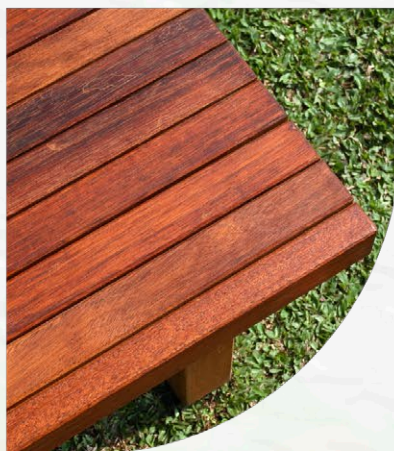


Projecting a Steady Growth

ANNUAL REPORT 2021



This annual report 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 rules of Singapore Exchange Securities Trading Limited (the "SGX-ST").

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

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

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Sitra Holdings (International) Limited (“Sitra” or the “Company”) and its Subsidiaries (the “Group”) is an international distributor of high-quality wood-based products and premium lifestyle outdoor furniture. The Group markets its products under its proprietary Comcia, decKING and Pacific brand ranges. The Group’s products can be categorised into two main categories, namely (I) high-value wood-based products such as decks and deckings systems, flooring, a full range of fences, and other DIY products; and (II) premium lifestyle furniture such as outdoor garden furniture, garden accessories and contract furnishings.

Sitra was awarded the Forest Stewardship Council (“FSC”) Chain of Custody aimed towards responsible forestry management since 2007. The timber used to manufacture its products can be traced throughout the supply chain from the source of timber to the sale of Sitra’s products.

In 2021, Sitra introduced a range of products derived from controlled sources under the Programme for the Endorsement of Forest Certification (“PEFC”) to our buyers which

demonstrate that the PEFC Due Diligence System has been implemented for our products. This is a further step to provide assurance that forests are managed in line with challenging environmental, social and economic requirements and to broaden our sustainability journey.

The Group serves a network of over 290 corporate customers in 58 countries spanning North America, Europe, Australia/New Zealand and the Asia.

With its lifestyle furniture, Sitra developed its own products and brands and have gained a following amongst customers in Europe.

On 4 October 2019, the Group acquired a 54% equity interest in Mapur Rocky Resort Limited with the intention to diversify the business into resort and holiday homes development. The Group’s core businesses now include distribution of wood-based products and property development in Bintan, Indonesia. The Group will further assess the Covid-19 situation before progressing materially on its property development division.

Our Brands

Comcia

Under the Comcia brand, we provide a wide variety of high value wood-based products such as decking, flooring, fencing, door and window components and other moulded products. Each category of our wood-based products offer different designs, specifications and dimensions to suit the varying requirements of our customers.

decKING

As our decking products gain in momentum, the “decKING” brand name was developed in 2004, to reflect our vision – that is to be a leader in this growing segment.

Pacific

The “Pacific” range of brands was developed in 2003 as we embarked on a new segment of business outdoor lifestyle furniture. The word, Pacific, signifies peace and the feeling of being at one with nature.

Sustainable Design

We aim to promote a message of sustainability for the future and this will also ensure longevity and sustainability in the supply of hardwood. In addition, the Group has put in place a Responsible Wood Purchasing Programme to ensure that timber is sourced only from forests engaged in responsible forest management.

Forest Stewardship Council ("FSC")

FSC is an international organization that brings people together to find solutions which promote responsible stewardship of the world's forests. FSC is also set out to promote environmentally appropriate, socially beneficial and economically viable management of the world's forests.

Through consultative processes, FSC sets international standards for responsible forest management. It accredits independent third party organisations which can certify forest managers and forest product producers to FSC standards.

Program for the Endorsement of Forest Certification (PEFC) – Controlled Sources

PEFC, is a leading global alliance of national forest certification systems. As an international non-profit, non-governmental organization, it promotes sustainable forest management through independent third-party certification.

Sustainable forest management certification assures that forests are managed in line with challenging environmental, social and economic requirements.

PEFC Controlled sources are wood and wood products that have undergone a rigorous due diligence assessment to ensure that the material does not originate from controversial sources and that it is of legal origin.

The due diligence process includes assessments to ensure compliance with local, national or international legislation applying to forest-related activities, in particular the following:

- Legality of forest operations, harvesting, conservation and biodiversity management
- Management of areas with high environmental and cultural values
- Protection of endangered species
- Health and labour issues relating to forest workers

Dear Shareholders,

On behalf of the Board of Directors (“BOD”) of Sitra Holdings (International) Limited, together with its subsidiaries, (the “Group”), it is my pleasure to share the annual report of the Company for the financial year ended 31 December 2021 (“FY2021”).

During FY2021, the COVID-19 pandemic continued to pose challenges to businesses globally. By extension, global supply chain issues such as warehousing availability, capacity shortages, port congestions and rocketing freight rates were further exacerbated.

On the property development end, we did not manage to make any progress due to the disruptions and varying safety measures and regulations from the ongoing COVID-19 pandemic.

Our main core businesses of timber and wood-based products as well as lifestyle outdoor furniture remain resilient. With the change in work practices to working from home or more flexible work arrangements, demand for our wood-based products continued to grow. Notwithstanding the abovementioned challenges of COVID-19 pandemic and global supply chain issues, revenue picked up 54% from \$17.3 million in FY2020 to reach \$26.6 million in FY2021. The growth was mainly due to a significant increase in the sales of the wood-based products in all our key markets, with contribution from e-commerce platforms. Gross profit had an upturn of 87% to \$2.6 million in FY2021 (FY2020: \$1.4 million).

Looking ahead, 2022 will likely be filled with the same challenges we faced in the prior years, and added to them, the impact from growing global political tensions. To reduce and avoid any disruptions as well as cater to fluctuating needs of our customers due to the pandemic, the Group continues to diversify our sources of supply from more suppliers. We also foresee to continue facing challenges in the supply chain and higher costs in the logistics area. Nevertheless, we shall closely monitor the situation and adjust our sails along the way. For the property development division, the Group will further assess the Covid-19 situation before taking any material course of action.

I would like to take this opportunity to express my gratitude to all our stakeholders, especially our Board of Directors for their invaluable contribution and stewardship; our Management and staff for their commitment towards the Group; as well as our customers, suppliers and business partners for their continued confidence and support in us. Last but not least, to our valued shareholders, I wish to express our gratitude for your continuous faith and trust in Sitra.

Yours faithfully,

Mr Chew Hua Seng
Non-Executive Chairman

Revenue

Revenue increased from \$17.3 million in FY2020 to \$26.6 million in FY2021, an increase of \$9.3 million. The increase was due to the surge in demand and orders for our wood-based products from all our key markets.

Based on geographical breakdown of the Group's revenue, the Australia/New Zealand market brought in revenue of \$10.1 million in FY2021, an increase of \$5.1 million over the \$5.0 million in FY2020. Revenue from our key Europe market increased \$4.0 million to \$16.0 million in FY2021, and revenue of Asia/Others increased \$0.3 million to \$0.6 million in FY2021.

Cost of Sales and Gross Profit Margin

Alongside the increase in revenue, the cost of sales increased by \$8.1 million from \$15.9 million to \$24.0 million in FY2021. Gross profit margin grew 1.7% from 8.0% in FY2020 to 9.7% in FY2021, mainly due to the increase in e-commerce sales of the French subsidiary.

Selling and Distribution Expenses

Selling and marketing distribution increased by \$0.2 million from \$0.4 million in FY2020, a result of higher employee compensation, commission pay-out and advertisement expenses from the higher revenue achieved for the year in review.

Administrative Expenses

Administrative expenses increased by \$0.2 million from \$2.0 million in FY2020 to \$2.3 million in FY2021, due mainly to the higher legal and professional fees incurred.

Other Gains/(Losses) - Net

Other gains and losses reversed from a loss of \$5.8 million in FY2020 to a gain of \$0.2 million during the year in review. This was due mainly to the absence of fair value loss on the value of the Group's 10% shares in World Furnishing Hub Pte Ltd ("WFH") following our full disposal of our entire shareholding interest in January this year.

Finance Expenses

Finance expenses decreased by \$0.017 million to \$0.046 million due to the partial advance repayment of term loan during the year.

Without the abovementioned fair value loss for the Group's share in WFH, the Group recorded a net loss of \$0.2 million for FY2021 compared to the loss of \$6.6 million in the previous corresponding year.

BALANCE SHEET

Current Assets

Total current assets increased by \$0.1 million to \$8.0 million as at 31 December 2021.

Financial Assets at fair value through profit or loss decreased to \$1.9 million as at 31 December 2021 compared to \$3.7 million in the previous corresponding period.

Trade and other receivables increased by \$0.6 million to \$2.3 million in FY2021, mainly due to the increase in trade receivables stemming from the surge in sales during the second half of FY2021. Other receivables increased approximately \$0.09 million due to a slight increase in GST receivables, offset by a slight fall in advance to suppliers that relates to the advances made to the non-related parties on confirmed purchase orders, which are refundable.

Inventories increased \$0.9 million as at 31 December 2021, in tandem with the increase in revenue.

Non-Current Assets

Property, plant and equipment remained largely unchanged at \$11.02 million in FY2021 compared to \$10.98 million in FY2020, with the increase mainly contributed by additional Right-of-Use of lease of premises of \$0.15 million during the year. Other than that, there were no significant purchases or disposals of property, plant and equipment during the financial year. Property, plant and equipment comprised mainly the property in Bintan acquired in October 2019 as well as the Group's land and factory in Indonesia.

Current Liabilities

Current trade and other payables reduced \$1.6 million to \$2.8 million in FY2021. In other payables, there were no payables to directors recorded compared to FY2020's \$2.3 million mainly due to the exercise of the Put Option for 255 million Option Shares during the financial year.

Current borrowings increased by \$0.1 million from \$0.3 million in FY2020 to \$0.4 million in FY2021 mainly due to an increase in bank overdraft by \$0.2 million to \$0.3 million, offset by the decrease in term loan repayment by \$0.1 million from \$0.2 million in FY2020 to \$0.1 million this year.

Non-Current Liabilities

Non-current borrowings decreased \$0.9 million to \$0.4 million in FY2021, mainly due to a partial advance repayment of \$0.9 million on 14 October 2021 and the monthly repayments of borrowing in the financial year 2021.

Share Capital and Reserves

Share capital increased by \$2.8 million from \$23.0 million in FY2020 to \$25.8 million in FY2021. The increase was due mainly to the exercise of the Put Option for 255 million Option Shares on 21 September 2021, and the Aggregate Option Exercise Price of \$2.8 million was set off against the outstanding amount due to the subscriber, which is one of the directors, as discussed in the above paragraph for Current Liabilities; and offset by the share issue expenses of \$4,050.

Non-Controlling Interests

Non-controlling interest remained relatively stable at \$3.7 million as at 31 December 2021.

Cash Flow

Net cash used in operating activities before working capital changes was \$0.001 million. Net cash used by the working capital changes was \$1.1 million, mainly arising from:

- (a) an increase in trade and other receivables of \$0.6 million;
- (b) an increase in inventories of \$0.9 million;
- (c) a decrease in other current assets of \$0.04 million; and
- (d) an increase in trade and other payables of \$0.4 million.

Net cash used in operating activities amounted to \$1.2 million.

Net cash generated from investing activities was \$1.8 million, generated mainly from proceeds of disposal of financial assets at fair value through profit or loss of \$1.9 million, offset by additions of property, plant and equipment of \$0.03 million.

Net cash used in financing activities was \$0.4 million, mainly due to:

- (a) repayment of term loan of \$1.1 million;
- (b) payment of lease liabilities of \$0.08 million; and
- (c) proceeds from a director loan (net) of \$0.8 million.

The Group had cash and cash equivalents of \$0.725 million at the end of the financial year 31 December 2021 (31 December 2020: \$0.239 million).

Mr Chew Hua Seng

*Non-Executive Director and
Non-Executive Chairman*

Date of Appointment as Director:

21 October 2019

Date of last re-election: 5 June 2020

Nature of Appointment: *Non-Executive Director*

Board Committees served on:

Member of Nominating Committee

Mr Chew Hua Seng is the Founder, Chairman and CEO of Raffles Education Corporation Limited ("RafflesEducation"). Under his astute leadership, RafflesEducation has grown to become the premier private education provider.

Mr Chew has led RafflesEducation to achieve an excellent track record of growth since founding the Group in 1990. RafflesEducation listed on the Singapore Exchange in 2002 and was ranked amongst the Top 200 Asia-Pacific companies on Forbes Asia's "Best Under a Billion" list for four consecutive years, from 2006 to 2009. Mr Chew holds a Bachelor's Degree in Business Administration from the University of Singapore (now known as the National University of Singapore) and was awarded the National University of Singapore Business School Eminent Business Alumni Award in November 2010 for his outstanding achievements. Mr Chew was also conferred the Public Service Medal in 2010 by the President of Singapore for his contribution to community service.

In 2007, Mr Chew established the Chew Hua Seng Foundation (the "Foundation") to further charitable causes, predominantly in education. Commissioned with the motto "Compassion through the Generations", the Foundation's mission is aligned with RafflesEducation's overarching principle to provide the invaluable gift of education to needy youths, with a special focus to support poor students in the Asia-Pacific region.

Mr Guo Shaozeng

Non-Executive Director

Date of Appointment as Director:

21 October 2019

Date of last re-election: 5 June 2020

Nature of Appointment: *Non-Executive Director*

Board Committees served on:

Member of Remuneration Committee

Mr Guo Shaozeng has more than 20 years of experience in enterprise management and financial investments. Prior to joining the group, he was one of the co-founders of China Fortune Land Development Co., Ltd. Mr Guo oversaw the company's investment, financial management and strategic development.

Mr Guo in 2012 also established Poplar Capital Group as the founding partner. Poplar Capital Group engages in both domestic and international capital market activities, as well as global enterprise integration. Its investment focuses on small to medium sized enterprises in ecological environment, clean technology, healthcare, smart cities and high-tech sectors.

Mr Guo holds a Ph.D in Finance from the PBC School of Finance (PBCSF), Tsinghua University, a Master Degree from Tsinghua University and an EMBA Degree from Tsinghua PBCSF.

Mr Sim Guan Seng*Lead Independent Director***Date of Appointment as Director:** 1 June 2021**Nature of Appointment:** *Independent Non-Executive***Board Committees Served on:** *Chairman of Audit Committee and a member of Nominating and Remuneration Committees*

Mr Sim is a partner of Baker Tilly TFW LLP, a top 10 professional services firm offering audit, tax, advisory, accounting, and corporate secretarial services. Prior to this he was the Managing Partner of Baker Tilly TFW LLP from 2010 to 2019. He is also holds directorships in Darco Water Technologies Limited, Anglican Preschool Services Limited (previously known as St James Preschool Services (Anglican) Ltd, National Volunteer and Philanthropy Centre.

Mr Sim has a Bachelor of Accountancy (Hons) from the National University of Singapore. He is also a practicing member of the Institute of Singapore Chartered Accountants and a certified internal auditor as conferred by the Institute of Internal Auditors.

Mr Chan Hock Keng*Independent Director***Date of Appointment as Director:** 1 July 2021**Nature of Appointment:** *Independent Non-Executive***Board Committees Served on:** *Chairman of Nominating Committee and a member of Audit and Remuneration Committees*

Mr Chan Hock Keng was appointed as an Independent non-executive director on 1 July 2021. Mr Chan is a partner of M/s WongPartnership LLP and heads its Commercial & Corporate Disputes Practice. He obtained his law degree from the University of Bristol in 1992 where he graduated top of his class with first class honours and was awarded the Sweet & Maxwell Law Prize. He started his legal career in 1993 in the Supreme Court as a justices' law clerk for the judges of the Court of Appeal and entered private practice in 1994 as a litigation and arbitration lawyer.

Mr Chan is Honorary Legal Adviser to the Singapore Medical Association, a member of the Publications Committee of the Singapore Academy of Law, a panel member of the Inquiry Committee as well as a panel member of the Disciplinary Tribunal appointed by the Chief Justice to hear complaints against lawyers. He is also a member of the Income Tax Board of Review and Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry.

Mr Lim Kian Thong

Independent Director

Date of Appointment as Director: 2 August 2021

Nature of Appointment: *Independent Non-Executive*

Board Committees Served on: *Chairman of Remuneration Committee and a member of Audit and Nominating committees*

Mr Lim is a non-executive independent director of Sitra Holdings (International) Limited.

Mr Lim is Group CFO of iFAST Corporation Ltd, which is listed on the SGX. Mr Lim has more than 30 years of management, accounting, financial, treasury and investment banking experience gained from working as top management and board members in various financial institutions and a manufacturing company. Prior to his appointment as non-executive independent director to our Group in August 2021, he was the Deputy COO of iFast Financial Pte.Ltd. after relinquishing the roles of Chief Financial Officer and Board Executive Director of a company previously listed on the Premium Main Market of The London Stock Exchange. From 2005 to 2019, he held the appointments of CEO and Board Executive Director of two foreign stockbroking companies based in Singapore and was the Director, Equity Capital Markets of a local stockbroking company. In these various management roles, he was responsible for managing the investment banking and stockbroking businesses, as well as specialised in initial public offerings and secondary placements. Mr Lim has a Bachelor of Accountancy degree from National University of Singapore and a Master of Business Administration (Banking & Finance) degree from Nanyang Technological University, Singapore. He is also a Fellow, Chartered Accountant of Singapore and Fellow, CPA Australia.

Mr Steven Chew Chiew Siang

Executive Director

Date of Appointment as Director: 20 September 2006

Date of last re-election: 27 April 2017

Nature of Appointment: Executive Director

Mr Steven Chew has been with the Group for more than 29 years and has significant experience in international marketing and operations.

Mr Steven Chew is in charge of formulating the Group's marketing strategies for new and existing export markets, new designs, products launch as well as the sourcing, distribution and marketing of our wood base and lifestyle products.

Mr Steven Chew is currently the Vice-President of the Singapore Furniture Industries Council ("SFIC"), a position he has been holding since 2012 and a Non-Executive Chairman of SFIC Institute Pte Ltd, a wholly owned subsidiary of the SFIC. He also served as Secretary General of the Asean Furniture Industries Council ("AFIC") from 2008 to 2010.

Mr George Chew Ah Ba*Director Of Timber Division*

Mr George Chew is the co-founder of our Group. Mr Chew has been with our Company since its incorporation in 1979. He is responsible for the overall management, strategic planning and business development of our Group's timber division in Singapore and globally. He has more than 40 years of experience in the timber industry and was instrumental to the establishment, development and expansion of our Group's business. Prior to joining our Group, Mr Chew was a director of Joseph Timbermart Pte Ltd from 1975 to 1979 where he was responsible for its sales and marketing. Mr Chew has completed two terms (total 4 years) as President of the Catholic Business Network in March 2012.

Madam Lim Sook Hwa*Vice President Operations*

Madam Lim Sook Hwa was appointed VP-Operations in November 2006. She has been with the group for more than 26 years. Madam Lim is in charge of formulating the group's pricing plans/ strategies and suppliers and customers relationship management and oversees various key operational functions including logistics planning and purchasing of our Group's timber division.

Mr Mok Kam Wah*Chief Financial Officer*

Mr Mok Kam Wah was appointed as Chief Financial Officer on 10 August 2021.

Mr Mok has over 30 years of experience in finance and operations. He previously served at Raffles Iskandar Sdn Bhd ("RISB"), Malaysia. RISB owns and manages Raffles University, a multi-faculty and comprehensive university approved by the Malaysian Ministry of Higher Education. RISB is a joint venture between Raffles Education Corporation Ltd, Singapore, and EduCity Iskandar Sdn Bhd (formerly known as Education@Iskandar Sdn Bhd), Malaysia.

During his 23-year tenure at Raffles, he served multiple positions from Finance Officer of a college to Chief Financial Officer ("CFO") and Vice President, Administration, and Admission of a University, and Vice President, Malaysia operations of the Raffles Education Corporation Ltd where he led and drove both the financial as well as operations of a College and a University in Malaysia.

