Property ")	12 March 2021	Non-IPT	100%	100% cash	S\$4,300	0.94 – 1.00 ⁽¹⁶⁾

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Aquirer	Target	Date of announcement	Type	% of Interest in the Target Acquired	Consideration Structure	Total Consideration ('000)	Price-to-Valuation (times) ⁽¹⁾																				
Nanofilm Technologies International Limited	Property at 11 Tai Seng Drive Singapore 535226 (the “ Tai Seng Property ”)	9 April 2021	Non-IPT	100%	100% cash	S\$30,380	1.00 ⁽¹⁷⁾																				
OKP Holdings Limited	Properties at 69 and 71 Kampong Bahru Road, Singapore 167373 (the “ Kampong Bahru Properties ”)	4 May 2021	Non-IPT	100%	100% cash	S\$12,380	1.00 ⁽¹⁸⁾																				
Tiong Woon Corporation Holding Ltd	12 Benoi Place, Singapore 629932	12 January 2022	Non-IPT	100%	100% cash	S\$8,400	1.00 ⁽¹⁹⁾																				
Centurion Corporation Limited	A freehold property known as The Orbital located at 6 Ilkeston Road, Nottingham NG7 3GE, United Kingdom (“ The Orbital ”)	19 May 2022	Non-IPT	100%	100% cash	£10,445	0.99 ⁽²⁰⁾																				
<table><tr><th colspan="4">All Comparable Transactions</th></tr><tr><td>High</td><td></td><td></td><td>1.20</td></tr><tr><td>Low</td><td></td><td></td><td>0.88</td></tr><tr><td>Mean</td><td></td><td></td><td>0.99</td></tr><tr><td>Median</td><td></td><td></td><td>1.00</td></tr></table>								All Comparable Transactions				High			1.20	Low			0.88	Mean			0.99	Median			1.00
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Comparable IPT Transactions																											
High			1.20																								
Low			0.91																								
Mean			1.03																								
Median			0.98																								
The Company	Mapur Rocky Resort Limited	10 August 2022	IPT	46.0%	100% cash	S\$2,600,000	0.93 ⁽²¹⁾ 0.92 ⁽²²⁾																				

Source: Thomson Reuters Eikon, announcements and circulars of the respective companies and NCF's calculation.

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Notes:

- (1) Rounded to two (2) decimal places.
- (2) At the time of the transaction, Ascendas Pte Ltd and Singbridge Pte. Ltd. owned and managed an integrated real estate portfolio comprising integrated developments, business parks, industrial facilities, offices, hotels and logistics properties, amongst others.
- (3) Based on the upper and lower bounds of the valuation range of between S\$6,617 million and S\$6,704 million respectively for the target companies' sum-of-the-parts valuation as determined by the independent financial adviser in respect of the transaction and disclosed in the circular. For the purposes of computing the range as well as the mean and median Price-to-Valuation ratios of the Comparable Transactions and Comparable IPT Transactions, reference was made to the average value of S\$6,660.5 million as implied by the valuation range of the transaction to derive a Price-to-Valuation ratio of approximately 0.91.
- (4) Based on the aggregate valuation of the Tianjin Assets of RMB259,924,700 (equivalent to approximately S\$51,724,000 as at 30 June 2017, based on the exchange rate of RMB1:S\$0.198997), as stated in the valuation report dated 21 March 2018 by China Tongcheng (Tianjin) Real Estate and Land Assets Appraisal Co., Ltd, jointly commissioned by Raffles Education Corporation Limited's subsidiary, Tianjin University of Commerce Boustead College, and Tianjin Agricultural Reclamation Hongda Co., Ltd..
- (5) Based on the market value of the BM Property, the Yishun Property, the AMK Property and the Changi Property of S\$5,600,000, S\$4,800,000, S\$7,800,000, and S\$5,900,000 respectively as ascribed by Jones Lang LaSalle Property Consultants Pte Ltd, the independent valuer engaged by Maxi-Cash Financial Services Corporation Ltd.
- (6) Based on the indicative market value of the Kwong Min Property of approximately S\$2,500,000 as at 21 October 2019, as ascribed by an independent valuer engaged by Koyo International Limited.
- (7) Based on the market value of the Defu Property of approximately S\$12,000,000, based on a valuation commissioned by a bank on 29 November 2018.
- (8) As at the date of announcing the transaction, KCI had exercised three (3) options to purchase three (3) freehold properties (the "**KC Properties**") for an aggregate consideration of S\$31.3 million (the "**KC Acquisition**").
- (9) Based on a consideration of S\$4 million for the subscription of new shares in the capital of KCI representing 50% of the enlarged issued and paid-up share capital of KCI and a corporate guarantee to be provided by the Company in connection with the subscription of shares in KCI amounting to S\$19.6 million, which is 50% of a bank loan to be taken up by KCI to finance the KC Acquisition and proposed developments.
- (10) Based on the adjusted NAV of KCI as at 30 April 2020 amounting to approximately S\$4 million and 50% of the market value of the KC Properties amounting to approximately S\$31.3 million on an as-is basis as at 2 March 2020.
- (11) Based on the valuation of the Chasen Industrial Property of approximately RM41,000,000 by One Asia Property Consultants (Pg) Sdn. Bhd., commissioned by the Chasen Holdings Limited's indirect subsidiary, City Zone Express Bonded Warehouse Sdn. Bhd.
- (12) Based on an independent valuation of the Development was commissioned by Wealth Space Pte. Ltd., which determined the market value of the Development to be S\$113,300,000 as extracted from the circular dated 24 February 2021 issued by SLB Development Ltd.
- (13) Based on the independent valuation by CKS Property Consultants Pte Ltd, which was commissioned by OKP Holdings Limited's subsidiary, Raffles Prestige Capital Pte. Ltd., the open market value of the Kreta Property as at 13 October 2020 was S\$11,300,000, using the direct comparison method of valuation.
- (14) Based on the "Open Market Value" valuation method of #04-15 and #04-16 of S\$420,000 and S\$430,000 respectively, carried out by an independent professional valuer, RHT Valuation Pte. Ltd. dated 2 November 2020, which was commissioned by Natural Cool Holdings Limited's subsidiary, SFB Holdings Pte Ltd.
- (15) Based on the market value of the Johor Property of RM6,500,000 as ascribed by C H Williams Talhar & Wong Sdn Bhd, the independent valuer engaged by Mun Siong Engineering Limited.
- (16) There was no independent valuation conducted on the Kaki Bukit Property, and the consideration was arrived at on a willing-buyer, willing-seller basis, after taking into consideration, *inter alia*, recent past transacted prices of neighboring properties to the Kaki Bukit Property of similar sizes ranging between S\$4.32 million to S\$4.58 million and prevailing market conditions. For the purposes of computing the range as well as the mean and median Price-to-Valuation ratios of the Comparable Transactions and Comparable IPT Transactions, reference was made to the average value of S\$4.45 million as implied by the valuation range of the transaction to derive a Price-to-Valuation ratio of approximately 0.97.
- (17) Based on the market value of the Tai Seng Property of S\$30,500,000 as ascribed by Real Estate Analytics Pte Ltd, the independent valuer engaged by Nanofilm Technologies International Limited.

