

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

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULTS**

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

Group Income Statement for Half Year ended 30 June 2018. These figures have not been audited.

|                                       | Group                        |                              |                         |
|---------------------------------------|------------------------------|------------------------------|-------------------------|
|                                       | S\$'000                      |                              | %                       |
|                                       | 6 Months ended<br>30/06/2018 | 6 Months ended<br>30/06/2017 | Increase/<br>(Decrease) |
| <b>Continuing operations</b>          |                              |                              |                         |
| <b>Revenue</b>                        | 6,128                        | 9,510                        | -35.6%                  |
| Cost of sales                         | (5,639)                      | (8,450)                      | -33.3%                  |
| <b>Gross profit</b>                   | 489                          | 1,060                        | -53.9%                  |
| Other income                          | 165                          | 219                          | -24.7%                  |
| Other losses - net                    | (507)                        | (489)                        | 3.7%                    |
| Selling and marketing expenses        | (253)                        | (268)                        | -5.6%                   |
| Administrative expenses               | (1,102)                      | (1,159)                      | -4.9%                   |
| Finance expenses                      | (26)                         | (6)                          | 333.3%                  |
| Share of loss from associated company | (6)                          | -                            | N.M.                    |
| <b>Loss before income tax</b>         | <b>(1,240)</b>               | <b>(643)</b>                 | 92.8%                   |
| Income tax expense                    | -                            | -                            | -                       |
| <b>Loss for the period</b>            | <b>(1,240)</b>               | <b>(643)</b>                 | <b>92.8%</b>            |
| <b>Attributable to:</b>               |                              |                              |                         |
| Equity holders of the Company         | (1,251)                      | (671)                        | 86.4%                   |
| Non-controlling interests             | 11                           | 28                           | -60.7%                  |
|                                       | <b>(1,240)</b>               | <b>(643)</b>                 | <b>92.8%</b>            |

N.M – not meaningful

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

**Note:**

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

|                                               | <b>Group</b>                         |                                      |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
|                                               | <b>S\$'000</b>                       |                                      |
|                                               | <b>6 Months ended<br/>30/06/2018</b> | <b>6 Months ended<br/>30/06/2017</b> |
| Commission income                             | (37)                                 | (42)                                 |
| Defined contribution included in staff costs  | 27                                   | 29                                   |
| Depreciation of property, plant and equipment | 148                                  | 139                                  |
| Directors' fees                               | 53                                   | 53                                   |
| Directors' remuneration                       | 282                                  | 282                                  |
| Exchange loss                                 | 507                                  | 489                                  |
| Rental income                                 | (87)                                 | (95)                                 |
| Rental expenses                               | 50                                   | 56                                   |
| Staff costs                                   | 434                                  | 438                                  |

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

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

Group Consolidated Statement of Comprehensive Income for Half Year ended 30 June 2018.

|                                                                | S\$'000                      |                              |
|----------------------------------------------------------------|------------------------------|------------------------------|
|                                                                | 6 Months ended<br>30/06/2018 | 6 Months ended<br>30/06/2017 |
| Loss for the period                                            | (1,240)                      | (643)                        |
| Other comprehensive income:                                    |                              |                              |
| Items that may be reclassified subsequently to profit or loss: |                              |                              |
| Currency translation differences arising from consolidation    | 476                          | 518                          |
| Other comprehensive income, net of tax                         | 476                          | 518                          |
| Total comprehensive loss                                       | (764)                        | (125)                        |
| Total comprehensive (loss)/income attributable to:             |                              |                              |
| Equity holders of the Company                                  | (773)                        | (162)                        |
| Non-controlling interests                                      | 9                            | 37                           |
|                                                                | (764)                        | (125)                        |