Mr Mok holds a Master of Business Administration from The University of Nottingham, United Kingdom. He is also a member of the Malaysian Institute of Accountants (Malaysia) and a fellow member of The Association of Chartered Certified Accountants (UK).

Board of Directors

Chew Hua Seng (*Non-Executive Chairman*)

Guo Shaozeng (*Non-Executive Director*)

Chew Chiew Siang, Steven (*Executive Director*)

Sim Guan Seng (*Lead Independent Director*)

Chan Hock Keng (*Independent Director*)

Lim Kian Thong (*Independent Director*)

Company Secretaries

Joanna Lim Lan Sim, ACIS

Chan Lai Yin, ACIS

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Catalist Sponsor

RHT Capital Pte. Ltd.

6 Raffles Quay, #24-02

Singapore 048580

Share Registrar

Tricor Barbinder Share Registration Services
(a business division of Tricor Singapore Pte Ltd.)

80 Robinson Road #11-02

Singapore 068898

INDEPENDENT AUDITOR

Moore Stephens LLP

Public Accountants and Chartered Accountants

10 Anson Road

#29-15 International Plaza

Singapore 079903

Partner-in-charge: Neo Keng Jin

Date of appointment: Appointed during the
financial year ended 31 December 2021

Sitra Holdings (International) Limited (the “Company”) is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the “Group”). As a Catalist sponsored issuer, the Company is required to comply with Section B of the SGX-ST Listing Manual (“Rules of Catalist”). This report describes the Company’s corporate governance processes and activities that were in place throughout the financial year, with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “Code”) issued on 6 August 2018.

For the financial year ended 31 December 2021 (“FY2021”), the Company has complied with the core principles of corporate governance laid down by the Code. The Company has also largely complied with the provisions that reinforce the principles of the Code and in areas where there are variations from the provisions of the Code (namely, variations from Provisions 2.2, 2.4, 8.1, 11.4 and 12.2), appropriate explanation and the reasons for variations has been provided within this report. The Board considers that the alternative corporate governance practices adopted are consistent with the intent of the relevant principle of the Code.

BOARD MATTERS

The Board’s Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provisions Corporate Governance Practices of the Company

1.1 **Directors are fiduciaries who act objectively in the best interests of the Company**

The Board plays an effective role in leading and controlling the long-term corporate goals and strategies of the Group. It has overall responsibility for corporate governance, strategic policies and direction, key business initiatives, major funding and investment proposals, key capital expenditure decisions and other matters to be implemented by management to ensure that the Group’s strategies and affairs are in the interests of the Company and its shareholders. In addition to its statutory responsibilities, the Board approves the Group’s financial plans and reviews its financial performance periodically.

All Directors exercise due diligence and independent judgement and are obliged to act in good faith and consider at all times the best interests of the Company. Where there are conflicts of interest, directors recuse themselves from discussions and decisions involving the issues of conflict.

1.2 **Directors’ induction, training and development**

New Directors, upon appointment, will be briefed on the business and organisation structure of the Group. The Directors may participate in seminars and/or discussion groups to keep abreast of latest developments which are relevant to the Group.

To keep abreast with developments in corporate, financial, legal and other compliance requirements, Directors are encouraged to attend relevant courses and seminars funded by the Company. Additionally, new updates relating to changes to the listing Rules issued by the Singapore Exchange Securities Trading Limited which are relevant to the Directors are circulated to the Board. The external auditors also update the AC and the Board on the new and revised accounting standards that are applicable to the Group.

A formal letter is sent to newly-appointed directors upon their appointments explaining their duties and obligations as directors. New Directors, upon appointment, will also be briefed on their duties and obligation as Directors. The Directors are aware of the requirements in respect of disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company’s securities and restrictions on the disclosure of price-sensitive information. The Directors are also informed of regulatory changes initiated by or affecting the Company.

Provisions **Corporate Governance Practices of the Company**

The Company has a budget for all Directors to attend appropriate courses, conferences and seminars for them to stay abreast of relevant business development and outlook. These include programmes run by the Singapore Institute of Directors (“**SID**”) or other training institutions.

Mr. Chan Hock Keng, the newly appointed Director, being a first-time director of a Singapore Listed Company, has registered for the Listed Entity Directors Programme conducted by the Singapore Institute of Directors to familiarize himself with the roles and responsibilities of a director of a Singapore Listed Company.

1.3 Matters requiring Board’s approval

Key matters which are specifically reserved for decision making by the full Board include, among others, those involving material acquisitions and disposals of assets, corporate and/or financial restructuring, share issues, dividends, other returns to shareholders, interested person transactions, announcements of the Group’s half yearly and full year financial results and matters that require shareholders’ approval.

1.4 Board Committees

The Board is supported by the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”), each of whose members are drawn from members of the Board (together “**Board Committees**” and each a “**Board Committee**”). Each Board Committee has its own written terms of reference and whose actions are reported to and monitored by the Board. Minutes of the Board Committee meetings are available to all Board members. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. A summary of the activities of the AC, the NC and the RC during FY2021 are also included within this report.

1.5 Board Meetings and Attendance

The Board has held meetings for particular and specific matters as and when required. The Company’s constitution (the “Constitution”) allows a Board meeting to be conducted by way of teleconference or videoconference. A record of the directors’ attendance at meetings of Board and Board Committees for the financial year ended 31 December 2021 (“**FY2021**”), as well as frequency of such meetings, is set out in **Table A**. Sufficient time and attention are being given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations as set out in **Table C**.

1.6 Access to information

The members of the Board are provided with adequate and timely information prior to Board meetings, and on an on-going basis. The Board has separate and independent access to the Group’s senior management and the Company Secretary at all times. Requests for information from the Board are dealt with promptly by management. The Board is informed of all material events and transactions as and when they occur.

Provisions Corporate Governance Practices of the Company

1.7 **Access to Management and Company Secretary**

The Board seeks independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The Directors, whether as a group or individually, may seek and obtain legal and other independent professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as Directors.

The Company Secretary provides corporate secretarial support to the Board and ensures adherence to Board procedures and relevant rules and regulations which are applicable to the Company. The Company Secretary assists the Chairman by preparing meeting agenda, attending Board and Board Committee meetings and preparing minutes of proceedings. Under the direction of the Chairman, the Company Secretary, with the support of management staff, ensures good information flows within the Board and the Board Committees and between senior management and Non-Executive Directors. The appointment and replacement of the Company Secretary is a Board reserved matter.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions Corporate Governance Practices of the Company

2.1 **Director Independence**

The Board comprises six Directors, of whom two are Non-Independent Non-Executive Directors; three are Non-Executive Independent Directors and one Executive Director. There is an independent element on the Board, with 50% of the Board comprising Independent Directors. A summary of the current composition of the Board and its committees is set out in **Table B**.

The NC reviews the independence of each Director on an annual basis and adopts the Code's definition of what constitutes an Independent Director. An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. Rule 406(3) (d) of the of the Listing Manual Section B, Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Rules of Catalist**") also sets out circumstances under which a director will not be independent.

Each Independent Director is required to provide an annual confirmation of his independence based on the guidelines as set out in the Code. None of the NEIDs has a relationship with the Company, its related corporations, its substantial shareholders (holding 5% or more of the shares) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. None of the NEIDS has served on the Board for more than nine years.

Provisions **Corporate Governance Practices of the Company**

2.2 Independent directors make up a majority of the Board if Chairman is not independent

The Chairman of the Board is not an Independent Director. Where the Chairman is not independent, the independent directors should make up a majority of the Board. In this regard, while independent directors do not make up a majority of the Board, more than one-third of the Board is made up of independent directors. There is only one executive director and the Chairman of the Board is not an executive director. The Directors consider that the Board's present size of 6 members is of the appropriate size and accordingly, no additional independent directors are proposed to be appointed in order for independent directors to make up a majority of the Board. In addition, the Board is of the view that the independent directors have demonstrated high commitment in their role as directors and have ensured that there is a good balance of power and authority. The Company will endeavor to comply with the requirement for independent directors to make up a majority of the Board at the appropriate time.

2.3 Non-executive directors make up a majority of the Board

The Company has conformed to the Code's provision for majority of the Board to make up of non-executive directors.

2.4 Board Composition

The Board currently does not have a formal diversity policy but recognizes the importance of an appropriate balance and diversity of skills, experience, age, gender, knowledge and professional qualifications in building an effective Board. For this purpose, the NC reviews the Board's collective skills matrix during the annual assessment of the effectiveness of the Board. The Board considers that the present Board size is appropriate, taking into account the nature and scope of the Group's operation. The current Board comprises Directors who as a group provide core competencies, such as business and management experience, industry knowledge, financial and strategic planning experience and knowledge that are necessary and critical to meet the Group's objectives. The biographies of all Board members are set out in the section entitled "Board of Directors".

2.5 Meeting of non-executive directors and/or independent directors without management

The Non-Executive Directors aim to assist in the development of proposals on strategy by constructively challenging management. The Non-Executive Directors would also review the performance of management in meeting. Where warranted, the Non-Executive Directors meet without the presence of management or Executive Directors to review any matters that should be raised privately.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

<u>Provisions</u>	<u>Corporate Governance Practices of the Company</u>
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3.1	Separation of the roles of the Chairman and the Chief Executive Officer (“CEO”)
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Mr. Chew Hua Seng currently fulfills the role as the Non-Executive Chairman of the Company. As Chairman, he provides leadership to the Board. Besides giving guidance on the corporate direction of the Group, the role of the Chairman includes the approving the agendas of Board meetings and ensuring accurate, adequate and timely flow of information between the Board, management and shareholders of the Company.

The Company does not have the position of Chief Executive Officer. The Company will commence the search for the new CEO when there is greater certainty once the Covid-19 situation stabilises. The CEO's responsibilities have been assumed by the existing Management staff.

3.2	Division of responsibilities between the Chairman and CEO
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As Chairman, Mr. Chew Hua Seng, with the assistance of the Company Secretary and Management, schedules Board meetings as and when required and prepares the agenda for Board meetings. In addition, he sets guidelines on and ensures quality, quantity, accuracy and timeliness of information flow between the Board, Management and shareholders of the Company. He encourages constructive relations between the Board and Management and between the Executive Directors and the independent directors.

The CEO's responsibilities have been assumed by the existing Management staff who manages the business operations of the Group.

In this sense, the Chairman and the CEO are separate persons and their roles are segregated to ensure an appropriate balance and separation of power and authority, increased accountability and clear division of responsibilities.

3.3	Lead Independent Director
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The Board has appointed Mr. Sim Guan Seng as the Lead Independent Director (“LID”) and he will be available to address any shareholders' concerns when contact through the normal channels via the Chairman, Executive Director or other management executive have failed to provide satisfactory resolution or when such contact is inappropriate or inadequate.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions Corporate Governance Practices of the Company

4.1 **Role of Nominating Committee**

The Board, in conjunction with the NC, reviews the composition of the Board and Board Committees annually, taking into account the performance and contribution of each individual director. Board composition is also evaluated to ensure diversity of skills, experience, age and gender diversity are maintained within the Board and Board committees.

The principal functions of the NC stipulated in its terms of reference are summarized as follows:

- (a) Reviews and recommends to the Board on all Board appointments;
- (b) Reviews the Board structure, size and composition and recommends to the Board with regards to any adjustments that are deemed necessary;
- (c) Reviews and determines annually the independence of each director;
- (d) Assesses the effectiveness of the Board and the academic and professional qualifications of each individual director; and
- (e) Reviews and recommends Directors retiring by rotation for re-election at each Annual General Meeting ("AGM").

Summary of NC's activities in 2021

- (i) Reviewed the Board's composition and size, Director's tenure, competencies and outside commitments, attendance, nomination of directors for re-election and the appointment of financial controller and chief financial officer;
- (ii) Reviewed the need to renew the Board by bringing in candidates with the requisite experience;
- (iii) Reviewed the major themes arising from the annual Board Committees and Board performance review process and considered whether any aspects of the Board's oversight framework could be strengthened; and
- (iv) Reviewed the Director's independence criteria and assessment process.

4.2 **Composition of NC**

The NC, regulated by a set of written terms of reference, comprises four members, the majority of whom, including the NC Chairman, are Independent Non-Executive Directors. The NC meets at least once a year. The lead independent director is a member of the NC. The names of the NC members are disclosed in **Table B**.

Provisions Corporate Governance Practices of the Company

4.3 **Board renewal and succession planning**

The NC is responsible for identifying and recommending new board members to the Board, after considering the necessary and desirable competencies of the candidates which include:

- (i) academic and professional qualifications;
- (ii) industry experience;
- (iii) number of other directorships and principal commitments;
- (iv) relevant experience as a Director; and
- (v) ability and adequacy in carrying out required tasks.

The NC leads the process for Board appointments and makes recommendations to the Board. The integrated process of appointment includes:

- a. developing a framework on desired competencies and diversity on Board;
- b. assessing current competencies and diversity on Board;
- c. developing desired profiles of new Directors;
- d. initiating search for new Directors including external search, if necessary;
- e. shortlisting and interviewing potential Director candidates;
- f. recommending appointments and retirements to the Board; and
- g. carrying out re-election at general meeting.

In accordance with the Constitution, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), shall retire from office by rotation, so that all Director shall retire from office once at least every three years. All directors, including Executive Directors, must submit themselves for re-nomination and re-appointment at least once every three years in accordance with Rule 720(4) of the Rules of Catalyst.

All newly appointed directors will have to retire from office at the next AGM following their appointments pursuant to Article 97 of the Company's Constitution. The retiring directors are eligible to offer themselves for re-election. The following directors will retire in accordance with the respective provisions of the Company's Constitution at the forthcoming AGM and have been re-nominated for re-election:

Steven Chew Chiew Siang	(Article 91)
Sim Guan Seng	(Article 97)
Chan Hock Keng	(Article 97)
Lim Kian Thong	(Article 97)

The NC has recommended the nomination of the directors retiring under Articles 91 and 97 of the Company's Constitution for re-election at the forthcoming AGM. The Board has accepted the NC's recommendation and accordingly, the above-mentioned directors will be offering themselves for re-election at the forthcoming AGM.

Provisions **Corporate Governance Practices of the Company**

4.4 **Circumstances affecting Director's independence**

The NC determines the independence of each director annually, and as and when circumstances require, based on the definitions and guidelines of independence as set forth in Provision 2.1 above. The Board, after taking into consideration the views of the NC, is of the view that Mr. Sim Guan Seng, Mr. Chan Hock Keng and Mr. Lim Kian Thong are independent. Please also refer to Provision 2.1 above for further information on the declaration of independence submitted by the independent directors to the NC for assessment and consideration.

4.5 **Multiple listed company directorships and other principal commitments**

The NC reviews annually the time commitment of directors. Notwithstanding that some of the Directors have multiple board representations, the NC is satisfied that sufficient time and attention were expended by the directors on the affairs of the Company and each Director was able to and has been adequately carrying out his duties as a Director of the Company.

The NC and the Board are of the opinion that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many other factors such as whether they are in full time employment and their other responsibilities or principal commitments. In addition, the Board representations presently held by its Directors do not impede the performance of their duties to the Company. No alternate Director has been appointed to the Board. Further information on the directorships and principal commitments of each director are disclosed in **Table C**.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions **Corporate Governance Practices of the Company**

5.1 **Assessment of effectiveness of the Board and Board Committees and assessing the contribution by individual directors**

The NC is responsible for assessing the effectiveness of the Board as a whole, the Board Committees and where appropriate, the contribution of each individual Director. The NC is also responsible for deciding how the Board's performance may be evaluated, proposing objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company.

5.2 **The evaluation of the Board is conducted annually. This evaluation was carried out by having all Board members to complete a questionnaire individually. The assessment parameters include evaluation of the Board's composition, size, skills matrix and expertise, timeliness of information flow and quality of information to the Board, Board pro-activeness, Board accountability and oversight, succession planning as well as standards of conduct. The annual evaluation exercise also provides an opportunity to obtain constructive feedback from each Director on whether the Board committees are functioning properly, and whether the Board's procedures and processes have allowed each Director to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness as a whole.**

For the year under review, the NC assessed the efficiency and effectiveness of the Board Committees in assisting the Board based on the assessment criteria which include amongst others, the Board Committees' composition and size, sufficient and relevant expertise and useful recommendations in assisting the Board for better decision-making, the interaction among committee members, reporting to the Board and recording of minutes.

Provisions Corporate Governance Practices of the Company

For the year under review, there was also a self-appraisal to evaluate each director's performance and contribution. Self-appraisal forms were sent to the directors for completion and the results were reviewed by the NC and the Board. Factors which were taken into account include readiness to contribute at meetings of Board and Board Committees, contribution of effort such as preparedness, being informed and having sufficient knowledge of the Company's business, personal relationships with fellow directors and professionals. Additionally, the process to the re-nomination of Directors for the current year takes into account their attendances, commitment of time and contributions made at meetings of Board and Board Committees, general meetings as well as informal contribution via e-mail and telecommunication discussion.

No external facilitators were used in the assessment of the Board and its Board Committees.

REMUNERATION MATTERS

Procedures for developing remuneration policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions Corporate Governance Practices of the Company

6.1 **RC to recommend remuneration framework and packages**

The principal function of the RC is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of Directors and key management personnel of the Group.

The RC recommends to the Board a remuneration framework for the Directors and key management personnel and makes remuneration recommendations, in consultation with the Chairman, the specific remuneration packages for each Executive Director. The recommendations of the RC are subject to the final decision and endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are reviewed by the RC. Any Director who may have an interest in the outcome of the Board decisions is required to abstain from participation in the approval process.

6.2 **Composition of RC**

The RC, regulated by a set of written terms of reference, comprises four members, all of whom are Non-Executive Directors, the majority of whom, including the RC Chairman, are independent. The names of the members of the RC are disclosed in **Table B**.

6.3 **RC to consider and ensure all aspects of remuneration is fair**

The RC considers all aspects of remuneration, namely, director's fees, salaries, allowances, bonuses, share-based incentives and awards, other benefits and termination terms, to ensure that they are fair. The remuneration packages of the executive Directors are based on their respective service agreements. The service agreements of the executive directors are for a period of two years. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the executive directors and key management personnel.

6.4 **Expert advice on remuneration**

No independent consultant is engaged to advise on the remuneration of all directors. The Company will seek independent expert advice should such need arise.

Provisions Corporate Governance Practices of the Company

Summary of RC's activities in 2021

- (i) Reviewed the remuneration packages for each executive director; key management personnel (who are not also directors or the CEO); and employees who are substantial shareholders, or are immediate family members of a director, the CEO or substantial shareholder;
- (ii) Review the performance bonus for Executive Director and Senior Management staff;
- (iii) Reviewed the outstanding balance owing to each Non-executive Independent Director; and
- (iv) Reviewed the remuneration level for Non-executive independent and non-independent Directors;

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions Corporate Governance Practices of the Company

7.1 & 7.3 **Remuneration of executive directors and other key management personnel are appropriately structured to link rewards to performance**

The Company's remuneration policy is to provide compensation packages at market rates which reward good performance and attract, retain and motivate Directors and managers.

The Company has entered into a separate service agreement ("Service Agreement") with the Executive Director, Mr. Steven Chew. Under the Service Agreement, his salary is subject to annual review by the Board and the Executive Director does not receive a Director's fee.

The Chairman is consulted by the RC on matters relating to the key management personnel who report to him on matters relating to the performance of the Company.

The remuneration of the Group's key management personnel takes into account the pay and employment conditions within the industry and is performance-related. The Company has not adopted the use of contractual provisions to reclaim incentive components of the remuneration of executive directors and key management personnel as it was considered unnecessary in the Company's current context.