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- (18) Based on the open market value of the Kampong Bahru Properties as at 20 April 2021 of S\$12,380,000 as ascribed by RHT Valuation Pte. Ltd, the independent valuer engaged by Raffles Prestige Capital Pte. Ltd., OKP Holding Limited's subsidiary.
- (19) Based on the indicative valuation of S\$8,400,000 as at 5 January 2022 provided by PREMAS Valuers & Property Consultants Pte. Ltd.
- (20) Based on a desktop valuation appraisal on The Orbital at £10,500,000 conducted on 20 April 2022 by Avison Young (UK) Limited, an independent valuer engaged by Centurion Corporation Limited's indirect wholly-owned subsidiary, Centurion Investments (BV I) Ltd, being the buyer.
- (21) Based on the Consideration *vis-à-vis* the Market Value as at 30 June 2022.
- (22) Based on the RNAV attributable to the Sale Shares *vis-à-vis* the Market Value as at 30 June 2022.

Based on the above, we note the following:

- (a) the Price-to-Valuation ratio as implied by the Consideration of approximately 0.93 times is within the range of the Price-to-Valuation ratios of the Comparable Transactions, and lower than both the mean and median Price-to-Valuation ratios of 0.99 times and 1.00 times respectively;
- (b) when comparing with the Comparable IPT Transactions, the Price-to-Valuation ratio as implied by the Consideration of approximately 0.93 times is within the range of the Price-to-Valuation ratios of the Comparable IPT Transactions, and lower than both the mean and median Price-to-Valuation ratios of 1.03 times and 0.98 times respectively;
- (c) the Price-to-Valuation ratio as implied by the RNAV attributable to the Sale Shares of approximately 0.92 times is within the range of the Price-to-Valuation ratios of the Comparable Transactions, and lower than both the mean and median Price-to-Valuation ratios of 0.99 times and 1.00 times respectively; and
- (d) when comparing with the Comparable IPT Transactions, the Price-to-Valuation ratio as implied by the RNAV attributable to the Sale Shares of approximately 0.92 times is within the range of the Price-to-Valuation ratios of the Comparable IPT Transactions, and lower than the mean and median Price-to-Valuation ratios of 1.03 times and 0.98 times respectively.

Shareholders should note that the level of premium or discount an acquirer would normally pay for an acquisition of a majority interest in a target company / assets varies in different circumstances depending on, *inter alia*, the rationale for the acquisition, valuation methodologies adopted, the attractiveness and type of the underlying assets / business to the acquirer in terms of but not limited to geographical market, type and/or the acquirer's intended use for the target company / assets, the synergies to be gained by the acquirer, the availability of substantial cash reserves (if any), the extent of control the acquirer already has in the target company or assets, current market expectation as well as general economic and business sentiments. Consequently each of the Comparable Transactions must be judged on its own commercial and financial merits (or otherwise).

We wish to highlight that the Company and the MRRL Group are not in the same industry and are not directly comparable to the companies and/or targets involved in the Comparable Transactions in terms of, *inter alia*, geographical markets, composition of business activities, type of assets, scale of operations, market / industry size, geographical spread, accounting policies, financial performance, operating and financial leverage, asset base, risk profile, track record, future prospects and other relevant criteria. Further, the list of Comparable Transactions is by no means exhaustive and information relating to the said companies was compiled from publicly available information. As such, the Independent Directors should note that any comparison made with respect to the Comparable Transactions is intended to serve as a general guide only to provide an indication of the relevant premium or discount in connection with the Comparable Transactions, and any conclusions drawn from the comparisons may not necessarily reflect any perceived market valuation of the MRRL Group and/or the Lands.

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5.6 Valuation statistics of the Previous Acquisition

As mentioned in paragraph 1 of this Letter, the Company had acquired an initial 54% shareholding interest in the MRRL Group in 2019. In assessing the Proposed Acquisition, we have made comparison to the valuation statistics represented by the respective considerations for both the Proposed Acquisition and the Previous Acquisition.