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

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

|                                                                           | Group    |                       | Company  |          |
|---------------------------------------------------------------------------|----------|-----------------------|----------|----------|
|                                                                           | 30/06/18 | 31/12/17              | 30/06/18 | 31/12/17 |
|                                                                           | S\$'000  | S\$'000<br>(Restated) | S\$'000  | S\$'000  |
| <b>Current assets</b>                                                     |          |                       |          |          |
| Cash and bank balances                                                    | 285      | 355                   | 12       | 8        |
| Financial assets, at fair value through profit or loss                    | 9,500    | 9,500                 | -        | -        |
| Trade and other receivables                                               | 893      | 918                   | 4,533    | 4,158    |
| Inventories                                                               | 2,071    | 2,115                 | 10       | 10       |
| Other current assets                                                      | 280      | 192                   | 27       | 28       |
|                                                                           | 13,029   | 13,080                | 4,582    | 4,204    |
| <b>Non-current assets</b>                                                 |          |                       |          |          |
| Investment in an associated company                                       | -        | -*                    | -        | -        |
| Investments in subsidiary corporations                                    | -        | -                     | 227      | 227      |
| Property, plant and equipment                                             | 3,529    | 3,720                 | 95       | 108      |
| Deferred tax assets                                                       | 57       | 60                    | -        | -        |
|                                                                           | 3,586    | 3,780                 | 322      | 335      |
| <b>Total assets</b>                                                       | 16,615   | 16,860                | 4,904    | 4,539    |
| <b>Current liabilities</b>                                                |          |                       |          |          |
| Trade and other payables                                                  | 2,833    | 2,688                 | 3,948    | 3,110    |
| Borrowings                                                                | 1,044    | 652                   | 31       | 31       |
|                                                                           | 3,877    | 3,340                 | 3,979    | 3,141    |
| <b>Non-current liabilities</b>                                            |          |                       |          |          |
| Borrowings                                                                | 12       | 28                    | 12       | 28       |
| Deferred income tax liabilities                                           | 238      | 240                   | -        | -        |
|                                                                           | 250      | 268                   | 12       | 28       |
| <b>Total liabilities</b>                                                  | 4,127    | 3,608                 | 3,991    | 3,169    |
| <b>Net assets</b>                                                         | 12,488   | 13,252                | 913      | 1,370    |
| <b>Capital and reserves attributable to equity holders of the Company</b> |          |                       |          |          |
| Share capital                                                             | 17,817   | 17,817                | 17,817   | 17,817   |
| Other reserves                                                            | (228)    | (706)                 | (21)     | (21)     |
| Accumulated losses                                                        | (5,268)  | (4,017)               | (16,883) | (16,426) |
|                                                                           | 12,321   | 13,094                | 913      | 1,370    |
| Non-controlling interests                                                 | 167      | 158                   | -        | -        |
| <b>Total Equity</b>                                                       | 12,488   | 13,252                | 913      | 1,370    |

\*Denotes amount less than S\$1,000.

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

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

**Amount repayable in one year or less, or on demand**

|                           | Group               |                     |
|---------------------------|---------------------|---------------------|
|                           | S\$'000             |                     |
|                           | As at<br>30/06/2018 | As at<br>31/12/2017 |
| Bank borrowings           | 1,013               | 621                 |
| Finance lease liabilities | 31                  | 31                  |

**Amount repayable after one year**

|                                                             | Group               |                     |
|-------------------------------------------------------------|---------------------|---------------------|
|                                                             | S\$'000             |                     |
|                                                             | As at<br>30/06/2018 | As at<br>31/12/2017 |
| Finance lease liabilities<br>- due within two to five years | 12                  | 28                  |

**Details of any collateral**

- 1) The bank overdrafts and bank borrowings as at 30/06/2018 were secured on:
- (i) Corporate guarantee of the Company
  - (ii) Rights to the leased motor vehicles which will revert to the lessor in the event of default

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

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

|                                                                     | Group                     |                           |
|---------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                     | S\$'000                   |                           |
|                                                                     | 6 Months ended 30/06/2018 | 6 Months ended 30/06/2017 |
| <b>Cash flows from operating activities</b>                         |                           |                           |
| Loss before income tax                                              | (1,240)                   | (643)                     |
| Adjustments for:                                                    |                           |                           |
| Depreciation of property, plant and equipment                       | 148                       | 139                       |
| Interest expense                                                    | 26                        | 6                         |
| Unrealised translation loss                                         | 688                       | 570                       |
|                                                                     | <b>(378)</b>              | <b>72</b>                 |
| <b>Changes in working capital</b>                                   |                           |                           |
| - Inventories                                                       | 2                         | 351                       |
| - Trade and other receivables                                       | 373                       | (757)                     |
| - Other current assets                                              | (93)                      | 11                        |
| - Trade and other payables                                          | (325)                     | (185)                     |
| <b>Cash used in operations</b>                                      | <b>(421)</b>              | <b>(508)</b>              |
| Interest paid                                                       | (26)                      | (6)                       |
| <b>Net cash used in operating activities</b>                        | <b>(447)</b>              | <b>(514)</b>              |
| <b>Cash flows from investing activities</b>                         |                           |                           |
| Purchase of property, plant and equipment                           | (1)                       | (1)                       |
| <b>Net cash used in investing activities</b>                        | <b>(1)</b>                | <b>(1)</b>                |
| <b>Cash flows from financing activities</b>                         |                           |                           |
| Proceeds from bank borrowings                                       | 392                       | 329                       |
| Finance lease liabilities                                           | (15)                      | (11)                      |
| <b>Net cash provided by/(used in) financing activities</b>          | <b>377</b>                | <b>(318)</b>              |
| <b>Net decrease in cash and cash equivalents</b>                    | <b>(71)</b>               | <b>(197)</b>              |
| <b>Cash and cash equivalents at beginning of financial period</b>   | <b>355</b>                | <b>198</b>                |
| <b>Effects of currency translation on cash and cash equivalents</b> | <b>1</b>                  | <b>1</b>                  |
| <b>Cash and cash equivalents at end of financial period</b>         | <b>285</b>                | <b>2</b>                  |