7.2 **Remuneration of non-executive directors dependent on contribution, effort, time spent and responsibilities**

In reviewing the recommendation for independent Non-Executive Directors' remuneration for FY2021, the RC had continued to adopt a framework of basic fees for serving on the Board and Board Committees, as well as fees for chairing each Board Committee and the role of Lead Independent Director. The fees take into consideration the amount of time and effort that each Board member may be required to devote to their role. The fee structure is as follows:

	S\$
Base fee of Directors	10,000
AC Chairman	20,000
NC/RC Chairman	10,000
AC/NC/RC Member	5,000
Lead Independent Director	5,000

Provisions Corporate Governance Practices of the Company

Fees for Independent Non-Executive Directors are subject to the approval of shareholders at the AGM.

For non-executive and non-independent directors they are remunerated based on basic fees for serving on the Board and Board Committees.

DISCLOSURE OF REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions Corporate Governance Practices of the Company

8.1 **Remuneration disclosures of directors and key management personnel; Details of employee share schemes**

The Company discloses the remuneration paid to each Director and the key management personnel (who are not Directors or the CEO) using a narrower band of S\$100,000 to improve transparency.

Executive Directors do not receive directors' fees but are remunerated as members of management. The remuneration package of the Executive Directors and the compensation structure of the key management personnel (who are not Directors or the CEO) comprise three key components namely, basic salary, bonus and other benefits. The bonus component is based on the performance of the Group as a whole and their individual performance. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote long-term sustainability of the Group.

Regarding the Code's recommendation to fully disclose the remuneration of directors and the top five key management personnel (who are not directors or the CEO), given the highly competitive environment it is operating in and the confidentiality attached to the remuneration matters, the Company believes that disclosing remuneration using a narrower band of S\$100,000 and disclosing in aggregate the total remuneration paid to the Directors and the key management personnel (who are not Directors or the CEO) in percentages provide sufficient overview of the remuneration of Directors and the key management personnel (who are not Directors or the CEO).

Table D and Table D1 set out the breakdown of the remuneration of the Directors and the top five key management personnel (who are not Directors or the CEO), respectively, for FY2021.

8.2 **Remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company**

Saved as disclosed in **Table D1**, there are no other substantial shareholders of the Company, or immediate family member (defined in the Listing Manual as the spouse, child, adopted child, step-child, brother, sister and parent) of a director, the CEO or a substantial shareholder, in the employment of the Company whose annual remuneration exceeded S\$100,000 during FY2021.

8.3 **Details of Employee share schemes**

The Company has two share incentive schemes known as the Sitra Holdings Employee Share Option Scheme (the "**Scheme**") and the Sitra Holdings Performance Share Plan (the "**Plan**") which was approved at the Extraordinary General Meeting of the Company held on 30 April 2015. Both Scheme and the Plan are administered by the RC, comprising Mr Lim Kian Thong (Chairman), Mr. Guo Shaozeng, Mr Sim Guan Seng and Mr Chan Hock Keng as at the date of this report. The Circular to Shareholders containing the details of both Scheme and Plan are available to shareholders upon their request.

Provisions Corporate Governance Practices of the Company

No share options or share awards were granted under the Scheme or Plan for FY2021.

Disclosure on all forms of remuneration has been sufficiently disclosed in this report under Principles 6, 7 and 8 and in the financial statements of the Company and the Group.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provisions Corporate Governance Practices of the Company

9.1 **Board determines the nature and extent of risks**

The Group's system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss. During the year, the AC, on behalf of the Board and through the assistance of internal and external auditors, had reviewed the effectiveness of the Group's internal control systems as well as its financial, operational, compliance and information technology controls, and risk management systems. The process used by the AC to monitor and review the effectiveness of the system of internal controls and risk management includes:-

- (i) discussions with management on risks identified by management;
- (ii) the audit processes;
- (iii) the review of internal and external audit plans; and
- (iv) the review of significant issues arising from internal and external audits.

The Group had engaged external consultants from Mazars LLP to set up an Enterprise Risk Management (ERM) Framework (the "**ERM Framework**"), which governs the risk management process in the Group. Through this framework, risk capabilities and competencies would be continuously enhanced. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The risk management process in place covers, *inter alia*, financial, operational, compliance and information technology risks faced by the Group. The key risks of the Group are deliberated by the Management and reported to the AC. The AC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environment which the Group operates in.

Based on the framework established, the work carried out by the internal and external auditors, the discussion with the auditors and management including the assurance received from the CEO and Group Financial Controller as described below, the Board opines, with the concurrence of the AC, that there are adequate controls in place within the Group to address its key financial, operational, and compliance risks at reporting date. Additionally, the Board is satisfied that it has a risk management system in place to address the Group's key risks including information technology risk.

Provisions Corporate Governance Practices of the Company

Management assists the Board in its oversight of the Company's risk management framework and policies by regularly reviewing the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and AC. Details of the Group's risk management policy are set out in Note 26 "Financial Risk Management" of the Notes to Consolidated Financial Statements of the Group.

9.2 **Assurance from the Executive Director, Chief Financial Officer and other key management personnel**

The Board has received assurance from (a) the Executive Director and the Chief Financial Officer that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Executive Director and other key management personnel who are responsible, that the Company's risk management and internal control systems are adequate and effective.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provisions Corporate Governance Practices of the Company

10.1 **Duties of AC**

The AC has specific written terms of reference and performed the following key functions:

- (a) Reviews the audit plans of the external auditor and internal auditor, including the review of the auditors' evaluation of the adequacy of the Company's system of internal controls, their report to management and the management's response.
- (b) Reviews the balance sheet of the Company, the consolidated financial statements of the Group and the external auditor's report on those financial statements, and discusses any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards (International), concerns and issues arising from external audit including any matters which the auditor may wish to discuss in the absence of management, where appropriate, before submission to the Board for approval;
- (c) Reviews and discusses with the auditors on any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the operating results or financial position including management's response to these matters;
- (d) Reviews the co-operation given by the Company's officers to the auditors;
- (e) Reviews the nature and extent of all non-audit services provided by the Group's external auditor, if any, and determine if such services would affect the independence of the external auditor; Nominates auditor for appointment or re-appointment;
- (f) Reviews internal control procedures and guidelines for all interested person transactions, and if during these periodic reviews, the AC believes that the procedures are not sufficient, the Company will revise the internal control procedures;
- (g) Reviews and ratifies all interested person transactions falling within the scope of Chapter 9 of the Rules of Catalist, if any;
- (h) Reviews any potential conflicts of interest;

Provisions

Corporate Governance Practices of the Company

- (i) Undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (j) Reviews the appointment of different external auditors for its subsidiaries and/or significant associated companies (if any); and
- (k) Undertakes such other functions and duties as may be required by the relevant laws or provisions of the Rules of Catalist (as may be amended from time to time).

Apart from the above functions, the AC will commission and review the findings of internal investigations into matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the operating results and/or financial position.

In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution.

Moore Stephens LLP, the Company's external auditor, carried out, as part of their statutory audit, a review of the effectiveness of the Company's internal accounting controls on an annual basis. Any material internal accounting control weaknesses noted in the course of the statutory audit were reported by the external auditor to the AC.

The AC also meets with the Company's external and internal auditors without the presence of management. Ad-hoc meetings may be carried out from time to time, as circumstances require.

In recommending the re-appointment of the auditors, the Audit Committee considered and reviewed various factors including the adequacy of resources, the experience of the auditing firm and the audit engagement partner, the firm's other audit engagements, the number and experience of supervisory and professional staff to be assigned to the audit, the size and complexity of the Group and its businesses and operations. The AC shall continue to monitor the scope and results of the external audit, its cost effectiveness, as well as the independence and objectivity of the external auditors and give its recommendations to the Board and the Company regarding the appointment, re-appointment or removal of the external auditors.

The total audit fees paid to the external auditor are stated on page 64 of this Annual Report. There were no non-audit fees payable to the external auditor in FY2021 that would affect the independence of the auditor. The AC having assessed the independence of auditor and size of resources and expertise, has recommended to the Board the re-appointment of Moore Stephens LLP as auditor of the Company.

The AC had recommended and the Board had approved the tabling of the re-appointment of Moore Stephens LLP as auditors of the Company for shareholders' approval at the forthcoming AGM. The auditors, Moore Stephens LLP have indicated their willingness to accept re-appointment.

Provisions

Corporate Governance Practices of the Company

Rule 1207
(18A) and
Rule 1207
18(B)

Whistle Blowing Policy. The Group has a Whistle-Blowing Policy where employees of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The policy establishes a confidential line of communication for the report of issues/concerns to any one of the AC members and provides for the protection of those who raise a concern in good faith against harassment or victimization. The complainant's identity shall also be kept confidential to the extent reasonably practical within the limits of the law.

The AC is the custodian of the policy and responsible for the overall oversight and monitoring of the policy and its implementation. The policy sets out the procedures and processes by which the AC assesses and reviews (in consultation with the Board of Directors and/or Management where appropriate or necessary) the nature of the complaint, the appropriate independent investigation to be conducted, the outcome of such investigation and the followed-up action to be taken. There was no reported incident pertaining to the whistleblowing policy in FY2021.

The AC has full access to and full co-operation of the Management and external auditors. It also has the full discretion to invite any Director or executive officer to attend its meetings. The AC also has the power to conduct or authorise investigations into any matters within its terms of reference.

Summary of AC's activities in FY2021

During the year, the AC performed the following activities including reviewing:

- a. the half yearly and full year financial statements including announcements to shareholders;
- b. the external auditor's plan (including, among others, the nature and scope of the audit before the audit commenced and the risk management issues of the Group);
- c. the internal auditor's plan and internal control report based on their evaluation of the system of internal controls;
- d. the external auditor's report on year end findings including their resolutions;
- e. the assistance given to the external and internal auditors by the Company's officers; and
- f. the consolidated financial statements of the Group, including the balance sheet of the Company.

Provisions

Corporate Governance Practices of the Company

Financial reporting and significant financial judgement

The AC noted the key audit matters (“KAMs”) raised by the external auditor in its audit report. These matters are considered significant as they involved significant judgement and estimates by management. Below are the AC’s commentary on these KAMs.

Key audit matters involving significant judgement and estimates	Matters considered	Conclusion by AC
Valuation of leasehold building and land classified under property, plant and equipment <i>Refer to Note 3.1 and Note 19 to the financial statements</i>	As at 31 December 2021, included in the Group’s property, plant and equipment are leasehold properties with carrying amount of \$10.707 million (2020: \$10.723 million) which represent 56% (2020: 57%) of the Group’s total assets. Leasehold properties consisted of right-of-use assets and leasehold land and buildings. Leasehold land and buildings are initially recognised at cost and are subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses. The valuation of the Group’s leasehold land and buildings was derived from the indicative value determined from the valuation reports performed by independent external valuers engaged by management. The independent external valuers adopted the depreciated replacement cost approach for the buildings and market approach for leasehold land. The valuation of land and buildings is identified as a key audit matter due to the magnitude of the carrying amount as at 31 December 2021. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The accounting policies for property, plant and equipment are set out in Note 2.5 to the financial statements.	Based on the AC’s discussion with management and the external auditor and review of the valuation report prepared by the independent external valuation expert, the AC concurred with management on the valuation of the Group’s leasehold land and buildings with carrying amount of \$10.707 million as at 31 December 2021.

Provisions

Corporate Governance Practices of the Company

Rule 1207(6), Rules 712 and 715 and/or Rule 716 of the Rules of Catalyst

The Board and AC have reviewed the appointment of different auditors for some of its subsidiaries and significant associated companies and were satisfied that such appointment would not compromise the standard and effectiveness of the audit of the Group and that Rule 716 of the Listing Manual has been complied with. Refer to Note 17 “Investment in subsidiary corporations” of the Notes to the Financial Statements for the subsidiaries audited by different auditors.

In appointing the audit firms for the Company, its subsidiaries and significant associated companies, the Audit Committee and the Board are satisfied that the Group has complied with Listing Rules 712, 715 and 716 of the Rules of Catalyst.

10.2

Composition of AC

The AC, regulated by a set of written terms of reference, comprises three members, all of whom including the Chairman are Independent Non-Executive Directors. The names of the members of the AC are disclosed in **Table B**. The members of the AC, collectively, have the expertise or experience in accounting, financial reporting and financial management and are qualified to discharge the AC’s responsibilities.

10.3

AC does not comprise former partners or directors of the Company’s auditing firm

None of the AC members were previous partners or directors of the existing auditing firm within the previous twelve months and none of the AC members hold any financial interest in the auditing firm.

10.4

Primary reporting line of the internal audit function is AC; internal audit function has unfettered access to Company’s documents, records, properties and personnel

The Group has outsourced its internal audit function to external audit professionals, Mazars LLP. The internal auditor (“IA”) plans its internal audit schedule and scope of work in consultation with the AC and reports directly and independently to the AC. Being an independent function; the internal audit work is conducted with impartiality and professional care and in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA has full access to all the Group’s documents, records, properties and personnel, including the AC.

To ensure that the IA is staffed with relevant, qualified and experienced persons, the AC approves the hiring, removal, evaluation and compensation of the IA. The IA has confirmed that all its team members are equipped with and practising the recommended standards of internal audit. The AC is satisfied that the internal audit function is staffed with suitably qualified and experienced professionals with the relevant experience

The Board recognized that it is important to maintain a system of internal controls to safeguard shareholders’ investments and the Group’s businesses and assets, while the management is responsible for establishing and implementing effective internal control procedures. The role of IA is to assist the AC in ensuring that controls are properly in place, effective and functioning as intended.

The internal auditor prepares and executes a risk-based audit plan, which complements that of the external auditor, so as to review the adequacy and effectiveness of the Group’s financial, operational, compliance and information technology controls, and risk management. The IA will follow up on all recommendations to ensure that Management has implemented them on a timely and appropriate manner and reports the results to the AC.

In addition, the independent auditor will highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All internal and external audit findings and recommendations made by the internal and external auditors are reported to the AC. Significant issues are discussed at AC meetings.

Provisions **Corporate Governance Practices of the Company**

The FY2021, internal audit review was carried out by Mazars LLP. No significant internal control weaknesses were noted by Mazars LLP during their internal audit review in FY2021 and the Group's activities remained largely similar to prior year with no major changes in products, processes, policies, systems, management and people. Management and AC plan to discuss with Mazars LLP the key processes in FY2022 to be subjected to internal audit review.

10.5 **AC meets with the auditors without the presence of Management annually**

Annually, the AC meets with the external auditors without the presence of Management. The AC also meets with the internal auditors without the presence of Management to review any important matters that should be discussed.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions **Corporate Governance Practices of the Company**

11.1 **Company provides shareholders with the opportunity to participate effectively and vote at general meetings**

The management supports the Code's principle and encourages shareholder participation and voting at general meetings. Shareholders are encouraged to attend the Company's AGM to stay informed of the Company's strategy and goals. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the AGM. All shareholders of the Company will receive the annual report and notice of AGM. The notice will also be advertised in the newspapers. Results announcements, any other material information or press releases are also made available to the public through SGXNET.

In accordance with Rule 730A(2) of the Listing Manual and to have greater transparency in the voting process, the Company conducts the voting of all its resolutions by poll at its AGM. The detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total number of votes cast for or against the resolutions is also announced after the meetings via SGXNET.

In view of the current COVID-19 situation, the Annual Report, Notice of AGM and Proxy form will be made available to shareholders solely by electronic means via publication on SGXNET. The upcoming AGM will be held by way of electronic means. Shareholders may submit questions in advance of the AGM and appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM.

11.2 **Separate resolution on each substantially separate issue**

Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

Provisions

Corporate Governance Practices of the Company

11.3 All Directors attend general meetings

All directors will be in attendance at the Company's AGM to address shareholders' questions relating to the work of the Board and Board Committees. The external auditors have also been invited to attend the AGM and will be available to assist the directors in addressing any shareholders' queries relating to the conduct of audit and the preparation and content of the auditors' report.

Due to Covid pandemic, the Company is holding its AGM via electronic means. Directors will address the shareholders' queries prior to and during the electronic AGM if required.

All directors attended the Company's AGM duly held on 30 April 2021 via electronic means. A record of the directors' attendance at AGM is set out in **Table A**.

11.4 Company's Constitution on absentia voting of shareholders

Under the Company's Constitution and pursuant to the Companies Act 1967 (the "CA"), a relevant intermediary (as defined in the CA) may appoint more than two proxies to attend AGMs and any other general meeting. The Company allows relevant intermediaries such as the Central Provident Fund Board or corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such bodies can attend and participate in general meetings as proxies. A registered shareholder who is not a relevant intermediary may appoint up to two proxies. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other issues are satisfactorily resolved. Accordingly, the Company's Constitution does not currently expressly provide for such absentia voting methods at general meetings of shareholders.

11.5 Minutes of general meeting are published via SGXNet and on the Company's website

Questions, comments received from shareholders and responses from the Board and Management were recorded in the minutes of general meetings or separately announced. In view of the requirements of Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies') Order 2020, the Company had published the minutes of its 2021 Annual General Meeting on SGXNet within one month after the date of the meeting.

11.6 Dividend Policy

The Company does not have a dividend policy based on payout ratio. As the Company had accumulated losses as at 31 December 2021 and its current priority is to achieve long-term capital growth for the benefit of shareholders, any profits generated shall therefore be retained for investment into the future. The Board will continue to monitor the financial position of the Company and will propose dividends at the appropriate time to the best interest of the shareholders. No dividend has been proposed for FY2021.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions Corporate Governance Practices of the Company

12.1 **The Company provides avenues for communication between the Board and shareholders**

The Board views the general meetings as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the Directors or management questions regarding the Company and its operations.

The Company communicates information to shareholders and the investing community through announcements that are released to the SGX-ST via SGXNET. Such announcements include the half yearly and full year results, material transactions and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the Rules of Catalist.

Investor relations (if any) and mechanism of communication between the shareholders and the Company

12.2 Although the Company has not put in place an investor relations policy to promote regular and proactive communication with shareholders, the Company will review such a need when the need arises. The Company strengthens relationships with the investing community and solicits their views through one-on-one meetings.

12.3 The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the Rules of Catalist and the Singapore Companies Act, Chapter 50, the Board's policy is that all shareholders should be equally, adequately and timely informed of all major developments impacting the Group. Price-sensitive information and results are released to the public through SGXNET on a timely basis in accordance with the requirements of the Rules of Catalist.

The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions Corporate Governance Practices of the Company

Engagement with material stakeholder groups

13.1 The Company has appropriate channels in place to identify and engage with its key stakeholder groups. The Company recognizes the importance of understanding the Group's businesses and regular interactions with key stakeholders to determine material issues for the Group's businesses.

Provisions **Corporate Governance Practices of the Company**

13.2 The Company embarked on a stakeholder engagement exercise with customers, shareholders, employees, suppliers, Government and Regulatory Agencies and the media in FY2019 for its sustainability reporting. The objective was for the Company to identify areas that are material, sustainable and necessary for future development. Feedback from all stakeholder groups was solicited through open dialogues on a regular basis. Internal stakeholder workshops for account-drivers and overseas markets were also organized to gather more in-depth views to enhance the Company's sustainability reporting.

13.3 **Corporate website to engage stakeholders**

The strategy and key areas of focus in relation to the management of stakeholder relationships are disclosed under "Accountability to Stakeholders" on Page 6 of the FY2020 Sustainability Report.

The Board views the general meetings as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the Directors or management questions regarding the Company and its operations.

OTHER CORPORATE GOVERNANCE MATTERS

Securities Transactions

Rule 1204(19) of the Rules of Catalyst The Company has adopted an internal policy to govern the conduct of securities transactions by its Directors and officers. The Company's Directors and officers are not allowed to deal in the Company's shares at least one month before the announcement of the Company's half yearly and full year results until the day after the announcement.

The Directors and officers should not deal in the Company's securities on short-term considerations.

Directors and officers are required to observe insider trading provisions under the Securities and Futures Act, Cap. 289 at all times; even when dealing in the Company's securities within the permitted trading periods. Directors of the Company are required to report all dealings to the Company Secretary.

MATERIAL CONTRACTS

Rule 1204(8) of the Rules of Catalyst Save for the service agreements entered into with Mr. Steven Chew which is still subsisting as at the end of FY2021, there are no material contracts involving the interests of the CEO, the Directors or controlling shareholders entered into by the Group which are still subsisting as at the end of the financial year or entered into during the financial year.