	Previous Acquisition	Proposed Acquisition
Consideration for purchased shares (S\$)	3,510,100	2,600,000
Implied value based on consideration (S\$)	6,500,000	5,652,174
Valuation based a 100% interest (S\$)	6,500,000	6,100,000
Price-to-Valuation	1.00x	0.93x ⁽¹⁾ 0.92x ⁽²⁾

Notes:

(1) Based on the Consideration vis-à-vis the Market Value as at 30 June 2022.

(2) Based on the RNAV attributable to the Sale Shares vis-à-vis the Market Value as at 30 June 2022.

As set out above, we note that the Price-to-Valuation ratios for the Proposed Acquisition as implied by the Consideration and the RNAV attributable to the Sale Shares are lower than that of the Previous Acquisition.

5.7 Terms of the Consideration

The full information relating to the terms of the Consideration are set out in Section 4.1 of the Circular and has been extracted and reproduced in paragraph 4.1 of this Letter.

5.7.1 Payment schedule

Having considered the payment schedule of the Consideration, we have observed the following:

- (a) payment of the Consideration is deferred and will only commence after the Reference Date. There is no cash component to be paid upfront to the Vendor in respect of the Proposed Acquisition and accordingly the Company would not incur any immediate cash outlay upon Completion. Further, as per the terms of the payment schedule, the Consideration is to be paid out in five (5) equal tranches (the “**Payment Tranches**”) over a period 54 months, each of which are spaced out at intervals of between six (6) to 12 months, and in any case to be fully paid on and before 31 December 2030. This would further reduce the risk of imposing any onerous burden on the Company’s cashflow and cash position as compared to full payment of the Consideration on a specified date; and
- (b) as at 30 June 2022, the Company’s available cash and bank balances amounted to approximately S\$2.0 million, representing approximately 11.8% of its total assets. Notwithstanding that the Consideration exceeds the Company’s available cash and bank balances to-date, we note that the terms of the Consideration appear to have been negotiated to minimize the Company’s exposure to potential cashflow risk which may result from the Proposed Project by (i) providing the Company with a reasonable time buffer to commence pre-sale activities in respect of the Proposed Project to work towards securing sale commitments which would generate periodic cashflow, a portion of which would be used to offset the Payment Tranches, or (ii) in the event that pre-sale activities have not yet commenced by 31 December 2024, the deferment of paying the Consideration until such time would still allow the Company a reasonable extent of time to explore other financing options to pay for the Payment Tranches.

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5.7.2 Reasonableness of the Default Interest

We note that part of the terms of the Consideration provides that in the event that the Company fails to pay each Payment Tranches in accordance with the payment schedule set out in the MRRL SPA, the Vendor shall be entitled to claim from the Company a default interest of 10% per annum (the “**Default Interest**”) commencing from the day after the payment period. It is further noted that (a) the Default Interest is computed from the next day after the stipulated payment period and not from the point of Completion or the Reference Date; and (b) there are no other finance charges or late payments fees under the MRRL SPA to be imposed in respect of any failure to pay the Payment Tranches.

Broadly comparable default finance charges / late payment fees imposed by third-party financial institutions

We note that the deferred payment of the Consideration appears to constitute a type of borrowing, with the Consideration to be recorded by the Group as an outstanding amount owed to the Vendor upon Completion. In this regard, we have considered the late payment charges and default interest rates imposed by financial institutions in Singapore holding a (a) local bank or (b) a qualifying full bank or (c) a full bank license issued by the Monetary Authority of Singapore (the “**Selected Banks**”) in respect of similar financing arrangements which are offered by the Selected Banks by way of business loans and commercial / corporate banking facilities (the “**Loan Packages**”). Based on information that has been published and made publicly available by the Selected Banks, we have made reference to the following late payment charges (the “**Late Payment Charges**”) and default interest rates charged on the outstanding balance amount (the “**Finance Charges**”) in respect of the Loan Packages to obtain an indication of the prevailing terms for similar financing arrangements available in the Singapore market which are broadly comparable to the Default Interest.

Selected Banks	Type of Loan Package	Late Payment Charge	Finance Charge (per annum)
United Overseas Bank (“ UOB ”)	UOB BizMoney	S\$100.00	18.00% - 22.99% ⁽¹⁾
CIMB Bank (“ CIMB ”)	Standard terms and conditions governing commercial banking facilities	–	10.50% ⁽²⁾
Bank of East Asia, Limited, Singapore Branch (“ BEA ”)	Standard terms and conditions governing corporate banking facilities	–	11.75% ⁽³⁾

Source: Respective websites of the Selected Banks and The Association of Banks in Singapore (“**ABS**”).

Notes:

- (1) According to the published terms and conditions of UOB BizMoney, which is a corporate business loan offered by UOB for working capital / business expansion requirements, we note that among others, (a) the interest rate per annum that shall be charged on the BizMoney loan (the “**Interest Rate**”) shall not exceed 4.99% over UOB’s business board rate prevailing from time to time which, according to UOB’s website as at the Latest Practicable Date, is currently stated as 8.00% per annum and accordingly the Interest Rate is assumed to be between 8.00% to 12.99% (on the basis that there is no incremental interest charged over UOB’s business board rate), (b) a late payment fee of S\$100.00 shall be charged on each instalment of principal and interest in connection with the BizMoney loan which is not paid on its due date (the “**Late Payment Fee**”), and (c) in addition to the Late Payment Fee, a late/default interest charge of 10.00% per annum over the Interest Rate (based on the aforementioned is assumed to be between 18.00% to 22.99%, on the basis that there is no incremental interest charged over UOB’s business board rate) shall be charged on all instalment payments, capital repayments and interest, fees, commissions and all other charges in respect of the BizMoney loan (the “**Late Interest Charge**”).

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- (2) According to the published standard terms and conditions for commercial banking facilities offered by CIMB, in the event that the borrower fails or refuses to pay the interest and/or any repayments of the facility(ies) and/or any other monies due to the CIMB when due and payable ("**Overdue Amounts**"), the borrower shall pay additional interest at the rate of 5.00% per annum above CIMB's prime lending rate prevailing from time to time or at such other rate(s) as CIMB may stipulate from time to time on the Overdue Amounts from the due date until the date of payment, as well after as before judgment, such interest accumulating by way of simple or compound interest as determined by CIMB in its absolute discretion, subject to the payment of a minimum fee of such amount as may be specified by CIMB from time to time. As at 9 September 2022, CIMB's prime lending rate as extracted from ABS is 5.50%.
- (3) According to the published standard terms and conditions for corporate banking facilities offered by BEA, default interest will be charged at BEA's prevailing prime lending rate plus 6.00% per annum (for transactions in Singapore dollars) or at any rate specified in the facility letter (if any) or such other rates as may be determined from time to time. As at 9 September 2022, BEA's prime lending rate as extracted from ABS is 5.75%.

Based on the above, we observe that:

- (a) in the event of any failure to make payment on time, the Selected Banks would typically impose (i) a Finance Charge, and/or (ii) an additional Late Payment Charge in respect of the Loan Packages;
- (b) the Default Interest is lower than the minimum Finance Charge imposed by the Selected Banks in respect of the Loan Packages; and
- (c) there are no other finance charges or late payment fees that are imposed under the MRRL SPA which can be compared with the range of Late Payment Charges of the Selected Banks in respect of the Loan Packages.

We wish to highlight that the list of Selected Banks is by no means exhaustive, and the list of Loan Packages as well as such information relating to the Selected Banks was compiled from publicly available information. In addition, the Independent Directors should note that the above comparison merely serves as a general guide to provide an indication of similar default interest rate charges and/or late payment fees imposed by the Selected Banks, and that such financing arrangements are not identical to or directly comparable with the deferred payment arrangement of the Consideration. Any comparison of the terms of the Default Interest with those offered by the Selected Banks is for illustration purposes only and should not be conclusively relied upon.

Loans taken up by the Group from other third-parties

We note that the Group does not have any loans or borrowings as at 30 June 2022. Based on discussions with Management, we understand that in respect of the most recent FY2021, the Management has identified and confirmed that the Company had previously only secured a term loan facility from a third-party financial institution of up to an amount of S\$1.5 million (the "**2021 Loan**") for working capital requirements. We note that, among others, the 2021 Loan bore a fixed interest rate of 3% per annum (the "**Fixed Interest**") and the default interest / term charges on any amounts not paid on due date or upon demand shall be payable at a rate of 3.5% per annum above the Fixed Interest. Management has confirmed that the 2021 Loan has since been fully repaid.

While we note that the aforementioned interest rates in respect of the 2021 Loan are lower than the Default Interest, the Independent Directors should note that the circumstances and terms relating to the 2021 Loan are unique and might not be identical to the terms and deferred payment arrangement for the Consideration, especially in view of the differentiating factors highlighted in the above paragraph 5.7.2 of this Letter. Consequently, the Independent Directors should note that the above reference is merely for illustrative purposes only.

Save for the above, Management has confirmed that as at the Latest Practicable Date, there are no additional or new loans taken up by the Group from any third parties.

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5.8 Financial effects of the Proposed Acquisition

The pro forma financial effects of the Proposed Acquisition are set out in Section 4.4 of the Circular, the full text of which has been reproduced in italics below:

“The pro forma financial effects of the Proposed Acquisition on the NTA per Share and the LPS are set out below. The pro forma financial effects have been prepared based on the audited financial results of the Group for FY2021 and after taking into account estimated professional fees of approximately S\$95,000 to be incurred in connection with the Proposed Acquisition.

NTA

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

NTA	<i>Before the Proposed Acquisition</i>	<i>After the Proposed Acquisition</i>
NTA	S\$11,446,792	S\$11,881,922
Number of Shares	1,483,300,000	1,483,300,000
NTA per Share (cents)	0.77	0.80

LPS

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

LPS	<i>Before the Proposed Acquisition</i>	<i>After the Proposed Acquisition</i>
Net loss attributable to the Shareholders	(S\$245,633)	(S\$423,260)
Number of Shares (weighted average)	1,295,368,000	1,295,368,000
LPS (cents)	(0.02)	(0.03)”

Shareholders should note that the above analysis has been prepared solely for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after Completion.

6. OTHER RELEVANT CONSIDERATIONS

6.1 No dilution to the Independent Shareholders

As the Consideration will be satisfied fully in cash in accordance with the terms of the MRRL SPA, and on the basis that the Company does not need to resort to other financing options such as but not limited to equity fundraising to pay for the Payment Tranches in the event that the launch of pre-sale of the Proposed Project is delayed beyond the Reference Date, we note that as at the Latest Practicable Date, the Independent Shareholders will not experience any dilution in their aggregate shareholding interest in the Company.

APPENDIX A – LETTER OF ADVICE FROM NOVUS CORPORATE FINANCE PTE. LTD. TO THE INDEPENDENT DIRECTORS

6.2 Abstention from voting

We note that, as set out in Section 10 of the Circular, Mr. Chew, being interested in the Proposed Acquisition, will abstain, and will ensure that his associates will abstain from voting on the Proposed Acquisition at the EGM.