Rule 907 of the Rules of Catalyst **INTERESTED PERSON TRANSACTIONS**

The Company has established procedures to ensure that all transactions with interested persons are reported on in a timely manner to the AC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

During the year under review, there were no material interested person transactions of S\$100,000, or more during FY2021 requiring disclosure pursuant to the Rules of Catalyst.

Rule
1204(21) of
the Rules of
Catalist

CATALIST SPONSOR

The Company's sponsor, RHT Capital Pte. Ltd. had not rendered any non-sponsorship services to the Company for FY2021.

Rule 711A
-711B of
the Rules of
Catalist

SUSTAINABILITY REPORTING

The Company believes in contributing back to society in meaningful ways and continues to play our part in sustainable development. We believe that the effective management of environmental, social and governance (ESG) risks and opportunities can help us to deliver long-term value to our stakeholders.

The Company intends to publish its Sustainability Report for FY2021 (the "SR"), which is aligned to SGX-ST's Listing Rules – Sustainability Reporting Guide, by end of May 2022. This SR will be publicly accessible through the SGXNet.

TABLE A – DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS AND OTHER MEETINGS FOR FY2021

Directors	Board of Directors		Nominating Committee		Audit Committee		Remuneration Committee		AGM	EGM	Attendance	
	Number of Meetings											
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Attended	Attended	Total	%
Chew Hua Seng	2	2	2	2	2	2	1	1	1	2	9/9	100%
Guo Shao Zeng	3	3	1	1	2	2	1	1	1	2	9/9	100%
Chew Chiew Siang, Steven	3	3	2	2	2	2	1	1	1	2	11/11	100%
Chin Sek Peng, Michael ⁽¹⁾	3	3	2	2	2	2	1	1	1	1	10/10	100%
Ng Boon Huan, Daniels ⁽²⁾	2	2	1	1	1	1	1	1	1	1	7/7	100%
Tan Eng Kiat, Dominic ⁽³⁾	2	2	1	1	1	1	1	1	1	1	7/7	100%
Sim Guan Seng ⁽⁴⁾	2	2	1	1	1	1	–	–	1	1	6/6	100%
Chan Hock Keng ⁽⁵⁾	2	2	1	1	1	1	–	–	1	1	6/6	100%
Lim Kian Thong ⁽⁶⁾	2	2	1	1	1	1	–	–	1	1	6/6	100%

Notes:-

⁽¹⁾ Resigned on 29 October 2021

⁽²⁾ Resigned on 31 August 2021

⁽³⁾ Resigned on 31 July 2021

⁽⁴⁾ Appointed on 1 June 2021

⁽⁵⁾ Appointed on 1 July 2021

⁽⁶⁾ Appointed on 2 August 2021

CORPORATE GOVERNANCE REPORT

TABLE B – BOARD AND BOARD COMMITTEES AS AT THE DATE OF THIS REPORT

	Board	Nominating Committee	Audit Committee	Remuneration Committee
Non-Independent Directors				
Chew Hua Seng (non-executive)	Chairman	Member	–	–
Guo Shao Zeng (non-executive)	Member	–	–	Member
Chew Chiew Siang, Steven (executive)	Member	–	–	–
Independent Non-Executive Directors				
Sim Guan Seng (also Lead Independent Director)	Member	Member	Chairman	Member
Chan Hock Keng	Member	Chairman	Member	Member
Lim Kian Thong	Member	Member	Member	Chairman

TABLE C – DATE OF DIRECTOR'S INITIAL APPOINTMENT, LAST RE-ELECTION AND THEIR DIRECTORSHIPS/ PRINCIPAL COMMITMENTS

Name of Director	Age	Date of initial appointment	Date of last re-election	Present directorships in listed companies	Past (preceding 5 years) directorships in listed companies	Principal Commitments
Chew Hua Seng	68	21/10/2019	05/06/2020	- Raffles Education Corporation Limited - Oriental University City Holdings (H.K.) Limited - Sitra Holdings (International) Limited	–	Full time employment with Raffles Education Corporation Limited and its subsidiaries.
Guo Shaozeng	59	21/10/2019	05/06/2020	- Oriental University City Holdings (H.K.) Limited - Sitra Holdings (International) Limited - China Fortune Foundation Co., Ltd	China Fortune Land Development Co., Ltd	- Chairman of Partner Committee of Poplar Capital Group - Vice Chairman of the Bank of Langfang
Chew Chiew Siang, Steven	51	20/09/2006	05/06/2020	Sitra Holdings (International) Limited	–	Full time employment with the Group
Sim Guan Seng	62	01/06/2021	NA	- Sitra Holdings (International) Limited - Darco Water Technologies Limited	–	Assurance Partner of Baker Tilly TFW LLP
Chan Hock Keng	54	01/07/2021	–	Sitra Holdings (International) Limited	–	WongPartnership - Partner
Lim Kian Thong	59	02/08/2021	–	Sitra Holdings (International) Limited	- Capital World Limited - United Global Limited	iFAST Corporation Ltd – Group CFO

The term “principal commitments” includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, etc., Therefore, the disclosure is appropriate.

TABLE D – REMUNERATION OF DIRECTORS

The breakdown of the total remuneration of the directors of the Company for the year ended 31 December 2021 is set out below:

Name of Director	Position	Breakdown of Remuneration in Percentage				Actual Total Remuneration in Compensation Bands of \$100,000
		Directors' fees ⁽¹⁾	Salary ⁽²⁾	Other benefits ⁽³⁾	Total	
Chew Chiew Siang, Steven	ED	–	98.2%	1.8%	100%	\$200,001 - \$300,000
Chew Hua Seng	NENI	–	–	–	–	Nil
Guo Shaozeng	NENI	–	–	–	–	Nil
Chin Sek Peng, Michael ^(a)	NEID	100%	–	–	100%	<\$100,000
Ng Boon Huan, Daniels ^(b)	NEID	100%	–	–	100%	<\$100,000
Tan Eng Kiat, Dominic ^(c)	NEID	100%	–	–	100%	<\$100,000
Sim Guan Seng ^(d)	NEID	100%	–	–	100%	<\$100,000
Chan Hock Keng ^(e)	NEID	100%	–	–	100%	<\$100,000
Lim Kian Thong ^(f)	NEID	100%	–	–	100%	<\$100,000
The aggregate total remuneration of directors		\$121,666	\$241,606	\$4,411	\$367,683	
		33.1%	65.7%	1.2%	100.0%	

Notes

ED: Executive director

NEID: Non-executive independent director

NENI: Non-executive non-independent director

⁽¹⁾ The director's fees are subject to shareholders' approval at the Annual General Meeting.

⁽²⁾ Salary comprises basic salary, bonus, and the Company's contribution towards the Singapore Central Provident Fund where applicable.

⁽³⁾ Other benefits include transport allowance, motor vehicles running expenses and club subscription fees.

^(a) Resigned on 29 October 2021

^(b) Resigned on 31 August 2021

^(c) Resigned on 31 July 2021

^(d) Appointed on 1 June 2021

^(e) Appointed on 1 July 2021

^(f) Appointed on 2 August 2021

TABLE D1 – REMUNERATION OF KEY MANAGEMENT PERSONNEL

The breakdown of total remuneration of key management personnel of the Group (who are not directors or the CEO) for the year ended 31 December 2021 is set out below:

Name of Key Management Personnel	Position/ Relationship	Breakdown of Remuneration in Percentage			Actual Total Remuneration in Compensation Bands of \$100,000
		Salary ⁽¹⁾	Other Benefits ⁽²⁾	Total	
Chew Ah Ba	Director Timber Division/ Immediate family member of a director and substantial shareholders	97.6%	2.4%	100%	\$200,001 - \$300,000
Lim Sook Hwa Jacinta	Senior VP Operations / Immediate family members of a director and substantial shareholders	100%	–	100%	< \$100,000
Yong Wen Wei ¹	Chief Executive Officer	100%	–	100%	\$100,001 - \$200,000
Wong Kuan Kit, Keith ²	Financial Controller	100%	–	100%	< \$100,000
Leong Kim Hon ³	Financial Controller	100%		100%	< \$100,000
Mok Kam Wah ⁴	Chief Financial Officer	100%		100%	< \$100,000
The aggregate total remuneration of key management personnel		\$612,384	\$5,896	\$618,280	
		99.0%	1.0%	100%	

1 Resigned on 31 August 2021

2 Resigned on 31 May 2021

3 Appointed on 10 May 2021 and resigned on 20 August 2021

4 Appointed on 10 August 2021

Notes:

(1) Salary comprises basic salary, bonus, and the Company's contribution towards the Singapore Central Provident Fund where applicable.

(2) Other benefits include transport allowance, motor vehicles running expenses and club subscription fees.

The directors present their statement to the members together with the audited consolidated financial statements of Sitra Holdings (International) Limited and its subsidiary corporations (the "Group") for the financial year ended 31 December 2021 and the statement of financial position of Sitra Holdings (International) Limited (the "Company") as at 31 December 2021.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

The directors of the Company in office at the date of this statement are as follows:

Chew Hua Seng	
Guo Shaozeng	
Chew Chiew Siang, Steven	
Sim Guan Seng	(Appointed on 1 June 2021)
Chan Hock Keng	(Appointed on 1 July 2021)
Lim Kian Thong	(Appointed on 2 August 2021)

2 Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		
	At 1.1.2021	At 31.12.2021	At 21.01.2022
<i>The Company</i>			
<u>(No. of ordinary shares)</u>			
Chew Chiew Siang, Steven	24,393,900	24,393,900	24,393,900
Chew Hua Seng	399,033,520	654,033,520	654,033,520
Guo Shaozeng	364,313,780	400,000,000	440,000,000

By virtue of Section 7 of the Singapore Companies Act 1967 (the "Act"), Chew Hua Seng and Guo Shaozeng are deemed to have interests in all of the shares of the subsidiary corporations at the beginning and at the end of the financial year.

4 Share Options

Sitra Holdings Employee Share Option Scheme

The Sitra Holdings Employee Share Option Scheme (the "Scheme") of the Company was approved and adopted at the Extraordinary General Meeting of the Company held on 30 April 2015. The Scheme is administered by the Remuneration Committee (the "Committee") of the Company, comprising the four directors, Mr Lim Kian Thong (Chairman), Mr Guo Shaozeng, Mr Sim Guan Seng and Mr Chan Hock Keng. The Scheme shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date the Scheme was adopted by shareholders of the Company.

Other information regarding the Scheme is set out below:

- The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price (or such other percentage or amount prescribed or permitted by the Singapore Exchange Securities Trading Limited).
- The options shall be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 100 ordinary shares in the capital of the Company or any multiple thereof) at any time during the exercise period as defined in the circular of the Scheme and subject to and in accordance with the conditions applicable to that option.
- The options granted expire on the 10th anniversary of the date on which an offer to grant an option is made.

There were no unissued shares of the Company or its subsidiary corporations under options granted by the Company or its subsidiary corporations as at the end of the financial year.

Since the commencement of the Scheme, no options have been granted to the controlling shareholders of the Company or their associates (as defined in the SGX Trading Listing Manual) and no participant under the Scheme has been granted 5% or more of the total options available under the Scheme.

Since the commencement of the Scheme, no options have been granted to employees of the holding company or its related companies under the Scheme.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Share Sale cum Subscription and Option Agreement

The Company has entered into a share sale cum subscription and option agreement which resulted in an option granted to a director to subscribe up to 255,000,000 new ordinary shares in the capital of the Company (the "Option Shares") at an exercise price of S\$0.011 per share. The Option Shares shall be exercisable within a period of 24 months from the acquisition completion date of 4 October 2019. The Options Shares may be exercised at any time and from time to time in respect of any or all of the Option Shares, but each exercise shall be in respect of not less than 50,000,000 Option Shares.

On 21 September 2021, the Company exercised the put option to issue and allot 255,000,000 new ordinary shares to the director of the Company at the exercise price of S\$0.011 per share, with total consideration of S\$2,805,000.

5 Sitra Holdings Performance Share Plan

The Sitra Holdings Performance Share Plan (the "Plan") of the Company was approved and adopted at the Extraordinary General Meeting of the Company held on 30 April 2015. The Plan is administered by the Remuneration Committee (the "Committee") of the Company, comprising the four directors, Mr Lim Kian Thong (Chairman), Mr. Guo Shaozeng, Mr Sim Guan Seng and Mr Chan Hock Keng. The Plan shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date the Plan was adopted by shareholders of the Company.

The Plan is to complement the Scheme as disclosed above. The Plan is a share incentive plan that contemplates the award of fully paid ordinary shares in the capital of the Company ("Share Awards"), issued free of charge to the eligible participants (including confirmed group employees, group executive directors and non-executive directors, and controlling shareholders and their associates) as defined in the circular of the Plan under the Plan would incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Company.

The Share Awards granted under the Plan ("Awards") will be determined at the absolute discretion of the Committee. Participants are not required to pay for the grant of Awards.

Since the commencement of the Plan till the end of the financial year, no Awards have been granted to the employees, directors, and controlling shareholders and their associates of the Group.

6 Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Sim Guan Seng (Chairman)
Chan Hock Keng
Lim Kian Thong

All members of the Audit Committee were non-executive and independent directors.

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Act. In performing those functions, the Committee reviewed:

- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the compliance with legal and other regulatory requirements;
- the appointment of the independent auditor and review of the audit and non-audit fees;
- the assistance given by the Company's management to the independent auditor;
- the consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2021 before their submission to the Board of Directors, as well as the independent auditor's report on the consolidated financial statements of the Group and the statement of financial position of the Company;
- the scope and the results of internal audit procedures with the internal auditor;
- interested person transactions as defined under Chapter 9 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual to ensure that they are on normal commercial terms and not prejudicial to the interest of the Company or its shareholders; and
- the independence and objectivity of the independent auditor.

The Audit Committee has met with the independent auditor without the presence of the Company's management at least once a year.

The Audit Committee has recommended to the Board that the independent auditors, Moore Stephens LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

7 Independent Auditors

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Sim Guan Seng
Director

Chew Chiew Siang, Steven
Director

Singapore
12 April 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sitra Holdings (International) Limited (the “Company”) and its subsidiary corporations (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of property, plant and equipment (Refer to Note 3.1 and Note 19 to the financial statements) As at 31 December 2021, the Group has leasehold land and building classified under property, plant and equipment of S\$10.71 million, representing 56% of the Group’s total assets. Leasehold land and building are initially recognised at cost and are subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses. The valuation of the Group’s leasehold land and building was derived from the indicative value determined from the valuation reports performed by a professional independent valuer engaged by the management. The determination of the fair value of the Group’s leasehold land and building required significant judgements in determining the appropriateness of the valuation methodologies to be used and the reasonableness of the underlying assumptions to be applied.	Our response We performed the following key procedures, amongst others: - evaluated the professional independent valuer’s competence, capability and objectivity in the valuation of the leasehold land and building; - reviewed the appropriateness of the valuation methodologies adopted; - reviewed the reasonableness of key assumptions and inputs applied; and - reviewed the adequacy of the disclosure in relation to the valuation of leasehold land and building in Note 19 to the financial statements. Our findings We found the valuation methodologies used were in line with generally accepted market practices and the underlying key assumptions and inputs applied were within a reasonable range.

INDEPENDENT AUDITOR'S REPORT

To the members of Sitra Holdings (International) Limited

Other Matter

The consolidated financial statements of the Group and the statement of the financial position of the Company for the financial year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 15 April 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

To the members of Sitra Holdings (International) Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
12 April 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 S\$	2020 S\$
Revenue	4	26,621,182	17,267,560
Cost of sales		(24,036,740)	(15,888,454)
Gross profit		2,584,442	1,379,106
Other income	7	123,800	350,153
Other gain/(loss) - net	8	158,687	(5,813,266)
Expenses			
- Selling and marketing		(595,323)	(417,300)
- Administrative		(2,262,774)	(2,023,436)
- Finance	9	(46,321)	(63,404)
Loss before income tax		(37,489)	(6,588,147)
Income tax	10	(121,502)	(23,334)
Loss for the year		(158,991)	(6,611,481)
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation	25(b)	(143,061)	(78,902)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Revaluation gain on property, plant and equipment	25(b)	–	167,785
Reversal of general reserve	25(b)	–	486,350
Reversal of fair value reserve	25(b)	–	36,000
Other comprehensive (loss)/income, net of tax		(143,061)	611,233
Total comprehensive loss for the year		(302,052)	(6,000,248)
Loss for the year attributable to:			
Equity holders of the Company		(245,633)	(6,608,110)
Non-controlling interests		86,642	(3,371)
		(158,991)	(6,611,481)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		(355,950)	(6,331,198)
Non-controlling interests		53,898	330,950
		(302,052)	(6,000,248)
Loss per share attributable to equity holders of the Company (cents per share)			
- Basic and diluted	11	(0.02)	(0.54)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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As at 31 December 2021

	Note	2021 S\$	2020 S\$
ASSETS			
Current assets			
Cash and bank balances	12	724,924	238,576
Financial assets at fair value through profit or loss	13	1,850,000	3,700,000
Trade and other receivables	14	2,316,261	1,719,177
Inventories	15	2,939,060	2,018,816
Other current assets	16	150,961	191,418
		<u>7,981,206</u>	<u>7,867,987</u>
Non-current assets			
Property, plant and equipment	19	11,020,373	10,983,514
Deferred income tax assets	23	26,463	30,566
		<u>11,046,836</u>	<u>11,014,080</u>
Total assets		<u>19,028,042</u>	<u>18,882,067</u>
LIABILITIES			
Current liabilities			
Trade and other payables	21	2,843,575	4,394,752
Borrowings	22	442,144	343,896
		<u>3,285,719</u>	<u>4,738,648</u>
Non-current liabilities			
Borrowings	22	382,823	1,282,817
Deferred income tax liabilities	23	195,000	195,000
		<u>577,823</u>	<u>1,477,817</u>
Total liabilities		<u>3,863,542</u>	<u>6,216,465</u>
Net assets		<u>15,164,500</u>	<u>12,665,602</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	25,793,130	22,992,180
Other reserves	25	471,602	581,919
Accumulated losses		(14,817,940)	(14,572,307)
		<u>11,446,792</u>	<u>9,001,792</u>
Non-controlling interests	17	3,717,708	3,663,810
Total equity		<u>15,164,500</u>	<u>12,665,602</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 S\$	2020 S\$
ASSETS			
Current assets			
Cash and bank balances	12	221,634	129,430
Trade and other receivables	14	3,609,883	3,187,871
Other current assets	16	1,410	53,772
		<u>3,832,927</u>	<u>3,371,073</u>
Non-current assets			
Investments in subsidiary corporations	17	3,560,202	3,560,202
Property, plant and equipment	19	30,673	39,734
		<u>3,590,875</u>	<u>3,599,936</u>
Total assets		<u>7,423,802</u>	<u>6,971,009</u>
LIABILITIES			
Current liabilities			
Trade and other payables	21	2,284,239	4,162,208
Non-current liability			
Borrowings	22	–	1,567
Total liabilities		<u>2,284,239</u>	<u>4,163,775</u>
Net assets		<u>5,139,563</u>	<u>2,807,234</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	25,793,130	22,992,180
Other reserves	25	14,393	14,393
Accumulated losses		(20,667,960)	(20,199,339)
		<u>5,139,563</u>	<u>2,807,234</u>
Total equity		<u>5,139,563</u>	<u>2,807,234</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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For the financial year ended 31 December 2021