We further note that, notwithstanding Mr. Steven, Mr. George Chew and Mdm. Tan are not deemed as associates of the Vendor under the Catalist Rules, due to their familial relationship with the Vendor, Mr. Steven, Mr. George Chew and Mdm. Tan are deemed to be not independent in relation to the decision of the Proposed Acquisition, and as such, they will also abstain from voting on the Proposed Acquisition. Other Shareholders who are associates or related to the Vendor will also abstain from voting on the Proposed Acquisition.

All individuals who have abstained from voting on the Proposed Acquisition will also not accept any nominations to act as proxy for any Shareholder in voting on the Proposed Acquisition unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast in respect of the Proposed Acquisition. The Company will disregard any votes cast on a resolution by any individuals required to abstain from voting on the Proposed Acquisition.

7. OPINION

In arriving at our opinion in respect of the Proposed Acquisition, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

- (a) the rationale for the Proposed Acquisition;
- (b) the Independent Valuation conducted by the Valuer;
- (c) the historical financial performance of the Group;
- (d) the financial performance of the MRRL Group as consolidated under the Group;
- (e) in comparison with the Comparable Transactions:
 - (i) the Price-to-Valuation ratio as implied by the Consideration of approximately 0.93 times is within the range of the Price-to-Valuation ratios of the Comparable Transactions, and lower than both the mean and median Price-to-Valuation ratios of 0.99 times and 1.00 times respectively;
 - (ii) when comparing with the Comparable IPT Transactions, the Price-to-Valuation ratio as implied by the Consideration of approximately 0.93 times is within the range of the Price-to-Valuation ratios of the Comparable IPT Transactions, and lower than both the mean and median Price-to-Valuation ratios of 1.03 times and 0.98 times respectively;
 - (iii) the Price-to-Valuation ratio as implied by the RNAV attributable to the Sale Shares of approximately 0.92 times is within the range of the Price-to-Valuation ratios of the Comparable Transactions, and lower than both the mean and median Price-to-Valuation ratios of 0.99 times and 1.00 times respectively; and
 - (iv) when comparing with the Comparable IPT Transactions, the Price-to-Valuation ratio as implied by the RNAV attributable to the Sale Shares of approximately 0.92 times is within the range of the Price-to-Valuation ratios of the Comparable IPT Transactions, and lower than the mean and median Price-to-Valuation ratios of 1.03 times and 0.98 times respectively;

**APPENDIX A – LETTER OF ADVICE FROM
NOVUS CORPORATE FINANCE PTE. LTD. TO THE INDEPENDENT DIRECTORS**

- (f) in comparison with the Previous Acquisition, we note that the Price-to-Valuation ratios for the Proposed Acquisition as implied by the Consideration and the RNAV attributable to the Sale Shares of approximately 0.93 times and 0.92 times respectively are lower than that of the Previous Acquisition of 1.00 times;
- (g) the terms of the Consideration as follows, namely:
 - (i) the payment schedule of the Consideration; and
 - (ii) the reasonableness of the Default Interest;
- (h) the financial effects of the Proposed Acquisition; and
- (i) other relevant considerations as set out in paragraph 6 of this Letter, namely (i) no dilution to the Independent Shareholders, and (ii) the abstention from voting on the Proposed Acquisition at EGM by the Mr. Chew and his associates, Mr. Steven, Mr. George Chew and Mdm. Tan, as well as other Shareholders who are associates of or related to the Vendor.

Having regard to the considerations set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.

Accordingly, we would advise the Independent Directors to recommend that the Independent Shareholders vote in favour of the Proposed Acquisition at the EGM.

The Independent Directors should also note that transactions in the Shares are subject to possible market fluctuations and accordingly, our opinion on the Proposed Acquisition does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

This Letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Acquisition only. The recommendation made by the Independent Directors to the Independent Shareholders in relation to the Proposed Acquisition shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NCF in each specific case except for the EGM and the purpose of the Proposed Acquisition. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,

For and on behalf of
Novus Corporate Finance Pte. Ltd.

Andrew Leo
Chief Executive Officer

Melvin Teo
Associate Director

APPENDIX B – VALUATION SUMMARY

Colliers International Consultancy &
Valuation (Singapore) Pte Ltd
RCB No: 198105965E

12 Marina View
#19-02 Asia Square Tower 2
Singapore 018961

MAIN 65 6223 2323
EMAIL govinda.singh@colliers.com



VALUATION SUMMARY

- Property** : Vacant Land located at
Jalan H. Abdul Salam Teluk Merbau
Berakit Village, Teluk Sebong District
Bintan Regency, Kepulauan Riau Province, Indonesia
- Client** : Sitra Holdings (International) Limited
- Purpose** : Acquisition purposes
- Brief Description of Property** : The subject property consists of two vacant land plots totaling 123,534 sqm, located at Jalan H. Abdul Salam Teluk Merbau, Berakit Village, Teluk Sebong District, Bintan Regency, Kepulauan Riau Province, Indonesia.
- The Property has a CPS Latitude of 1.215221 and longitude of 104.550315.
- Situated on the outskirts of Berakit Village, the site is located at Jalan H. Abdul Salam Teluk Merbau. It is approximately 1 kilometre west of Berakit International Ferry Terminal, 3 kilometres west of the village office of Berakit, and 2 kilometres to the west of the crossroads Pantai Trikora and H. Abdul Salam.
- The surrounding developments comprise of medium and low-rise resorts and is largely vacant. Infrastructure is fairly developed in this area.
- Nearby attractions within proximity of the property include Berakit Village, Port of Berakit and the northern white sandy beach coastline. Bintan Brzee Resort and Berakit Bay Resort are within proximity.
- Registered Owner** : PT. East Bintan Resort
- Subject Property is held on one leasehold land title (SHGB) registered in the name of PT. East Bintan Resort, and one Land Transfer Act.
- Basis of Valuation** : Market Value 'As Is'
- Valuation Approach** : Market (Comparable) Approach

There are three methods of valuation which are in common usage: the cost approach, market approach (comparable market transactions), and income method. We have used the market approach in undertaking our valuation of the subject property as this is the most common method adopted by investors in assessing vacant land without development permissions or a master plan. This method is the simplest and most direct approach and is based upon comparing the property to be valued against the prices obtained for similar properties in recent transactions in the open market. The major problem, however, is to identify similar transactions in the same operating environment, which are recent enough to be relevant and for which sufficient relevant data relating to the sale and its conditions are available.

The valuation has been carried out in accordance with The Royal Institution of Chartered Surveyors (RICS) Valuation Standards and Guidelines, incorporating International Valuation Standards (IVS).

Our valuation is on the basis of Market Value which is intended to mean the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted

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knowledgeably, prudently and without compulsion.

This definition of value is consistent with the international definition of Market Value as advocated by the International Valuation Standards Council (IVSC), and where applicable, local valuation standards.

Land area : 123,534 sqm

Tenure : Right to build, long leasehold with expiry 2046 (which can and will be extended)

We understand the land is located within a tourism zone.

Date of Valuation : 30 June 2022

Valuation : **Opinion of Value:**
IDR65,900,000,000
(Sixty-Five Billion Nine Hundred Million Indonesian Rupiah Only)

Equivalent to circa IDR533,500 per sqm.

Equivalent to circa S\$6,100,000 adopting exchange rate of IDR10,672:S\$1 as at 30 June 2022.

**Assumptions, Disclaimers,
Limitations &
Qualifications**

It is assumed that the Property is free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In arriving at our estimates, we have taken into consideration the current substantial impact the Covid-19 pandemic is having on the real estate, travel and hospitality sector across Indonesia and globally; and its anticipated recovery period, which as at the valuation date remains uncertain.

Real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. Colliers' valuation professionals have consulted with market participants in preparation of this assignment to understand and best address how the subject property may be impacted. As such, given the unknown future impact that Covid-19 might have on the real estate market, we recommend that you keep the valuation of the property under frequent review.

This opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

The valuation and market information are not guarantees or predictions and must be read in consideration of the Valuation Report dated 30 June 2022.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analysis, opinion and conclusion.

This letter and the valuation summary do not contain all the necessary data

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and information included in arriving at our valuation opinion.

Prepared By

: Govinda Singh FCCA FCMA MRICS
Executive Director
Registered Valuer #6367479
Colliers – Asia

He has been assisted by a team of valuers and analysts in preparing this valuation.

They and Colliers have no pecuniary interest that could reasonably be regarded as being capable of affecting their respective abilities to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject property.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Sitra Holdings (International) Limited

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Sitra Holdings (International) Limited (the “**Company**”) will be held by way of electronic means (via live audio-visual webcast or live audio-only livestream) on 30 September 2022 at 10:00 am for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution:

All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular issued by the Company to the Shareholders dated 15 September 2022 (the “**Circular**”).

AS ORDINARY RESOLUTION: PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

IT IS RESOLVED:

- (a) THAT the proposed acquisition by the Company of 46 ordinary shares in the capital of Mapur Rocky Resort Limited on the terms and conditions set out in the SPA be and is hereby approved; and
- (b) THAT the Directors and any one of them be and is/are hereby authorised and empowered to approve, complete and do all such acts and things (including without limitation, to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable or necessary or in the interests of the Company to give effect to this resolution as they or he may deem fit.

BY ORDER OF THE BOARD

Joanna Lim
Company Secretary
15 September 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- 1) A member (other than a Relevant Intermediary (as defined below)) entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- 2) The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898; or electronically via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com not later than 48 hours before the time appointed for the holding of the EGM.
- 3) Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the EGM. Relevant intermediary is either:
 - a. a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - b. a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - c. the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1953 of Singapore (the "CPF Act"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), and (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty. The shareholder's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a shareholder of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ADDITIONAL INFORMATION ON EXTRAORDINARY GENERAL MEETING ON FRIDAY, 30 SEPTEMBER 2022 AT 10.00 A.M. (“EGM”) TO BE HELD BY WAY OF ELECTRONIC MEANS

1) No Despatch of Printed Copies of Circular, Notice of EGM and Proxy Form

Printed copies of this Circular, the Notice of EGM and the Proxy Form (collectively, the “**EGM Documents**”) will NOT be sent to Shareholders of the Company. Instead, the EGM Documents will be made available to members of the Company by electronic means via publication on SGXNet at <https://www.sgx.com/securities/company-announcements>.

2) No Physical Attendance at EGM

The EGM is being convened, and will be held, by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will not be allowed to attend the EGM in person and no Shareholders or their corporate representatives will be admitted.

3) Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (A) attending the EGM via electronic only means (including arrangements by which the EGM can be accessed via “live” webcast or “live” audio feed);
- (B) submitting questions in advance of, or live at, the EGM, and addressing of substantial and relevant questions in advance of, or live at, the EGM; and
- (C) voting at the EGM (i) live by the Shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means; or (ii) by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM.