← Attributable to equity holders of the Company →

Note	Share capital	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 January 2021	22,992,180	581,919	(14,572,307)	9,001,792	3,663,810	12,665,602
Loss for the year	–	–	(245,633)	(245,633)	86,642	(158,991)
Other comprehensive loss	–	(110,317)	–	(110,317)	(32,744)	(143,061)
Total comprehensive loss for the year	–	(110,317)	(245,633)	(355,950)	53,898	(302,052)
Issuance of new shares	24 2,805,000	–	–	2,805,000	–	2,805,000
Share issue expenses	24 (4,050)	–	–	(4,050)	–	(4,050)
Balance at 31 December 2021	25,793,130	471,602	(14,817,940)	11,446,792	3,717,708	15,164,500
Balance at 1 January 2020	22,992,180	305,007	(7,964,197)	15,332,990	3,332,860	18,665,850
Loss for the year	–	–	(6,608,110)	(6,608,110)	(3,371)	(6,611,481)
Other comprehensive income	–	276,912	–	276,912	334,321	611,233
Total comprehensive loss for the year	–	276,912	(6,608,110)	(6,331,198)	330,950	(6,000,248)
Balance at 31 December 2020	22,992,180	581,919	(14,572,307)	9,001,792	3,663,810	12,665,602

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 S\$	2020 S\$
Cash Flows from Operating Activities			
Loss for the year		(158,991)	(6,611,481)
Adjustments for:			
- Depreciation of property, plant and equipment	5	142,361	159,381
- Fair value loss on financial assets at fair value through profit or loss	8	–	5,300,000
- Reversal of fair value reserve		–	36,000
- Reversal of general reserve		–	486,350
- Revaluation gain on property, plant and equipment		–	167,785
- Unrealised currency translation gains		(145,237)	(186,498)
- Interest income	7	(153)	(211)
- Interest expense	9	46,321	63,404
- Income tax expense	10	121,502	23,334
		5,803	(561,936)
Change in working capital:			
- Trade and other receivables		(597,084)	(546,372)
- Inventories		(920,244)	10,742
- Other current assets		40,457	14,972
- Trade and other payables		352,323	(715,948)
Cash used in operations		(1,118,745)	(1,798,542)
Interest received		153	211
Interest paid		(6,563)	(54,963)
Income tax paid		(23,462)	(39,745)
Net cash used in operating activities		(1,148,617)	(1,893,039)
Cash Flows from Investing Activities			
Proceeds from disposal of financial assets at fair value through profit or loss		1,850,000	–
Additions of property, plant and equipment	19	(25,999)	(10,340)
Net cash generated from/(used in) investing activities		1,824,001	(10,340)
Cash Flows from Financing Activities			
Principal payment of lease liabilities		(73,398)	(72,933)
Repayment of trust receipts		–	(1,406,361)
(Repayment of)/Proceeds from term loan		(1,112,976)	1,500,000
Proceeds from director loan		803,460	1,897,800
Share issue expenses		(4,050)	–
Interest paid		(39,758)	(8,441)
Net cash (used in)/generated from financing activities		(426,722)	1,910,065
Net increase in cash and cash equivalents		248,662	6,686
Cash and cash equivalents at 1 January		203,958	197,272
Cash and cash equivalents at 31 December	12	452,620	203,958

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

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For the financial year ended 31 December 2021

(cont'd)

Reconciliation of liabilities arising from financing activities:

	At 1 January 2021	Proceeds	Principal and interest payments	Non-cash changes				At 31 December 2021
				Additions	Interest expense	Advances/ payment on behalf	Subscription of new shares	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Lease liabilities	92,095	–	(77,185)	146,942	3,787	–	–	165,639
Term loan	1,500,000	–	(1,148,947)	–	35,971	–	–	387,024
Director loan*	1,897,800	803,460	–	–	–	103,740	(2,805,000)	–

	At 1 January 2020	Proceeds	Principal and interest payments	Non-cash changes	At 31 December 2020
				Interest expense	
	S\$	S\$	S\$	S\$	S\$
Lease liabilities	165,028	–	(81,374)	8,441	92,095
Term loan	–	1,500,000	–	–	1,500,000
Trust receipt	1,406,361	–	(1,406,361)	–	–
Director loan*	–	1,897,800	–	–	1,897,800

* Included in other payables as disclosed in Note 21 to the financial statements.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General Information

Sitra Holdings (International) Limited (the “Company”) is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 15 Hillview Terrace, Singapore 669226.

The principal activities of the Company are that of investment holding, importers and exporters of wood-based and other related products. The principal activities of its subsidiary corporations are set out in Note 17 to the financial statements.

2 Significant Accounting Policies

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Application of New and Revised SFRS(I)s and SFRS(I) INTs

On 1 January 2021, the Group has adopted the following new or amended SFRS(I) and SFRS(I) Interpretations (“SFRS(I) INTs”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. The adoption of these new or amended SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2021

2 Significant Accounting Policies (cont'd)

2.1 Basis of Preparation (cont'd)

SRFS(I)s and SFRS(I) INTs Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following standards that have been issued and are relevant to the Group and the Company but not yet effective:

Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 16 <i>Leases: COVID-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Annual Improvements to SFRS(I)s Standards 2018-2020	1 January 2022
Amendments to SFRS(I) 3 <i>Business Combinations: Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> and SFRS(I) Practice Statement 2 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of these standards above will have no material impact on the financial statements in the period of initial application.

2.2 Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring promised goods or services to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied over time or at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from these sales is recognised at a point in time when the Group has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables are reasonably assured. Payment of the transaction price is due immediately when the customer purchases the goods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant Accounting Policies (cont'd)

2.2 Revenue Recognition (cont'd)

- (b) Rendering of services – Sawmill, moulding and kiln-dry

Revenue from rendering of services is recognised when the performance obligation is satisfied at a point in time i.e. when the services are rendered.

- (c) Commission income

Commission income is recognised at the point of entitlement.

- (d) Interest income

Interest income is recognised using the effective interest method.

2.3 Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group Accounting

- (a) Subsidiary corporations

- (i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net result of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

2 Significant Accounting Policies (cont'd)

2.4 Group Accounting (cont'd)

(a) Subsidiary corporations (cont'd)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary corporation acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant Accounting Policies (cont'd)

2.5 Property, Plant and Equipment

(a) Measurement

(i) Land and buildings

Leasehold land and buildings are initially recognised at cost and are subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses.

Leasehold land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the assets.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same assets previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decrease in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land	13 years
Leasehold buildings	3 and 13 years
Furniture, fixtures and office equipment	6 to 10 years
Plant and equipment	10 to 15 years
Renovation	5 to 10 years
Motor vehicles	5 years
Computers	3 years

Vacant leasehold land included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

2 Significant Accounting Policies (cont'd)

2.5 Property, Plant and Equipment (cont'd)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains/(losses) - net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.6 Intangible Assets

Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable assets acquired.

Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

2.7 Borrowing Costs

Borrowings costs are recognised in profit or loss using the effective interest method.

2.8 Investments in Subsidiary Corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of Non-Financial Assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant Accounting Policies (cont'd)

2.9 Impairment of Non-Financial Assets (cont'd)

(b) Property, plant and equipment

Right-of-use assets

Investments in subsidiary corporations

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.10 Financial Assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

2 Significant Accounting Policies (cont'd)

2.10 Financial Assets (cont'd)

(a) Classification and measurement (cont'd)

(i) At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement

Debt instruments

Debt instruments of the Group mainly comprise cash and cash equivalents, trade and other receivables and unlisted debt security.

There are three subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristic of the assets:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains/(losses) - net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "Interest income".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains/(losses) - net".

Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other gains/(losses) - net". Movements in fair values of investments classified as FVOCI are presented as "Fair value gains/losses" in OCI. Dividends from equity investments are recognised in profit or loss as "dividend income".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant Accounting Policies (cont'd)

2.10 Financial Assets (cont'd)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26(b) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables and cash and cash equivalents, the general 3 stage approach is applied. Credit loss allowance is based on 12 month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is significant increase in credit risk since initial recognition, lifetime expected loss will be calculated and recognised.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, which is the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.11 Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Financial Guarantee

The Company has issued a corporate guarantee to a bank on its subsidiary corporation's term loan. This financial guarantee requires the Company to reimburse the bank if the subsidiary corporation fails to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2 Significant Accounting Policies (cont'd)

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.14 Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant Accounting Policies (cont'd)

2.15 Leases (cont'd)

(a) When the Group is the lessee: (cont'd)

- Lease liabilities (cont'd)

Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessor:

- Lessor - Operating leases

Leases of warehouse where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

2.17 Income Taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

2 Significant Accounting Policies (cont'd)

2.17 Income Taxes (cont'd)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.18 Provisions for Other Liabilities and Charges

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.19 Employee Compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

- (a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

- (b) Bonus plans

The Group recognises a liability and an expense for bonuses based on a certain formula. The Group recognises an accrual when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

- (c) Short-term compensated absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant Accounting Policies (cont'd)

2.20 Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("S\$" or "SGD"), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation difference is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "Finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the consolidated statement of comprehensive income within "Other gains/(losses) - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the balance sheet date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the balance sheet date.

2 Significant Accounting Policies (cont'd)

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.22 Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statements of financial position.

2.23 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Dividends to Company's Shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

3 Critical Accounting Estimates, Assumptions and Judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

Valuation of leasehold land and buildings

Leasehold land and buildings under property, plant and equipment are initially recognised at cost and are subsequently carried at the revalued amount less accumulated depreciation and impairment losses. The fair values are determined by a professional independent valuer using valuation techniques including the depreciated replacement cost method for building and direct comparison method for leasehold land. The key assumption and estimation inputs for depreciation replacement cost method are unit price of material and wages while inputs for direct comparison method are location, size area and date of transaction of comparable properties. The information about the valuation techniques and unobservable inputs used in determining the fair value of leasehold land and buildings is disclosed in Note 19(b) to the financial statements.

3.2 Critical judgements in applying the Group's accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4 Revenue

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

	Group	
	2021	2020
	S\$	S\$
Sale of goods		
- Australia/New Zealand	10,063,045	5,044,472
- Europe	16,001,280	12,007,937
- Asia	298,649	109,213
	26,362,974	17,161,622
Rendering of services		
- Asia	258,208	105,938
	26,621,182	17,267,560

5 Expenses by Nature

	Group	
	2021	2020
	S\$	S\$
Bank charges	81,644	69,004
Changes in inventories	(920,244)	10,742
Commission expense	96,630	53,194
Depreciation of property, plant and equipment (Note 19)	142,361	159,381
Directors' fees	121,666	93,315
Employee compensation (Note 6)	1,582,353	1,386,257
Freight and other costs	3,332,335	640,982
Fees on audit services paid/payable to:		
- Auditor of the Company	83,000	73,781
- Under-provision in the previous year	3,435	-
- Other auditors	6,524	6,330
- Internal auditors	9,000	1,838
Insurance	48,684	50,690
Legal and professional fees	242,754	71,283
Purchases of inventories	21,511,572	15,119,097
Rental expense on operating leases	18,041	46,733
Water and electricity	67,635	64,281
Others	467,447	482,282
Total cost of sales, selling and marketing and administrative expenses	26,894,837	18,329,190

There are no non-audit fees paid/payable to auditors of the Company during the financial years ended 31 December 2021 and 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2021

6 Employee Compensation

	Group	
	2021	2020
	S\$	S\$
Wages and salaries	1,467,748	1,301,381
Employer contribution to defined contribution plans including Central Provident Fund	98,152	84,876
Other short-term benefits	16,453	–
	1,582,353	1,386,257

Key management's remuneration is disclosed in Note 27(b) to the financial statements.

7 Other Income

	Group	
	2021	2020
	S\$	S\$
Commission income	10,497	567
Interest income from bank deposits	153	211
Government grants ⁽¹⁾	110,972	155,812
Overprovision of staff related taxes	–	193,563
Other	2,178	–
	123,800	350,153

⁽¹⁾ Government grants include the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

8 Other Gain/(Loss) – Net

	Group	
	2021	2020
	S\$	S\$
Fair value loss on financial assets at fair value through profit or loss (Note 13)	–	(5,300,000)
Foreign currency translation gain/(loss) – net	158,687	(476,196)
Others	–	(37,070)
	158,687	(5,813,266)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 Finance Expenses

	Group	
	2021	2020
	S\$	S\$
Interest expense:		
- Bank overdrafts	6,563	72
- Trust receipts	–	54,891
- Term loan	35,971	–
- Lease liabilities (Note 20)	3,787	8,441
	<u>46,321</u>	<u>63,404</u>

10 Income Tax

	Group	
	2021	2020
	S\$	S\$
Tax expense attributable to loss is made up of:		
Current income tax	121,502	6,923
Deferred income tax	–	16,411
	<u>121,502</u>	<u>23,334</u>

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2021	2020
	S\$	S\$
Loss before income tax	(37,489)	(6,588,147)
Tax calculated at tax rate of 17% (2020: 17%)	(6,373)	(1,119,985)
Effects of:		
- Different tax rates in other countries	51,779	(23,334)
- Expenses not deductible for tax purposes	150,814	658,433
- Income not subject to tax	(12,056)	(57,092)
- Deferred income tax assets not recognised	–	581,723
- Utilisation of previous unrecognised tax loss	(62,662)	(16,411)
	<u>121,502</u>	<u>23,334</u>

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2021

11 Loss Per Share

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company were share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net losses.

The 255,000,000 outstanding share options were excluded from the calculation of diluted loss per share because they are anti-dilutive for the financial year ended 31 December 2020.

Basic and diluted loss per share for attributable to equity holders of the Company is calculated as follows:

	Group	
	2021	2020
	S\$	S\$
Loss for the year attributable to equity holders of the Company (S\$)	(245,633)	(6,608,110)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	1,295,368	1,228,300
Basic and diluted loss per share (cents per share)	(0.02)	(0.54)

12 Cash and Bank Balances

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Cash at banks	722,604	236,063	221,634	129,430
Cash on hand	2,320	2,513	–	–
	724,924	238,576	221,634	129,430

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

	Group	
	2021	2020
	S\$	S\$
Cash and bank balances (as above)	724,924	238,576
Less: Bank overdrafts (Note 22)	(272,304)	(34,618)
Cash and cash equivalents per consolidated statement of cash flows	452,620	203,958

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13 Financial Assets at Fair Value Through Profit or Loss

	Group	
	2021	2020
	S\$	S\$
At the beginning of the financial year	3,700,000	9,000,000
Fair value loss recognised in profit or loss (Note 8)	–	(5,300,000)
Disposal	(1,850,000)	–
At the end of the financial year	1,850,000	3,700,000

Financial assets at fair value through profit or loss represent the Group's 10% equity investment in World Furnishing Hub Pte Ltd ("WFH"), which includes a put option to sell the 10% equity interest to the promoters and a call option to purchase the 10% equity interest by the promoters in connection with the disposal of the Group's property located at 18 Sungei Kadut Street 2, Singapore 729236 in the financial year ended 31 December 2014.

The financial assets at fair value through profit or loss of the Group were valued by a professional independent valuer using the market comparison method of valuation approach as at 31 December 2020.

On 24 March 2021, the Group has entered into a Sale and Purchase Agreement with one of the promoters to dispose of the 10% equity investment in WFH for an aggregate consideration of S\$3.7 million in cash, the put option will then be terminated once the consideration is fully satisfied.

In consideration of the event above, the Group has written down the financial assets to S\$3.7 million as at 31 December 2020 to reflect the fair value of the financial assets (Note 26(e)).

During the financial year ended 31 December 2021, the Group has received an aggregate amount of S\$1,850,000 and transferred 5% equity interest in WFH to the promoter.

14 Trade and Other Receivables

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Trade receivables – non-related parties	2,136,596	1,548,414	–	–
Less: Loss allowance (Note 26(b)(ii))	(108,769)	(108,105)	–	–
Trade receivables – net	2,027,827	1,440,309	–	–
Other receivables:				
- Advances to suppliers (1)	52,200	67,792	–	–
- Non-related parties	62	1,432	–	–
- GST receivables	236,172	209,644	4,274	–
- Subsidiary corporations	–	–	13,170,609	12,752,871
Less: Loss allowance (Note 26(b)(ii))	–	–	(9,565,000)	(9,565,000)
	–	–	3,605,609	3,187,871
Other receivables – net	288,434	278,868	3,609,883	3,187,871
	2,316,261	1,719,177	3,609,883	3,187,871

(1) Advances to suppliers relates to the advances made to the non-related parties on the confirmed purchase orders. These advances are refundable.

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

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2021

15 Inventories

	Group	
	2021	2020
	S\$	S\$
Work-in-progress	65,342	200,915
Finished goods	2,873,718	1,817,901
	<u>2,939,060</u>	<u>2,018,816</u>

The cost of inventories recognised as an expense and included in "Cost of sales" amounted to S\$20,591,328 (2020: S\$15,129,839).

16 Other Current Assets

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Deposits	133,233	132,623	1,410	1,410
Prepayments	17,728	58,795	–	52,362
	<u>150,961</u>	<u>191,418</u>	<u>1,410</u>	<u>53,772</u>

17 Investments in Subsidiary Corporations

	Company	
	2021	2020
	S\$	S\$
<u>Equity investments, at cost</u>		
At the beginning of the financial year	3,922,476	5,011,516
Struck-off/Disposal	–	(1,089,040)
At the end of the financial year	<u>3,922,476</u>	<u>3,922,476</u>
<u>Less: Allowance for impairment</u>		
At the beginning of the financial year	(362,274)	(1,451,314)
Struck-off/Disposal	–	1,089,040
At the end of the financial year	<u>(362,274)</u>	<u>(362,274)</u>
	<u>3,560,202</u>	<u>3,560,202</u>

- On 8 February 2021, the Company's wholly-owned dormant subsidiary corporation, Suncoast Sitra Pte. Ltd., a company incorporated in Singapore, was struck off, the cost of investment was fully impaired in prior financial years.
- On 3 September 2020, the Group's wholly-owned dormant subsidiary corporation, Sitra BMG Middle East LLC, a company incorporated in United Arab Emirates was struck off.
- On 30 June 2020, the Company's wholly-owned dormant subsidiary corporation, Energetic Industries Sdn. Bhd., a company incorporated in Malaysia, was disposed of, the cost of investment was fully impaired in prior financial years.
- On 28 February 2020, the Group's wholly-owned dormant subsidiary corporation, Sitra Ukraine Limited, a company incorporated in Ukraine was disposed of.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17 Investments in Subsidiary Corporations (cont'd)

The Group has the following subsidiary corporations as at 31 December 2021 and 2020.