4) Pre-Registration to Observe and/or Listen to the EGM Proceedings

Shareholders must pre-register themselves, or, where applicable, their appointed proxy(ies) (other than the Chairman of the EGM), at the pre-registration website at the URL: <https://globalmeeting.bigbangdesign.co/sitra2022egm/> from now till Wednesday, 28 September 2022 at 10.00 a.m. (“**Registration Deadline**”) to enable the Company to verify their status as Shareholders.

Following the verification, authenticated Shareholders will receive an email by 5.00 p.m. on 29 September 2022. The email will contain login credentials and instructions to access the live audio-visual webcast or audio-only of the EGM proceedings. Shareholders who do not receive an email by 5.00 p.m. on 29 September 2022, but have registered by 10.00 a.m. on 28 September 2022, should contact our webcast service provider at <https://globalmeeting.bigbangdesign.co/sitra2022egm/> for assistance.

Persons who hold shares through relevant intermediaries, including CPF and SRS investors, and who wish to participate in the EGM should approach their respective relevant intermediaries at least seven (7) working days before the EGM in order for necessary arrangements to be made for their participation in the EGM.

5) Submitting Questions in Advance of, or Live at, the EGM

(i) Submission of questions in advance of the EGM

Shareholders may submit substantial and relevant questions relating to the resolution to be tabled for approval at the EGM in advance of the EGM. Such questions must be received by the Company no later than **10.00 a.m. on 22 September 2022**, and can be submitted in either of the following manner:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- Via the pre-registration website at <https://globalmeeting.bigbangdesign.co/sitra2022egm/>.
- Via email to sg.is.proxy@sg.tricorglobal.com.
- By post to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898.

To ensure that Shareholders' substantial and relevant questions are received by the company by the stipulated deadline, Shareholders are strongly encouraged to submit their questions via the pre-registration website and/or via email.

For verification purpose, when submitting any questions via email or by post, Shareholders MUST provide the Company with their particulars (comprising full name (for individuals) / company name (for corporations), email address, contact number, NRIC / passport / registration number, shareholding type and number of shares held).

(ii) Submission of questions live at the EGM

All Shareholders, or where applicable, their appointed proxy(ies), who have pre-registered for the EGM may also ask the Chairman of the EGM substantial and relevant questions relating to the Resolutions to be tabled at the EGM for approval, live at the EGM, by typing in and submitting their questions through the live chat function via the platform. Shareholders will not be able to ask questions live at the EGM via the audio-only stream of the EGM proceedings.

The Company will endeavour to address the substantial queries from members prior to, or at the EGM and upload the Company's responses on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. The minutes of the EGM, which including responses to substantial queries from the Members which are addressed during the EGM (if any), shall thereafter be published on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>, within one (1) month from the conclusion of the EGM

6) **Vote Live, or Appoint Proxy(ies) to Vote, at the EGM**

Shareholders who wish to exercise their voting rights at the EGM may:

- (where such Shareholders are individuals) vote live via electronic means at the EGM;
- (where such Shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the EGM) to vote live via electronic means at the EGM on their behalf; or
- (where such Shareholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM.

Vote Live at the EGM

Shareholders, who wish to vote live via electronic means at the EGM must first pre-register themselves at the pre-registration website at <https://globalmeeting.bigbangdesign.co/sitra2022egm/>.

"Live" voting will be conducted during the EGM. It is important for Shareholders and proxies to have their own web-browser enabled devices ready for voting during the EGM. Examples of web-browser enabled devices include mobile smartphones, laptops, tablets or desktop computers with internet capabilities.

Shareholders, or where applicable, their appointed proxy(ies) must access the EGM proceedings via the "live" webcast in order to vote live at the EGM and will not be able to do so via the "live" audio feed of the EGM proceedings. Instructions will be provided at the start of the EGM on how to vote.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Appointment of Proxy(ies)

- (i) Shareholders who wish to appoint proxies (other than the Chairman of the EGM) to attend the EGM and vote “live” at the EGM on their behalf must do both of the following:
 - (A) complete and submit the Proxy Form in accordance with the instructions below; and
 - (B) pre-register the proxy(ies) at the pre-registration website by the Registration Deadline at <https://globalmeeting.bigbangdesign.co/sitra2022egm/> by 28 September 2022 at 10.00 a.m.
- (ii) As an alternative to “live” voting, Shareholders may also vote at the EGM by appointing the Chairman as proxy to vote on their behalf in respect of all the Shares held by them.

If a Shareholder wishes to appoint a proxy or proxies (including the Chairman) to vote at the EGM on their behalf, duly completed Proxy Forms must be submitted with the Company in the following manner:

- a. if submitted by post, be deposited at the Company’s Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or
- b. if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com.

in either case, by **10.00 a.m. on 28 September 2022** (being 48 hours before the time fixed for holding of the EGM). Shareholders may download the Proxy Form from SGXNET at <http://www.sgx.com/securities/company-announcements>.

A Shareholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and submitting it by email to the email address provided above. **In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

In the Proxy Form, the Shareholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the Resolutions to be tabled at the EGM. If no specific direction as to voting is given, the proxy (including the Chairman of the EGM if he/she is appointed as proxy) will vote or abstain from voting at his/her discretion.

In view of section 81SJ(4) of the SFA, a depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his/her name appears in the depository register maintained by the CDP at least seventy-two (72) hours before the EGM. Any Shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the EGM will not be entitled to attend and vote at the EGM. Accordingly, even if such Shareholder deposits his/her proxy form forty-eight (48) hours before the EGM, the proxy(ies) (including the Chairman of the EGM) will not be entitled to vote on his/her behalf at the EGM, and the Company may reject any such instrument appointing the proxy.

A Shareholder (who is not a Relevant Intermediary) entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on his/her/its behalf. A proxy need not be a Shareholder. Any appointment of a proxy by a Shareholder attending the EGM shall be null and void and such proxy shall not be entitled to vote at the EGM. Where a Shareholder appoints two proxies, the appointments shall be invalid unless he/she/it specifies the number of Shares or proportion of his/her/its shareholding to be represented by each proxy.

A Shareholder, who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints two or more proxies, the appointments shall be invalid unless such Shareholder specifies the number of Shares to be represented by each proxy.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Voting by Investors Holding Shares through Relevant Intermediaries (including CPF/SRS Investors)

Investors holding Shares through Relevant Intermediaries (including CPF/SRS investors) may exercise their votes in the following manner:

- i. vote “live” at the EGM, if they are appointed as proxies by their respective Relevant Intermediaries (including CPF agent banks and SRS operators); or
- ii. specify their voting instructions to/arrange for their votes to be submitted by their respective Relevant Intermediaries (including CPF agent banks and SRS operators).

Investors holding Shares through Relevant Intermediaries should not make use of the Proxy Form. Only investors holding Shares through Relevant Intermediaries that have been duly appointed as proxies by their respective Relevant Intermediary may vote “live” at the EGM.

CPF/SRS investors who wish to exercise their votes should approach their respective CPF agent bank/SRS operator at least seven working days before the EGM.

7) Voting Results

An independent scrutineer will be appointed by the Company to direct and supervise the counting and validation of all valid votes cast through “live” voting and through Proxy Forms received as of the above-mentioned deadline. The voting results will be announced during the EGM (and displayed onscreen for the “live” webcast) in respect of the resolution put to the vote at the EGM. The Company will also issue an announcement on SGXNET on the results of the resolution put to vote at the EGM.

Important reminder: The Company would like to remind Shareholders that, with the constantly evolving COVID-19 situation, the situation is fluid and the Company may be required to change its EGM arrangements at short notice. Shareholders should check SGXNet for updates on the EGM.

The Company would like to thank all Shareholders for their patience and co-operation in enabling the Company to hold its EGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

PROXY FORM

SITRA HOLDINGS (INTERNATIONAL) LIMITED

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

EXTRAORDINARY GENERAL MEETING

IMPORTANT:

A member will not be able to attend the Extraordinary General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it may:

- (a) (where the member is an individual) vote "live" via electronic means at the Extraordinary General Meeting, or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Extraordinary General Meeting) to vote "live" via electronic means at the Extraordinary General Meeting on his/her/its behalf; or
- (b) (where the member is an individual or a corporate) appoint the Chairman of the Extraordinary General Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting. In appointing the Chairman as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 21 September 2022.

PERSONAL DATA PRIVACY: By submitting this Proxy Form, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 15 September 2022.

I/We, _____ NRIC/Passport No./Co. Reg No.: _____

of _____
being a member/members of Sitra Holdings (International) Limited (the "**Company**") hereby appoint:

Name	Address	Email address	NRIC/ Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

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as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and at the Extraordinary General Meeting ("**EGM**") of the Company to be held by way of electronic means on 30 September 2022 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarised below, the proxy/proxies will vote or abstain from voting at his/their discretion.

Ordinary Resolution	Number of Votes For	Number of Votes Against	Number of Votes Abstain
To Approve the Proposed Acquisition as an Interested Person Transaction			

Note:

- If you wish to exercise all your votes "For", "Against" or "Abstain" the resolution, please insert [✓] within the relevant box provided. Alternatively, please indicate the number of Shares as appropriate.
- Please note that the short descriptions given above of the resolution to be passed do not in any way whatsoever reflect the intent and purpose of the resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of EGM dated 15 September 2022 for the full purpose and intent of the resolutions to be passed.

Dated this _____ day of _____ 2022.

Total Number of Shares held	
CDP Register	
Register of Members	

Signature(s) of Member(s) or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. If the Shareholder has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the Shareholder has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the Shareholder has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the Shareholder.
2. A Shareholder will not be able to attend the EGM in person. A Shareholder (whether individual or corporate) must appoint a proxy(ies) or the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM.
Where a Shareholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the EGM. Relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1953 of Singapore (the "CPF Act"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the EGM by 10.00 a.m. on 21 September 2022.
4. The Chairman of the EGM, as proxy, need not be a Shareholder of the Company.
5. A Shareholder of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his stead at the EGM. Such proxy need not be a Shareholder of the Company.
6. The Proxy Form can be submitted in the following manner by 10.00 a.m. on 28 September 2022, being at least 48 hours before the time for holding the EGM:
 - (i) if submitted via email, to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com;
 - (ii) if submitted electronically, be lodged at the pre-registration website at <https://globalmeeting.bigbangdesign.co/sitra2022egm/>; or
 - (iii) if submitted by post, be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898.A Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before scanning and sending it by email to the email address provided above, or submitting it by post to the address provided above.
In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.
7. The instrument appointing a proxy(ies) must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorised.
8. Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:
 - (a) by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
9. The Company shall be entitled to reject the Proxy Form if it is incomplete or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the EGM as proxy). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
Shareholders should take note that once this proxy form is submitted electronically via email to sg.is.proxy@sg.tricorglobal.com or posted/deposited to office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, they cannot change their vote as indicated in the box provided above.

Fold along this line

Affix
Postage
Stamp
Here

SITRA HOLDINGS (INTERNATIONAL) LIMITED
c/o Tricor Barbinder Share Registration Services
80 Robinson Road, #11-02 Singapore 068898

Fold along this line