Name of companies	Principal activities	Country of business/ corporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares directly held by the Group		Proportion of shareholding held by non-controlling interests	
			2021	2020	2021	2020	2021	2020
			%	%	%	%	%	%
<i>Held by the Company</i>								
Sitra Global Pte. Ltd. ^(a)	Importer, exporter of wood-based and other related products	Singapore	100	100	100	100	–	–
Sitra Agencies Pte. Ltd. ^(a)	Importer, exporter of wood-based and other related products	Singapore	100	100	100	100	–	–
Berakit Development Pte. Ltd. ^(a)	Property development	Singapore	100	100	100	100	–	–
Mapur Rocky Resort Limited ^(c)	Investment holding	British Virgin Islands	54	54	54	54	46	46
<i>Held by Sitra Global Pte. Ltd.</i>								
PT Jaya Raya Trasindo ^(c)	Manufacturing, supplying and distribution of wood-based and other related products	Indonesia	–	–	100	100	–	–
Societe 3A ^(b)	Importing, exporting, trading and brokering of all origins and all kinds of wood	France	–	–	51	51	49	49
<i>Held by Mapur Rocky Resort Limited</i>								
PT East Bintan Resort ^(c)	Property development	Indonesia	–	–	54	54	46	46

(a) Audited by Moore Stephens LLP, Singapore

(b) Audited by Malandain & Associés, France

(c) Reviewed by Moore Stephens LLP, Singapore, for consolidation purpose

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For the financial year ended 31 December 2021

17 Investments in Subsidiary Corporations (cont'd)

Carrying value of non-controlling interests

	Group	
	2021	2020
	S\$	S\$
Societe 3A	621,641	485,549
PT East Bintan Resort	3,150,478	3,180,857
Mapur Rocky Resort Limited	(54,411)	(2,596)
	3,717,708	3,663,810

Set out below are the summarised financial information for the subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position as at 31 December

	Societe 3A		PT East Bintan Resort		Mapur Rocky Resort Limited	
	2021	2020	2021	2020	2021	2020
	S\$	S\$	S\$	S\$	S\$	S\$
Current:						
- Assets	2,549,845	1,402,926	18,258	18,667	91,455	93,884
- Liabilities	(1,366,845)	(490,450)	(184,744)	(116,919)	(209,611)	(99,522)
Total current net assets/(liabilities)	1,183,000	912,476	(166,486)	(98,252)	(118,156)	(5,638)
Non-current:						
- Assets	16,138	8,923	7,007,914	7,005,650	-*	-*
Net assets	1,199,138	921,399	6,841,428	6,907,398	(118,156)	(5,638)

* Excluded cost of investment in PT East Bintan Resort

Summarised statement of comprehensive income for the financial year ended 31 December

	Societe 3A		PT East Bintan Resort		Mapur Rocky Resort Limited	
	2021	2020	2021	2020	2021	2020
	S\$	S\$	S\$	S\$	S\$	S\$
Revenue	6,553,824	3,871,281	-	-	-	-
Profit/(loss) before income tax	466,949	57,196	(66,910)	(76,823)	(112,518)	(1,637)
Income tax	(121,502)	(23,334)	-	-	-	-
Profit/(loss) for the year	345,447	33,862	(66,910)	(76,823)	(112,518)	(1,637)
Other comprehensive (loss)/gain	(67,708)	2,303	940	274,031	-	-
Total comprehensive income/(loss) for the year	277,739	36,165	(65,970)	197,208	(112,518)	(1,637)
Total comprehensive income/(loss) for the year allocated to non-controlling interests	136,092	17,721	(30,379)	90,716	(51,815)	(754)
Dividends paid to non-controlling interests	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17 Investments in Subsidiary Corporations (cont'd)

Summarised statement of cash flow for the financial year ended 31 December

	Societe 3A		PT East Bintan Resort		Mapur Rocky Resort Limited	
	2021	2020	2021	2020	2021	2020
	S\$	S\$	S\$	S\$	S\$	S\$
Net cash used in operating activities	(258,144)	(63,426)	(66,279)	(87,920)	(2,501)	(1,637)
Net cash (used in)/generated from investing activity	(12,014)	(6,365)	–	–	–	–
Net cash generated from financing activities	–	–	67,069	88,312	2,501	(1,841)
Net (decrease)/increase in cash and cash equivalents	(270,158)	(69,791)	790	392	–	(3,478)
Cash and cash equivalents, net of bank overdrafts, at 1 January	3,142	72,933	3,703	4,095	–	3,478
Effects of currency translation	–	–	(1,291)	(784)	–	–
Cash and cash equivalents, net of bank overdrafts, at 31 December	(267,016)	3,142	3,202	3,703	–	–

18 Financial Assets at Fair Value Through Other Comprehensive Income

The Group has recognised fair value loss of S\$36,000 in the financial year 2015. The previously recognised fair value loss was charged to other comprehensive income and presented as fair value reserve. The fair value reserve has been reversed as at 31 December 2020 subsequent to the disposal of the financial asset (Note 25(b)).

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For the financial year ended 31 December 2021

19 Property, Plant and Equipment

Group	Leasehold land and buildings S\$	Furniture, fixtures and office equipment S\$	Plant and equipment S\$	Renovation S\$	Motor vehicles S\$	Computers S\$	Total S\$
<u>At cost or valuation</u>							
At 1 January 2021	11,030,682	195,940	648,721	103,816	670,960	175,960	12,826,079
Currency translation differences	8,586	(863)	3,760	639	1,768	(2,596)	11,294
Additions	146,942	2,634	1,030	–	–	22,335	172,941
Write off	–	(22,705)	–	–	–	(88,525)	(111,230)
At 31 December 2021	11,186,210	175,006	653,511	104,455	672,728	107,174	12,899,084
Representing:							
Cost	370,762	175,006	653,511	104,455	672,728	107,174	2,083,636
Valuation	10,815,448	–	–	–	–	–	10,815,448
	11,186,210	175,006	653,511	104,455	672,728	107,174	12,899,084
<u>Accumulated depreciation and impairment losses</u>							
At 1 January 2021	221,566	183,650	504,636	103,691	665,020	164,002	1,842,565
Currency translation differences	1,910	(865)	3,328	639	1,768	(1,765)	5,015
Depreciation charge (Note 5)	91,390	3,410	33,795	123	5,940	7,703	142,361
Write off	–	(22,705)	–	–	–	(88,525)	(111,230)
At 31 December 2021	314,866	163,490	541,759	104,453	672,728	81,415	1,878,711
<u>Net book value</u>							
At 31 December 2021	10,871,344	11,516	111,752	2	–	25,759	11,020,373

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19 Property, Plant and Equipment (cont'd)

Group	Leasehold land and buildings S\$	Furniture, fixtures and office equipment S\$	Plant and equipment S\$	Renovation S\$	Motor vehicles S\$	Computers S\$	Total S\$
<u>At cost or valuation</u>							
At 1 January 2020	10,857,926	196,219	667,396	107,018	681,473	163,140	12,673,172
Currency translation differences	(43,039)	(279)	(18,675)	(3,202)	(8,906)	2,480	(71,621)
Revaluation surplus (Note 25(b))	215,795	–	–	–	–	–	215,795
Additions	–	–	–	–	–	10,340	10,340
Write off	–	–	–	–	(1,607)	–	(1,607)
At 31 December 2020	11,030,682	195,940	648,721	103,816	670,960	175,960	12,826,079
Representing:							
Cost	223,820	195,940	648,721	103,816	670,960	175,960	2,019,217
Valuation	10,806,862	–	–	–	–	–	10,806,862
	11,030,682	195,940	648,721	103,816	670,960	175,960	12,826,079
<u>Accumulated depreciation and impairment losses</u>							
At 1 January 2020	68,868	178,004	479,006	102,597	665,207	154,531	1,648,213
Currency translation differences	(36,639)	(279)	(14,111)	(3,088)	(8,906)	1,853	(61,170)
Revaluation adjustment (Note 25(b))	97,748	–	–	–	–	–	97,748
Depreciation charge (Note 5)	91,589	5,925	39,741	4,182	10,326	7,618	159,381
Write off	–	–	–	–	(1,607)	–	(1,607)
At 31 December 2020	221,566	183,650	504,636	103,691	665,020	164,002	1,842,565
Net book value							
At 31 December 2020	10,809,116	12,290	144,085	125	5,940	11,958	10,983,514

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For the financial year ended 31 December 2021

19 Property, Plant and Equipment (cont'd)

Company	Furniture, fixtures and office equipment S\$	Plant and equipment S\$	Motor vehicles S\$	Computers S\$	Total S\$
<u>At cost</u>					
At 1 January 2021	118,431	37,800	383,618	133,656	673,505
Additions	–	–	–	5,962	5,962
Write off	(22,705)	–	–	(85,291)	(107,996)
At 1 December 2021	95,726	37,800	383,618	54,327	571,471
<u>Accumulated depreciation</u>					
At 1 January 2021	106,141	16,296	377,678	133,656	633,771
Depreciation charge	3,316	3,780	5,940	1,987	15,023
Write off	(22,705)	–	–	(85,291)	(107,996)
At 1 December 2021	86,752	20,076	383,618	50,352	540,798
<u>Net book value</u>					
At 31 December 2021	8,975	17,724	–	3,975	30,673
<u>At cost</u>					
At 1 January 2020 and 31 December 2020	118,431	37,800	383,618	133,656	673,505
<u>Accumulated depreciation</u>					
At 1 January 2020	100,215	12,516	367,352	133,256	613,339
Depreciation charge	5,926	3,780	10,326	400	20,432
At 31 December 2020	106,141	16,296	377,678	133,656	633,771
<u>Net book value</u>					
At 31 December 2020	12,290	21,504	5,940	–	39,734

- (a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19 Property, Plant and Equipment (cont'd)

- (b) The leasehold properties of the Group were valued by a professional independent valuer based on the properties' highest-and-best-use using the direct market comparison method and depreciated replacement cost method in financial years ended 31 December 2021 and 2020. These are regarded as level 2 and level 3 fair values.

Fair value hierarchy

Group Description	Fair value measurements at 31 December using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	S\$	S\$	S\$
2021			
Recurring fair value measurements			
Leasehold land and buildings:			
- Land and buildings in Indonesia	–	2,070,783	1,683,245
- Vacant land in Indonesia	–	7,061,420	–
	–	9,132,203	1,683,245
2020			
Recurring fair value measurements			
Leasehold land and buildings:			
- Land and buildings in Indonesia	–	2,067,296	1,680,411
- Vacant land in Indonesia	–	7,059,155	–
	–	9,126,451	1,680,411

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the direct market comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach was selling price per square metre.

Valuation techniques used to derive Level 3 fair values

Level 3 fair value of the Group's properties have been generally derived using depreciated replacement cost approach. The approach is referred to costs that are relevant in determining the price at which market participants will pay, which is based on replacing assets with equal utility rather than physically creating the same assets. The most significant input into this valuation approach was material cost per square metre. The material cost per square metre is S\$121. A significant increase (decrease) in material cost per square metre would result in a significantly higher (lower) fair value measurement.

Valuation processes of the Group

The Group engages a professional independent valuer to determine the fair value of the Group's properties based on the properties' highest and best use which is carried out on a triennial basis and whenever their carrying amounts are likely to differ from their revalued amounts due to any objective evidence or indication, these assets may be impaired. The fair values of the properties have been determined by KJPP Rinaldi Alberth Baroto & Partners as at 31 December 2021 and 2020.

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For the financial year ended 31 December 2021

19 Property, Plant and Equipment (cont'd)

- (c) If the leasehold land and buildings stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be S\$7,637,837 (2020: S\$7,653,684).
- (d) As at 31 December 2021 and 2020, the details of the Group's vacant land held for development are as follow:

Location	Intended use	Area (square metre)	Group's effective interest in the Leasehold land
Jalan H. Abdul Salam Teluk Merbau, Berakit, Teluk Sebong, Bintan, Indonesia.	Commercial	123,534	54%

The Group has not commenced the construction of the development project and the leasehold land above remains vacant as at 31 December 2021 and 2020.

20 Leases – The Group as a Lessee

Nature of the Group's leasing activities

Leasehold building

The Group leases office premises for the purpose of back office operations.

- (a) Carrying amounts – ROU assets classified within property, plant and equipment

	Group	
	2021	2020
	S\$	S\$
Leasehold building	164,159	86,084

- (b) Depreciation charge during the financial year

	Group	
	2021	2020
	S\$	S\$
Leasehold building	68,867	68,868

- (c) Interest expense

	Group	
	2021	2020
	S\$	S\$
Interest expense on lease liabilities (Note 9)	3,787	8,441

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

20 Leases – The Group as a Lessee (cont'd)

Nature of the Group's leasing activities (cont'd)

Leasehold building (cont'd)

(d) Lease expense not capitalised in lease liabilities

	Group	
	2021	2020
	S\$	S\$
Lease expense – short-term leases	18,041	46,733

(e) Total cash outflow for all leases in 2021 was S\$95,226 (2020: S\$128,107).

(f) There is an addition of ROU assets of S\$146,942 (2020: Nil) during the financial year ended 31 December 2021.

21 Trade and Other Payables

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Trade payables:				
- Non-related parties	1,686,428	1,319,073	–	–
Other payables:				
- Directors	–	2,253,237	–	2,149,497
- Subsidiary corporations	–	–	2,154,555	1,903,182
- Non-related parties	694,173	316,509	18,502	24,732
	694,173	2,569,746	2,173,057	4,077,411
Accruals for operating expenses	386,865	433,218	104,486	78,101
Advances received from customers	64,752	63,386	–	–
Deposit received	11,357	9,329	6,696	6,696
	2,843,575	4,394,752	2,284,239	4,162,208

The other payables to directors and subsidiary corporations are unsecured, interest free and payable on demand.

Included in other payables to directors is S\$1,897,800 as at 31 December 2020 which is a loan from a director of the Company. During the financial year ended 31 December 2021, the director granted additional loans of S\$803,460 to the Company, advances of S\$88,556 and rental of S\$15,184 paid on behalf of subsidiaries of the Company. As disclosed in Note 24, these amounts due to the director are deemed repaid during the financial year ended 31 December 2021.

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For the financial year ended 31 December 2021

22 Borrowings

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Current:				
- Bank overdrafts (Note 12)	272,304	34,618	–	–
- Lease liabilities	60,374	90,528	–	–
- Term loan	109,466	218,750	–	–
	442,144	343,896	–	–
Non-current:				
- Lease liabilities	105,265	1,567	–	1,567
- Term loan	277,558	1,281,250	–	–
	382,823	1,282,817	–	1,567
Total borrowings	824,967	1,626,713	–	1,567

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2021	2020
	S\$	S\$
6 months or less	272,304	34,618

The term loan and lease liabilities are not exposed to interest rate changes as these borrowings bear fixed interest rate.

Security granted

The term loan is secured by a corporate guarantee issued by the Company.

Lease liabilities are secured by the rights to the leasehold building as the legal title is retained by the lessor.

23 Deferred Income Taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the consolidated statement of financial position as follows:

	Group	
	2021	2020
	S\$	S\$
<u>Deferred tax assets</u>		
(to be recovered after one year)		
- Unutilised tax losses	(26,463)	(30,566)
<u>Deferred tax liabilities</u>		
(to be settled after one year)		
- Asset revaluation	195,000	195,000
	168,537	164,434

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Deferred Income Taxes (cont'd)

Movement in deferred tax account is as follows:

	Group	
	2021	2020
	S\$	S\$
At the beginning of the financial year	164,434	180,845
Currency translation differences	4,103	–
Utilised tax losses and tax depreciation	–	(16,411)
At the end of the financial year	168,537	164,434

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group have unrecognised tax losses of approximately S\$8,878,000 (2020: S\$9,247,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The unrecognised tax losses have no expiry date.

24 Share Capital

Group and Company	No. of ordinary shares	Amount S\$
<u>2021</u>		
At 1 January	1,228,300,000	22,992,180
Shares issued	255,000,000	2,805,000
Share issue expense	–	(4,050)
At 31 December	1,483,300,000	25,793,130
<u>2020</u>		
At 1 January and 31 December	1,228,300,000	22,992,180

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

On 21 September 2021, the Company exercised the put option to issue and allot 255,000,000 new ordinary shares to a director of the Company at the exercise price of S\$0.011 per share, with total consideration of S\$2,805,000 ("Aggregate Subscription Price"). Pursuant to the terms of the put option notice agreed by the Company and the director, the Aggregate Subscription Price shall be set-off in full against amounts aggregating S\$2,805,000 (Note 21) owed by the Group to the director. The issuance and allotment of new ordinary shares was completed on 24 September 2021.

The newly issued shares rank pari passu in all respects with the previously issued shares.

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For the financial year ended 31 December 2021

25 Other Reserves

(a) Composition:

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Capital reserve	14,393	14,393	14,393	14,393
Currency translation reserve	547,984	658,301	–	–
Fair value reserve	–	–	–	–
General reserve	(1,032,643)	(1,032,643)	–	–
Asset revaluation reserve	941,868	941,868	–	–
	471,602	581,919	14,393	14,393

(b) Movements:

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
<u>Capital reserve</u>				
At the beginning and end of the financial year	14,393	14,393	14,393	14,393
<u>Currency translation reserve</u>				
At the beginning of the financial year	658,301	1,021,784	–	–
Net currency translation differences of financial statements of:				
- Foreign subsidiary corporations	(143,061)	(78,900)	–	–
Less: Non-controlling interests	32,744	(284,583)	–	–
	(110,317)	(363,483)	–	–
At the end of the financial year	547,984	658,301	–	–
<u>Fair value reserve</u>				
At the beginning of the financial year	–	(36,000)	–	–
Reversal (Note 18)	–	36,000	–	–
At the end of the financial year	–	–	–	–

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For the financial year ended 31 December 2021

25 Other Reserves (cont'd)

(b) Movements: (cont'd)

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
<u>General reserve</u>				
At the beginning of the financial year	(1,032,643)	(1,518,991)	–	–
Reversal	–	486,348	–	–
At the end of the financial year	(1,032,643)	(1,032,643)	–	–
<u>Asset revaluation reserve</u>				
At the beginning of the financial year	941,868	823,821	–	–
Revaluation gains (Note 19)	–	167,785	–	–
Less: Non-controlling interests	–	(49,738)	–	–
	–	118,047	–	–
At the end of the financial year	941,868	941,868	–	–

Other reserves are non-distributable.

26 Financial Risk Management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) Currency risk

The Group's foreign currency risk arises from certain trading activities denominated in foreign currencies and its investments in subsidiary corporations which are located in foreign countries.

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For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD"), Euro ("Euro") and Indonesian Rupiah ("IDR").

The Group's currency exposures based on the information provided to key management are as follows:

	31 December 2021					
	SGD	USD	EUR	IDR	Others	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<u>Financial assets</u>						
Cash and bank balances	612,668	88,928	928	6,186	16,214	724,924
Financial assets at fair value through profit or loss	1,850,000	–	–	–	–	1,850,000
Trade and other receivables	129	1,313,983	28,922	7,196	677,659	2,027,889
Other current assets	15,220	–	118,013	–	–	133,233
	2,478,017	1,402,911	147,863	13,382	693,873	4,736,046
<u>Financial liabilities</u>						
Trade and other payables	(210,160)	(1,375,232)	(854,216)	(310,800)	(28,415)	(2,778,823)
Borrowings	(552,663)	–	(272,304)	–	–	(824,967)
	(762,823)	(1,375,232)	(1,126,520)	(310,800)	(28,415)	(3,603,790)
Net financial assets/(liabilities)	1,715,194	27,679	(978,657)	(297,418)	665,458	1,132,256
Less: financial (assets)/liabilities denominated in the respective entities' functional currencies	(1,714,649)	–	979,585	303,110	–	(431,954)
Currency exposure of financial assets / (liabilities) net of those denominated in the respective entities' functional currencies	545	27,679	928	5,692	665,458	700,302

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Group's currency exposures based on the information provided to key management are as follows: (cont'd)

	31 December 2020					
	SGD	USD	EUR	IDR	Others	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<u>Financial assets</u>						
Cash and bank balances	166,447	57,920	9,218	4,187	804	238,576
Financial assets at fair value through profit or loss	3,700,000	–	–	–	–	3,700,000
Trade and other receivables	18,259	733,911	54,884	27,056	607,631	1,441,741
Other current assets	14,170	–	118,453	–	–	132,623
	3,898,876	791,831	182,555	31,243	608,435	5,512,940
<u>Financial liabilities</u>						
Trade and other payables	(2,642,988)	(1,173,343)	(214,596)	(300,439)	–	(4,331,366)
Borrowings	(1,592,095)	–	(34,618)	–	–	(1,626,713)
	(4,235,083)	(1,173,343)	(249,214)	(300,439)	–	(5,958,079)
Net financial (liabilities)/ assets	(336,207)	(381,512)	(66,659)	(269,196)	608,435	(445,139)
Less: financial (liabilities)/ assets denominated in the respective entities' functional currencies	314,627	–	31,397	203,199	–	549,223
Currency exposure of financial (liabilities) / assets net of those denominated in the respective entities' functional currencies	(21,580)	(381,512)	(35,262)	(65,997)	608,435	104,084

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's currency exposures based on the information provided to key management is as follows:

	31 December 2021			
	SGD	USD	IDR	Total
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
Cash and bank balances	219,243	2,128	263	221,634
Trade and other receivables	478,611	–	3,126,998	3,605,609
Other current assets	1,410	–	–	1,410
	699,264	2,128	3,127,261	3,828,653
<u>Financial liabilities</u>				
Trade and other payables	(2,277,341)	(6,898)	–	(2,284,239)
Net financial (liabilities)/assets	(1,578,077)	(4,770)	3,127,261	1,544,414
Less: financial liabilities denominated in the Company's functional currency	1,578,077	–	–	1,578,077
Currency exposure of financial assets net of those denominated in the Company's functional currency	–	(4,770)	3,127,261	3,122,491
	31 December 2020			
	SGD	USD	IDR	Total
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
Cash and bank balances	126,089	2,239	1,102	129,430
Trade and other receivables	146,649	–	3,041,222	3,187,871
Other current assets	1,410	–	–	1,410
	274,148	2,239	3,042,324	3,318,711
<u>Financial liabilities</u>				
Trade and other payables	(4,155,461)	(6,747)	–	(4,162,208)
Borrowings	(1,567)	–	–	(1,567)
	(4,157,028)	(6,747)	–	(4,163,775)
Net financial (liabilities)/assets	(3,882,880)	(4,508)	3,042,324	(845,064)
Less: financial liabilities denominated in the Company's functional currency	3,882,880	–	–	3,882,880
Currency exposure of financial assets net of those denominated in the Company's functional currency	–	(4,508)	3,042,324	3,037,816

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

If the USD, EUR, IDR and other currencies change against the SGD by 1% each respectively (2020: 1%) with all other variables including tax rate being held constant, the effects arising from the net financial (liabilities)/assets position will be as follows:

	31 December 2021		31 December 2020	
	← Increase / (decrease) →			
	Net Loss	Equity	Net Loss	Equity
	S\$	S\$	S\$	S\$
Group				
USD against SGD				
- Strengthened	(230)	230	3,167	(3,167)
- Weakened	230	(230)	(3,167)	3,167
EUR against SGD				
- Strengthened	(8)	8	293	(293)
- Weakened	8	(8)	(293)	293
IDR against SGD				
- Strengthened	(47)	47	548	(548)
- Weakened	47	(47)	(548)	548
Other currencies against SGD				
- Strengthened	(5,523)	5,523	(5,050)	5,050
- Weakened	5,523	(5,523)	5,050	(5,050)
Company				
USD against SGD				
- Strengthened	40	(40)	37	(37)
- Weakened	(40)	40	(37)	37
IDR against SGD				
- Strengthened	(25,956)	25,956	(25,251)	25,251
- Weakened	25,956	(25,956)	25,251	(25,251)

(ii) Price risk

The Group has no exposure to equity securities price risk as the equity investments classified as financial assets at fair value through profit or loss are unquoted securities.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risks (cont'd)

The Group obtains financing through bank facilities and seeks to minimise its interest rate exposure by obtaining the most favourable interest rates available.

The Group's 5-year term loan bears fixed interest rate of 3% per annum effectively eliminating interest rate risk.

Other borrowings such as bank overdrafts bear variable interest rates on which effective hedges have not been entered into. If the interest rates increase/decrease by 1% (2020: 1%) with all other variables including tax rate being held constant, the impact on the net loss of the Group will not be significant as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in the financial loss to the Group. The major classes of the financial assets at amortised cost of the Group and the Company are cash and bank balances and trade and other receivables.

For trade receivables, all credit terms and limits for each customer are reviewed and are approved by the management. The amount of deposit, credit terms and limit for each customer is based on factors such as assessment of the customer's financial condition, financial strength, credit history, past collection history, volume of sales and its business performance. If necessary, the management will amend the credit terms granted to the customers.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	Company	
	2021	2020
	S\$	S\$
Corporate guarantee provided to a bank on subsidiary corporation's borrowing	387,024	1,500,000

The trade receivables of the Group comprise 7 debtors (2020: 6 debtors) that individually represented more than 5% of trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

The credit risk for trade and other receivables based on the information provided to key management is as follows:

	Group	
	2021	2020
	S\$	S\$
<u>By geographical areas</u>		
Australia/New Zealand	1,225,183	835,374
Europe	795,319	584,800
Asia/Others	7,387	21,567
	2,027,889	1,441,741
 <u>By types of customers</u>		
Non-related parties:		
- Corporate	2,027,889	1,441,741
	Company	
	2021	2020
	S\$	S\$
<u>By geographical areas</u>		
Asia/Others	3,605,609	3,187,871
 <u>By types of customers</u>		
Subsidiary corporations	3,605,609	3,187,871

(i) Credit rating

The Group and the Company uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables from customers.

The ECL computed is purely derived from historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

(i) Credit rating (cont'd)

The Group uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis of recognition of expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month expected credit losses
Under-performing	There has been a significant increase in credit risk (i.e., Interest and/or principal repayment are 180 days past due)	Lifetime expected credit losses (not credit-impaired)
Non-performing	There is evidence indicating that the asset is credit-impaired (i.e., Interest and/or principal payment are 270 days past due)	Lifetime expected credit losses (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty (i.e., Interest and/or principal repayments are 365 days past due and there is no reasonable expectation of recovery)	Asset is written off

(ii) Impairment of financial assets

The Group and the Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for all trade receivables and the general approach for other receivables.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group and the Company consider historical loss rates for each category of customers.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a receivable for write off when a debtor fails to make contractual payment greater than 365 days past due based on historical loss rates for each category of customers and adjust to reflect current and forward looking information. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

(ii) Impairment of financial assets (cont'd)

Trade receivables

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2021 and 2020 is set out in the provision matrix as follows:

Group	← Past due →					Total
	Current	Within 30 days	30 to 60 days	60 to 90 days	More than 90 days	
	S\$	S\$	S\$	S\$	S\$	S\$
2021						
<i>Sale of goods</i>						
Expected loss rate	0%	0%	0%	0%	0%	
Trade receivables	1,653,304	28,238	336,315	–	9,970	2,027,827
Loss allowance	–	–	–	–	–	–
<i>Rendering of services</i>						
Expected loss rate	0%	0%	0%	0%	100%	
Trade receivables	–	–	–	–	108,769	108,769
Loss allowance	–	–	–	–	(108,769)	(108,769)
2020						
<i>Sale of goods</i>						
Expected loss rate	0%	0%	0%	0%	0%	
Trade receivables	124,225	1,129,068	187,016	–	–	1,440,309
Loss allowance	–	–	–	–	–	–
<i>Rendering of services</i>						
Expected loss rate	0%	0%	0%	0%	100%	
Trade receivables	–	–	–	–	108,105	108,105
Loss allowance	–	–	–	–	(108,105)	(108,105)

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

(ii) Impairment of financial assets (cont'd)

Trade receivables (cont'd)

The Company has no credit risk exposure in the relation to trade receivable as at 31 December 2021 and 2020.

The movements in loss allowance are as follows:

	Group	
	2021	2020
	S\$	S\$
At the beginning of the financial year	108,105	111,439
Currency translation differences	664	(3,334)
At the end of the financial year (Note 14)	<u>108,769</u>	<u>108,105</u>

Other receivables

As at 31 December 2021 and 2020, there are no credit risk exposures in relation to the Group's other receivables. Management has assessed the application of the expected credit loss model and no addition loss allowances are recognised for these financial assets.

The Company applies the SFRS(I) 9 general model for measuring expected credit losses for its other receivables from its subsidiary corporations.

The Company has other receivables due from its subsidiary corporations of S\$13,170,609 (2020: S\$12,752,871) for the purpose of capital funding. The Company has made loss allowances amounting to S\$9,565,000 (2020: S\$9,565,000) as the amount has no indication of full recovery.

The movement in loss allowance is as follows:

	Company	
	2021	2020
	S\$	S\$
At the beginning of the financial year	9,565,000	14,202,004
Reversal of loss allowance	–	(4,637,004)
At the end of the financial year (Note 14)	<u>9,565,000</u>	<u>9,565,000</u>

Cash and cash equivalents

The Group considers cash and cash equivalents as low credit risk as it is held with bank and financial institution counterparties, which have high credit-rating assigned by the international credit-rating agency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(c) Liquidity risk

The Group and the Company manage the liquidity risk by maintaining sufficient cash and cash equivalents to enable them to meet their normal operating commitments, having an adequate amount of committed bank facilities.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Group	
	Less than 1 year	Between 1 and 2 years
	S\$	S\$
2021		
Trade and other payables	2,778,823	–
Borrowings (excluding lease liabilities)	391,629	278,487
Lease liabilities	63,000	107,100
	<u>3,233,452</u>	<u>385,587</u>
2020		
Trade and other payables	4,331,366	–
Borrowings (excluding lease liabilities)	315,024	1,328,222
Lease liabilities	94,500	1,567
	<u>4,740,890</u>	<u>1,329,789</u>
	Company	
	Less than 1 year	Between 1 and 2 years
	S\$	S\$
2021		
Trade and other payables	2,284,239	–
Financial guarantee contracts	387,024	–
	<u>2,671,263</u>	<u>–</u>
2020		
Trade and other payables	4,162,208	–
Borrowings	–	1,567
Financial guarantee contracts	1,500,000	–
	<u>5,662,208</u>	<u>1,567</u>

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. As at 31 December 2021, the Group's and the Company's gearing ratio was 16% and 29% (2020: 31% and 59%) respectively.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Net debt	2,943,618	5,782,889	2,062,605	4,034,345
Total equity	15,164,500	12,665,602	5,139,563	2,807,234
Total capital	18,108,118	18,448,491	7,202,168	6,841,579
Gearing ratio	16%	31%	29%	59%

The Group and the Company are not exposed to any externally imposed capital requirements for the financial years ended 31 December 2021 and 2020.

(e) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value measurement disclosure of assets that are recognised or measured at fair value, can be found at Note 19.

	Group Level 2 S\$
<u>Financial assets at fair value through profit or loss</u>	
- 2021	1,850,000
- 2020	3,700,000

There were no transfers between Levels 1 and 2 during the financial year.

The carrying amounts of cash and bank balances, trade and other receivables, and trade and other payables are assumed to approximate their fair values due to the short-term maturity. The fair value of borrowings approximates their carrying amount and is estimated based on discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Financial assets at fair value through profit or loss	1,850,000	3,700,000	–	–
Financial assets, at amortised costs	2,886,046	2,022,584	3,828,653	3,318,711
Financial liabilities, at amortised cost	3,603,790	5,958,079	2,284,239	4,163,775

27 Related Party Transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2021	2020
	S\$	S\$
Short-term lease payment to a related party	–	25,852

Related party comprises company which is controlled by one of the directors of the Company.

Outstanding balances from related parties as at 31 December 2021 and 2020 are unsecured and receivable/payable within 12 months from the balance sheet date and are disclosed in Notes 14 and 21 to the financial statements.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2021	2020
	S\$	S\$
Directors' fees	121,666	99,233
Salaries	791,892	643,459
Employer's contribution to defined contribution plans, including Central Provident Fund	62,098	53,940
Other short-term benefits	10,307	7,779
	985,963	804,411

Included in the above is total compensation to directors of the Company amounting to S\$367,683 (2020: S\$257,200).

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2021

28 Segment Information

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

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

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

- (b) Property development

The Group intends to embark on the property development business.

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

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

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

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

- (a) Revenue from major products

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

Group	2021 Revenue		2020 Revenue	
	S\$	%	S\$	%
Wood-based products	26,118,406	98.1	17,168,920	99.4
Outdoor lifestyle furniture	502,776	1.9	98,640	0.6
Total	26,621,182	100.0	17,267,560	100.0

- (b) Geographical information

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28 Segment Information (cont'd)

(b) Geographical information (cont'd)

Group	2021		2020	
	Revenue		Revenue	
	S\$	%	S\$	%
Europe	16,001,280	60.1	12,007,937	69.5
Australia/New Zealand	10,063,045	37.8	5,044,472	29.2
Asia/Others	556,857	2.1	215,151	1.3
	26,621,182	100.0	17,267,560	100.0

Group	2021		2020	
	Non-current assets		Non-current assets	
	S\$	%	S\$	%
Europe	16,138	0.1	8,756	0.1
Asia/Others	11,030,698	99.9	11,005,324	99.9
	11,046,836	100.0	11,014,080	100.0

No significant revenue is derived from a single external customer.

29 Corporate Guarantee

The Company has issued a corporate guarantee to a bank for a term loan of a subsidiary corporation which was used to refinance trust receipts financing. This amounted to S\$387,024 (2020: S\$1,500,000) at balance sheet date.

30 Events Occurring after the Reporting Period

- (a) On 11 January 2022, the Group has fully repaid the term loan as disclosed in Note 22. Upon full repayment of the term loan, the Company has been released as a guarantor in respect of the term loan.
- (b) On 17 January 2022, the Group has received the balance of S\$1,850,000 and transferred the remaining 5% equity interest in WFH to the promoter. The disposal of financial assets at fair value through profit or loss (Note 13) has been fully satisfied and completed as at the date of these financial statements.

As at 24 March 2022

SHARE CAPITAL

Number of Issued Shares	:	1,483,300,000
Share Capital	:	S\$26,161,421
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

The Company has no treasury shares and *subsidiary holdings as at 24 March 2022.

*subsidiary holdings – defined in the Listing Manual Section B, Rules of Catalist of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Cap 50.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 24 MARCH 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.97	90	0.00
100 - 1,000	26	5.04	16,900	0.00
1,001 - 10,000	58	11.24	412,600	0.03
10,001 - 1,000,000	383	74.22	75,345,901	5.08
1,000,001 and above	44	8.53	1,407,524,509	94.89
Total	516	100.00	1,483,300,000	100.00

TWENTY LARGEST SHAREHOLDERS

As at 24 March 2022

	SHAREHOLDER'S NAME	NO OF SHARES	%
1	CHEW HUA SENG	654,033,520	44.09
2	CITIBANK NOMINEES SINGAPORE PTE LTD	440,600,000	29.70
3	CHEW AH BA	120,949,081	8.15
4	TAN TERESA	46,029,318	3.10
5	CHEW CHIEW SIANG STEVEN	24,393,900	1.64
6	PHILLIP SECURITIES PTE LTD	12,492,980	0.84
7	MAYBANK SECURITIES PTE. LTD.	9,963,000	0.67
8	ANG CHIN SAN	8,351,000	0.56
9	YEO LAI CHOO @YEO LAI CHOO CECILIA	8,162,000	0.55
10	DBS NOMINEES PTE LTD	6,328,110	0.43
11	CHIN SEK PENG	6,300,000	0.42
12	TAN LYE SENG	4,979,200	0.34
13	NG BOON HUAN DANIELS	4,120,000	0.28
14	TAN ENG CHUA EDWIN	3,718,300	0.25
15	KARUPPIAH PALANIAPPAN	3,300,000	0.22
16	SATPAL KAUR	3,300,000	0.22
17	PRIMALANI CHANDRU GULABRAI	3,168,000	0.21
18	KWA LECK TIEW	3,121,000	0.21
19	GAN GIAP HUAT	3,018,200	0.20
20	RAFFLES NOMINEES (PTE) LIMITED	2,974,700	0.20
	Total	1,369,302,309	92.28

STATISTICS OF SHAREHOLDINGS

As at 24 March 2022

SUBSTANTIAL SHAREHOLDERS

As at 24 March 2022 as shown in the Company's Register of Substantial Shareholders

Name of Substantial Shareholder	Direct / Beneficial Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Chew Ah Ba, George	120,949,081	8.15	46,029,318 ⁽¹⁾	3.10	166,978,399	11.25
Tan Teresa	46,029,318	3.10	120,949,081 ⁽¹⁾	8.15	166,978,399	11.25
Guo Shaozeng	440,000,000	29.66	–	–	440,000,000	29.66
Chew Hua Seng	654,033,520	44.09	–	–	654,033,520	44.09

Note:

- (1) By virtue of Section 4 of the Securities and Futures Act 2001, Chew Ah Ba, George is deemed to have an interest in the shareholdings of his spouse, Mdm Tan Teresa and vice versa.

Free Float

Based on the Register of Substantial Shareholders as at 24 March 2022, approximately 13.36% of the total number of issued ordinary shares of the Company was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual, Section B, Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders (“**Shareholders**”) of Sitra Holdings (International) Limited (the “**Company**”) will be held by way of electronic means on Friday, 29 April 2022 at 10.00 a.m. to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021, the Directors’ Statement and the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr Chew Chiew Siang, Steven who retires by rotation in accordance with Article 91 of the Company’s Constitution and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 2)**
3. To re-elect the following Directors who are retiring in accordance with Article 97 of the Company’s Constitution and who, being eligible, offers himself for re-election:
 - (a) Mr Sim Guan Seng **(Resolution 3)**
*Mr Sim Guan Seng will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B, Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**Rules of Catalist**”).*
 - (b) Mr Chan Hock Keng **(Resolution 4)**
Mr Chan Hock Keng will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.
 - (c) Mr Lim Kian Thong **(Resolution 5)**
Mr Lim Kian Thong will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

[See Explanatory Note (a)]
4. To approve the payment of additional Directors’ fees of S\$21,666 for the financial year ended 31 December 2021. **(Resolution 6)**

[See Explanatory Note (b)]
5. To approve the payment of Directors’ fees of S\$100,000 for the financial year ending 31 December 2022, payable quarterly in arrears (2021: S\$100,000). **(Resolution 7)**

[See Explanatory Note (c)]
6. To re-appoint Moore Stephens LLP as external auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**
7. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

AS Special Business

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:-

8. Authority to allot and issue shares

THAT pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Rules of Catalist, authority be and is hereby given to the Directors of the Company to:

 - (a) (i) issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or

ANNUAL GENERAL MEETING IN 2022

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit;

- (b) (notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution was in force,

provided that:

- (i) the aggregate number of Shares to be issued pursuant to this Ordinary Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 100% of the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with subparagraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed 50% of the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below);

- (ii) for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (i) above, the percentage of issued share capital shall be based on the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings at the time of passing of this Ordinary Resolution, after adjusting for:

- (1) new Shares arising from the conversion or exercise of any convertible securities which were issued and are outstanding or subsisting at the time this Resolution is passed;
- (2) new Shares arising from exercise of share options or vesting of share awards which were issued and are outstanding or subsisting at the time of passing of this Ordinary Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and
- (3) any subsequent bonus issue, consolidation or subdivision of Shares;

and, in subparagraph (i) above and this subparagraph (ii), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- (iii) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution for the time being of the Company; and
- (iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and
- (c) the Directors be and are hereby authorized to do any and all acts which they deem necessary and expedient in connection with paragraphs (a) and (b) above.

(Resolution 9)

9. Authority to offer and grant options and to allot and issue Shares under the Sitra Holdings Employee Share Option Scheme

“That approval be and is hereby given to the Directors of the Company to:

- (A) offer and grant options in accordance with the Sitra Holdings Employee Share Option Scheme (the “**Scheme**”) and the Constitution of the Company; and
- (B) allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the exercise of options under the Scheme,

provided that the aggregate number of Shares over which options may be granted under the Scheme on any date, when added to the number of Shares issued and/or issuable or transferred and/or transferable in respect of all options granted under the Scheme, all awards granted under the Sitra Holdings Performance Share Plan and all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed fifteen per centum (15%) of the issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date.”

(Resolution 10)

10. Authority to grant Shares awards and to allot and issue Shares under the Sitra Holdings Performance Share Plan

“That approval be and is hereby given to the Directors of the Company to:

- (A) grant awards in accordance with the Sitra Holdings Performance Share Plan (the “**Plan**”) and the Constitution of the Company; and
- (B) allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the Plan,

provided that the aggregate number of Shares for which an award may be granted under the Plan on any date, when added to the number of Shares issued and/or issuable or transferred and/or transferable in respect of all awards granted under the Plan, all options granted under the Scheme and all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date.”

(Resolution 11)

By Order of the Board

Joanna Lim Lan Sim
Company Secretary

Singapore, 14 April 2022

Explanatory Notes

- (a) In relation to Resolutions 2 to 5 proposed under items 2 and 3(a) to 3(c) above, the detailed information on Mr. Chew Chiew Siang, Steven, Mr. Sim Guan Seng, Mr. Chan Hock Keng and Mr. Lim Kian Thong are set out in the section entitled “Board of Directors”, Table 3 in the “Corporate Governance Report” section and “Additional Information on Directors Seeking Re-Election” section of the Company’s 2021 Annual Report.

Mr. Chiew Chiew Siang, Steven is the nephew of Mr. Chew Hua Seng (Non-Executive Chairman and substantial shareholder of the Company) and the son of Mr. Chew Ah Ba, George (a substantial shareholder of the Company).

There are no relationships (including immediate family relationships) between Mr Sim Guan Seng and the Company, its related corporations, its substantial shareholders or its officers.

There are no relationships (including immediate family relationships) between Mr Chan Hock Keng and the Company, its related corporations, its substantial shareholders or its officers.

There are no relationships (including immediate family relationships) between Mr Lim Kian Thong and the Company, its related corporations, its substantial shareholders or its officers.

- (b) In relation to Resolution 6 proposed in item 4 above, the Board of Directors proposes the payment of additional directors’ fees of S\$21,666/- to the independent non-executive directors for financial year ended 31 December 2021 (to make up for the shortfall due to the renewal of the Board) and the directors’ fee of S\$100,000/- was approved at the previous AGM on 30 April 2021.
- (c) In relation to Resolution 7 proposed in item 5 above, the Board of Directors proposes the payment of directors’ fees to all independent non-executive directors to be approved by shareholders in advance at the Annual General Meeting. Upon approval, the directors’ fees would then be paid in arrears on a quarterly basis by the Company.

Statement Pursuant to Article 54 of the Company’s Constitution

Ordinary Resolution 9

Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 100% of the issued shares in the capital of the Company excluding treasury shares and subsidiary holdings, of which up to 50% may be issued other than on a pro rata basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution 9 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Ordinary Resolution 10

Ordinary Resolution 10 proposed in item 9 above, if passed, will empower the Directors of the Company to offer and grant options and allot and issue from time to time such number of fully paid-up Shares pursuant to the Scheme, provided that the aggregate number of Shares over which options may be granted under the Scheme on any date, when added to the number of Shares issued and/or issuable or transferred and/or transferable in respect of all options granted under the Scheme, all awards granted under the Sitra Holdings Performance Share Plan and all Shares, options or awards granted under any other share option or share scheme of the Company then in force shall not exceed fifteen per centum (15%) of the issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date.

Ordinary Resolution 11

Ordinary Resolution 11 proposed in item 10 above, if passed, will authorise the Directors of the Company to grant awards and to allot and issue from time to time such number of fully paid-up Shares pursuant to the Plan, provided that the aggregate number of Shares over which an award may be granted under the Plan on any date, when added to the number of Shares issued and/or issuable or transferred and/or transferable in respect of all awards granted under the Plan, all options granted under the Scheme and all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the date preceding that date.

Notes:

- (1) This Annual General Meeting (“AGM”) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- (2) Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Company’s announcement dated April 14, 2022 which has been uploaded on SGXNET on the same day. The announcement and Notice of AGM may also be assessed at the Company’s website at <http://www.sitraholdings.com/>
- (3) **In view of the current COVID-19 control measures in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The Proxy Form is available on SGXNET and the Company’s website at <http://www.sitraholdings.com/>
- (4) The Chairman of the AGM, as proxy, need not be a member of the Company.
- (5) The Proxy Form must be submitted in the following manner:
 - (a) if submitted electronically, be submitted via email to the Company’s Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com; or
 - (b) if submitted by post, be deposited at the at the office of the Company’s Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898,

in either case, by 10.00 a.m. on Wednesday, 27 April 2022.

A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed Proxy Forms electronically via email.

- (6) The Annual Report 2021, the Notice of AGM and Proxy Form may be accessed on the Company’s corporate website at <http://www.sitraholdings.com/> and on the SGX’s website at the URL <https://www.sgx.com/securities/company-announcements>

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

ANNUAL GENERAL MEETING IN 2022

ADDITIONAL INFORMATION ON ANNUAL GENERAL MEETING ON FRIDAY, 29 APRIL 2022 (“AGM”) TO BE HELD BY WAY OF ELECTRONIC MEANS

Background. The Board of Directors (the “**Board**”) of Sitra Holdings (International) Limited (the “**Company**”) refers to:

- a. the COVID-19 (Temporary Measures) Act 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to, inter alia, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means;
- b. the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”) which sets out the alternative arrangements in respect of, inter alia, general meetings of companies;
- c. the joint statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation of 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020 and 1 October 2020) which provides guidance on the conduct of general meetings amid the evolving COVID-19 situation during the period from 27 March 2020 to 30 June 2021.
- d. the extension of the Order announced by the Ministry of Law (“**MinLaw**”) on 6 April 2021 which allows entities to conduct general meetings via electronic means, beyond 30 June 2021 and will continue in force until revoked or amended by MinLaw (the “**Extended Order**”); and
- e. issuance of the 16 December 2021 Regulator’s Column entitled “What SGX RegCo expects on the conduct of general meetings amid the ongoing COVID-19 situation” by the Singapore Exchange Regulation (“**SGX RegCo**”).

In light of the foregoing authorities’ advisories and guidance and the evolving COVID-19 situation, the Company wishes to inform that the AGM will be convened and held on Friday, 29 April 2022 at 10.00 a.m. by way of electronic means via Live Webcast to transact the business set out in the AGM Notice and the following are the alternative arrangements which has been put in place for the AGM.

(A) PRE-REGISTRATION

Pre-Registration. Shareholders who wish to attend the AGM via live audio-visual webcast or live audio-only stream, must pre-register at the pre-registration website at <https://globalmeeting.bigbangdesign.co/sitra2022/> by 10.00 a.m. on 27 April 2022 (“**Registration Cut-Off Date**”) to enable the Company to verify their status as shareholders.

Following the verification, authenticated shareholders will receive a confirmation email by 10.00 a.m. on 28 April 2022 which will contain login details to access the live audio-visual webcast or a toll-free number with details to access the live audio-only stream of the AGM proceedings.

Shareholders should not disclose such login details to persons who are not entitled to attend the AGM. Shareholders who do not receive the confirmation email by 10.00 a.m. on 28 April 2022, but have registered by the 27 April 2022 deadline should contact our webcast service provider by email at webcast@bigbangdesign.co for assistance.

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

(B) SUBMISSION OF QUESTIONS IN ADVANCE

Shareholders will not be able to ask questions at the AGM live during the webcast or audio-stream and therefore it is important for shareholders to pre-register and submit their questions in advance of the AGM.

Shareholders can submit their questions related to the resolutions to be tabled at the AGM to the Chairman of the AGM, in advance of the AGM, in the following manner:

- a) **Via the pre-registration website.** Shareholders who pre-register to observe and/or listen to the AGM proceedings may submit their questions via the pre-registration website at <https://globalmeeting.bigbangdesign.co/sitra2022/>
- b) **Via email.** Shareholders may submit their questions via email to our webcast service provider by email at webcast@bigbangdesign.co

When sending in your questions by post or by email, please also provide the Company with the following details:

- i. your full name;
- ii. number of shares held; and
- iii. the manner in which you hold shares in the Company (e.g. via CDP, CPF or SRS).

Deadline to submit questions. All questions must be submitted by 10.00 a.m. on 21 April 2022. Shareholders will be not able to ask questions at the AGM live during the webcast or audio-stream.

The Company will address all substantial and relevant questions received from shareholders through an SGXNet announcement to be released prior to the closing date and time for the lodgement of the proxy forms on 27 April 2022 by 10.00 am. For substantial and relevant question received from shareholders after 21 April 2022, the responses to such questions from shareholders will be addressed during the AGM or published through an SGXNet announcement on 29 April 2022.

(C) SUBMISSION OF PROXY FORM TO VOTE

Appointment of Chairman of the AGM as proxy. Shareholders will not be able to vote during the “live” audio-visual webcast or “live” audio-only stream of the AGM proceedings. Shareholders (whether individual or corporate) who pre-register to observe and/or listen to the AGM proceedings and wish to vote on the resolutions to be tabled at the AGM must appoint the Chairman of the AGM must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM, in accordance with the instructions on the proxy form. The Proxy Form is available on SGXNET website. A printed copy of the Proxy Form can also be found in the Annual Report 2021.

Specific voting instructions to be given. Shareholders 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 AGM as proxy for that resolution will be treated as invalid.

Submission of proxy forms. The Proxy Form must be submitted in the following manner:

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

in either case, **by 10.00 a.m. on 27 April 2022.**

A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email 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.

CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM by 10.00 a.m. on 20 April 2022.

ANNUAL GENERAL MEETING IN 2022

(D) ACCESS TO DOCUMENTS OR INFORMATION RELATING TO THE AGM

The Annual Report 2021 Notice of AGM and Proxy Form may be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>

(E) IMPORTANT REMINDER

Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to make further changes to its arrangements for the AGM at short notice. Shareholders should check SGXNet for the latest updates on the status of the AGM.

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

For and on behalf of
Sitra Holdings (International) Limited
14 April 2022

This announcement 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").

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

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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Mr. Steven Chew Chiew Siang, Mr. Sim Guan Seng, Mr. Chan Hock Keng and Mr. Lim Kian Thong are the Directors seeking re-election at the forthcoming Annual General Meeting (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST:

	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
Date of Initial Appointment	20 September 2006	1 June 2021	1 July 2021	2 August 2021
Date of last re-appointment	27 April 2017	–	–	–
Age	51	62	53	59
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, and suitability of Mr. Steven Chew Chiew Siang for re-election as Executive Director of the Company. The Board has reviewed and concluded that Mr. Steven Chew Chiew Siang possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has reviewed and considered the credentials, work experiences, contribution and performance, attendance, preparedness, participation and suitability of Mr. Sim Guan Seng for re-election as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr. Sim Guan Seng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has reviewed and considered the credentials, work experiences, contribution and performance, attendance, preparedness, participation and suitability of Mr. Chan Hock Keng for re-election as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr. Chan Hock Keng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered the recommendation of the Nominating Committee and has reviewed and considered the credentials, work experiences, contribution and performance, attendance, preparedness, participation and suitability of Mr. Lim Kian Thong for re-election as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr. Lim Kian Thong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-executive	Non-Executive	Non-Executive

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	- Non-Executive Independent Director - Chairman of Audit Committee - Member of Remuneration Committee member - Member of Nominating Committee	- Non-Executive Independent Director - Chairman of Nominating Committee - Member of Audit Committee - Member of Remuneration Committee	- Non-Executive Independent Director - Chairman of Remuneration Committee - Member of Audit Committee - Member of Nominating Committee
Professional qualifications	- Diploma in Manufacturing Engineering - Diploma in Computer Studies	- Bachelor of Accountancy (Hons), National University of Singapore - Practicing member, Institute of Singapore Chartered Accountants - Certified Internal Auditor, Institute of Internal Auditors	- Bachelor of Law (Honours), University of Bristol UK; - Bar of England and Wales, UK; - Advocate & Solicitor, Singapore	- Bachelor of Accountancy, National University of Singapore; - Master of Business Administration (Banking & Finance), Nanyang Technological University, Singapore; - Fellow, Chartered Accountant of Singapore; - Fellow, CPA Australia
Working experience and occupation(s) during the past 10 years	Currently, Executive Director of Sitra Holdings (International) Limited. Please refer to Mr Steven Chew Chiew Siang's profile write-up in the "Board of Directors" section of this Annual Report.	Assurance Partner of Baker Tilly TFW LLP	Practising lawyer and Partner of WongPartnership since 1997.	<u>February 2022-Present</u> iFAST Corporation Ltd. – Group Chief Financial Officer <u>October 2020 – January 2022</u> iFAST Financial Pte. Ltd – Deputy COO <u>February 2020 - June 2020</u> PureCircle Limited (formerly listed on the Premium Main Market of The London Stock Exchange) – CFO/ Executive Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
				<u>September 2019 – January 2020</u> Hua Hong Foundation Investment Holding (Singapore) Pte. Ltd – CEO of Financial Investments <u>April 2013 - August 2019</u> Haitong International Securities (Singapore) Pte. Ltd – CEO/Executive Director <u>October 2012 - March 2013</u> James Cook University, Singapore Campus – Part-time Lecturer & Tutor
Shareholding interest in the listed issuer and its subsidiaries	24,393,900 shares	None	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	Son of Mr Chew Ah Ba, George and Mdm Tan Teresa, both are the substantial shareholders of the Company. Nephew of Mr Chew Hua Seng, Non-Executive Director and Non-Executive Chairman of the Company.	No	No	No
Conflict of Interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships#				

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
Past (for the last 5 years)	<u>Past</u> Nil	<u>Past</u> • Cennerv Pharmaceuticals Pte. Ltd. • VsC International Pte Ltd • Varun Asia Pte Ltd • TFW Management Services Pte Ltd • Baker Tilly International • Baker Tilly Consultancy (Singapore) Pte. Ltd. • Park Crescent Services Pte Ltd • Singapore Accountancy Commission • Lightway Corporate Services Pte Ltd • AC Chairman of NCC Research Fund • AC Chairman of NCC Cancer Fund	<u>Past</u> • Singapore Chinese Dance Theatre • Wemade Tree Pte Ltd	<u>Past</u> • PureCircle Limited (formerly listed on the Premium Main Market of The London Stock Exchange) • Haitong International Securities (Singapore) Pte. Ltd. • Haitong International Securities Group (Singapore) Pte. Ltd. • Haitong International Financial Products (Singapore) Pte Ltd • Haitong International Asset Management (Singapore) Pte. Ltd. (f.k.a. Haitong International Investment (Singapore) Pte Ltd) • Haitong International Financial Services (Singapore) Pte Ltd (f.k.a. G. K. Goh Financial Services (S) Pte. Ltd.) • Haitong Global Investment SPC • Haitong Freedom Multi - Tranche Master Bond Fund • Harvest Global Technology Fund S.P. • Haitong Global Investment SPC IV

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
				• Haitong Global Investment SPC II • Haitong Freedom Multi Tranche Bond Fund • Haitong Global Investment SPC III • Haitong Global Investment SPC V • Haitong International Investment Fund SPC • Haitong Global Investment SPC VI • Haitong International Innovation Fund SPC
Present * “Principal Commitments” has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)	<u>Present</u> • Sitra Holdings (International) Limited • SFIC Institute Pte Ltd <u>Other Principal Commitments</u> • Vice-President of the Singapore Furniture Industries Council	<u>Present</u> • Sitra Holdings (International) Limited • Darco Water Technologies Limited • Anglican Preschool Services Ltd • National Volunteer and Philanthropy Centre <u>Other Principal Commitments</u> • Assurance Partner of Baker Tilly TFW LLP	<u>Present</u> • Sitra Holdings (International) Limited • Singapore Hokkien Huay Kuan (CLG) • Yunnan Realty Pte Ltd • The Hokkien Foundation • (CLG/IPC) • Singapore Hokkien Huay Kuan Cultural Academy Pte Ltd <u>Principal Commitments</u> • WongPartnership – Partner	<u>Present</u> • Sitra Holdings (International) Limited • LHN Logistics Pte. Ltd. • BondsUPERMART Pte. Ltd. • iFast Securities US Corporation • Lim & Partners Advisory Services Pte. Ltd. <u>Principal Commitments</u> • iFAST Corporation Ltd. – Group CFO

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.				
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
c) Whether there is any unsatisfied judgment against him?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust	No	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–				
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Steven Chew Chiew Siang	Sim Guan Seng	Chan Hock Keng	Lim Kian Thong
Disclosure applicable to appointment of Director Only Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Yes. Currently an executive director of the following listed company:- • Sitra Holdings (International) Limited	Yes. Currently an independent non-executive director of the following listed companies:- • Sitra Holdings (International) Limited • Darco Water Technologies Limited	Yes. Currently an independent non-executive director of the following listed company:- • Sitra Holdings (International) Limited	Yes. Currently an independent non-executive director of the following listed companies:- • Sitra Holdings (International) Limited

Note:

- (1) Mr Chan Hock Keng has no prior experience as a director of a public listed companies in Singapore when he was appointed to the Board. Mr Chan Hock Keng has attended the Singapore Institute of Directors Listed Entity Director Programme - LED 1 - Listed Entity Director Essentials on 8 and 9 March 2022 and will be attending the rest of the training programmes prescribed by the SGX-ST pursuant to Practice Note 4D of the Catalyst Rules in 2022.

**SITRA HOLDINGS
(INTERNATIONAL) LIMITED**
(Company Registration No.: 197901237E)
(Incorporated in the Republic of Singapore)

**ANNUAL GENERAL MEETING
PROXY FORM**

IMPORTANT

- (1) In view of the current Covid-19 control measures in Singapore, the Annual General Meeting ("AGM") will be held by way of electronic means and a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
- (2) This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them.
- (3) CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the AGM. Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.
- (4) Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

PERSONAL DATA PRIVACY:

By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2022.

I/We(Name) _____

(NRIC/Passport/UEN) _____

of (Address) _____

being a *member/members of **SITRA HOLDINGS (INTERNATIONAL) LIMITED** (the "**Company**"), hereby appoint the Chairman of the AGM as my/our proxy/proxies, to vote for me/us on my/our behalf at the AGM of the Company to be held by electronic means on Friday, 29 April 2022 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our proxy to vote for or against, or abstain from voting on, the Ordinary Resolutions to be proposed at the AGM as indicated hereunder.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

No.	Ordinary Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021, the Directors' Statement and the Reports of Auditors thereon.			
2.	To re-elect Mr. Chew Chiew Siang, Steven as a Director (Retiring under Article 91).			
3.	To re-elect Mr. Sim Guan Seng as a Director (Retiring under Article 97).			
4.	To re-elect Mr. Chan Hock Keng as a Director (Retiring under Article 97).			
5.	To re-elect Mr. Lim Kian Thong as a Director (Retiring under Article 97).			
6.	To approve the payment of additional Directors' fees of S\$21,666 for the financial year ended 31 December 2021.			
7.	To approve the payment of Directors' fees of S\$100,000 for the financial year ending 31 December 2022, payable quarterly in arrears. (2021: S\$100,000).			
8.	To re-appoint Messrs Moore Stephens LLP as the Company's external auditors and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
9.	To authorise the Directors to allot and issue shares pursuant to the Share Issue Mandate.			
10.	To authorise the Directors to offer and grant options and to allot and issue shares under the Sitra Holdings Employee Share Option Scheme.			
11.	To authorise the Directors to grant share awards and to allot and issue shares under the Sitra Holdings Performance Share Plan.			

Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a Resolution, please indicate "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box in respect of that Resolution. If you wish the Chairman of the AGM as your proxy to "Abstain" from voting on a resolution, please indicate "X" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the AGM as your proxy is directed to abstain from voting in that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2022

Total No. of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

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

* Delete as appropriate

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes:

1. If the member 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 member 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 member 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 member.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Please note that a member may not vote at the AGM otherwise than by way of appointing the Chairman of the AGM as the member's proxy.
Where a member (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 AGM as proxy for that resolution will be treated as invalid.
3. A member who is a relevant intermediary entitled to vote at the AGM must appoint the Chairman of the AGM to vote at the AGM instead of the member.
"Relevant intermediary" means:
 - (i) a banking corporation licensed under the Banking Act 1970 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;
 - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Future Act 2001 and who holds shares in that capacity; or
 - (iii) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Central Provident Fund Act 1953, providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the 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 AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at by 10.00 a.m. on 19 April 2022.
4. The Chairman of the AGM, as proxy, need not be a member of the Company.

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

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5. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (i) if submitted electronically, be submitted via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com; or
 - (ii) 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.in either case, by no later than **27 April 2022, 10.00 a.m.**, being at least 48 hours before the time for holding the AGM. A member who wishes to submit an instrument of proxy must 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 in Singapore, shareholders are strongly encouraged to submit completed proxy forms electronically via email.
6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of AGM as proxy 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.
7. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) if the instrument appointing the Chairman of the AGM as proxy is submitted by post, be lodged with the instrument of proxy, if the instrument appointing the Chairman of the AGM as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing Chairman of the AGM as proxy (including any related attachment). In addition, in the case of members whose shares entered against their names in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares against their names in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Members 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.