Note

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

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

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

| Group                                              | Share capital | Other reserves | Accumulated losses | Total attributable to equity holders of the Company | Non-controlling interests | Total         |
|----------------------------------------------------|---------------|----------------|--------------------|-----------------------------------------------------|---------------------------|---------------|
|                                                    | S\$'000       | S\$'000        | S\$'000            | S\$'000                                             | S\$'000                   | S\$'000       |
| Balance at 31 December 2016 as previously reported | 17,817        | 3,367          | (6,356)            | 14,828                                              | (287)                     | 14,541        |
| Adoption of SFRS(I)                                | -             | (4,907)        | 4,907              | -                                                   | -                         | -             |
| Balance at 1 January 2017 as restated              | 17,817        | (1,540)        | (1,449)            | 14,828                                              | (287)                     | 14,541        |
| Total comprehensive income/(loss) for the year     | -             | 834            | (2,568)            | (1,734)                                             | 445                       | (1,289)       |
| <b>Balance at 31 December 2017</b>                 | <b>17,817</b> | <b>(706)</b>   | <b>(4,017)</b>     | <b>13,094</b>                                       | <b>158</b>                | <b>13,252</b> |
|                                                    |               |                |                    |                                                     |                           |               |
| Balance at 31 December 2017 as previously reported | 17,817        | 4,201          | (8,924)            | 13,094                                              | 158                       | 13,252        |
| Adoption of SFRS(I)                                | -             | (4,907)        | 4,907              | -                                                   | -                         | -             |
| Balance at 1 January 2018 as restated              | 17,817        | (706)          | (4,017)            | 13,094                                              | 158                       | 13,252        |
| Total comprehensive income/(loss) for the period   | -             | 478            | (1,251)            | (773)                                               | 9                         | (764)         |
| <b>Balance at 30 June 2018</b>                     | <b>17,817</b> | <b>(228)</b>   | <b>(5,268)</b>     | <b>12,321</b>                                       | <b>167</b>                | <b>12,488</b> |

| Company                                 | Share capital | Other reserves | Accumulated losses | Total        |
|-----------------------------------------|---------------|----------------|--------------------|--------------|
|                                         | S\$'000       | S\$'000        | S\$'000            | S\$'000      |
| Balance at 1 January 2017               | 17,817        | (21)           | (13,807)           | 3,989        |
| Total comprehensive loss for the year   | -             | -              | (2,619)            | (678)        |
| <b>Balance at 31 December 2017</b>      | <b>17,817</b> | <b>(21)</b>    | <b>(16,426)</b>    | <b>1,370</b> |
|                                         |               |                |                    |              |
| Balance at 1 January 2017               | 17,817        | (21)           | (16,426)           | 1,370        |
| Total comprehensive loss for the period | -             | -              | (457)              | (457)        |
| <b>Balance at 30 June 2018</b>          | <b>17,817</b> | <b>(21)</b>    | <b>(16,883)</b>    | <b>913</b>   |

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

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

The total numbers of issued shares were 751,200,000 as at 31 December 2017 and 751,200,000 as at 30 June 2018.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2017 and 30 June 2018.

The Company did not have any subsidiary holdings as at 31 December 2017 and 30 June 2018.

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

The total number of issued shares excluding treasury shares was 751,200,000 as at 31 December 2017 and 751,200,000 as at 30 June 2018.

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

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

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

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

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

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

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

Not applicable.

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

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

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period which are consistent with those described in the audited financial statements for the year ended 31 December 2017, except for the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretation of SFRS(I) on 1 January 2018 including the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2018.

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

On transition of SFRS(I), the Group elected and regarded the fair value of its leasehold land and building classified under property, plant and equipment at 1 January 2017 as their deemed cost on date of transition of SFRS(I) on 1 January 2017. As a result, other reserves and accumulated losses were decreased by S\$2,954,000 respectively.

In addition, the Group elected to set the cumulative translation differences to zero as at 1 January 2017. Accordingly, other reserves and accumulated losses were decreased by S\$1,953,000 respectively.

The reconciliation of this change in accounting policies is as follows:

|                                   | Group       |         |             |             |         |             |
|-----------------------------------|-------------|---------|-------------|-------------|---------|-------------|
|                                   | 01/01/2018  |         |             | 01/01/2017  |         |             |
|                                   | As reported | Effects | As restated | As reported | Effects | As restated |
|                                   | S\$'000     | S\$'000 | S\$'000     | S\$'000     | S\$'000 | S\$'000     |
| <u>Consolidated balance sheet</u> |             |         |             |             |         |             |
| Other reserves                    | 4,201       | (4,907) | (706)       | 3,367       | (4,907) | (1,540)     |
| Accumulated losses                | (8,924)     | 4,907   | (4,017)     | (6,356)     | 4,907   | (1,449)     |

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

|                                                                                                       | Group                        |                              |
|-------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                       | 6 Months ended<br>30/06/2018 | 6 Months ended<br>30/06/2017 |
| Loss per ordinary share of the group, after deducting any provision for preference dividends (cents): |                              |                              |
| (a) Based on weighted average number of ordinary shares on issue; and                                 |                              |                              |
| - Basic and diluted                                                                                   | (0.17)                       | (0.09)                       |

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

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

|                                                                                         | Group      |            | Company    |            |
|-----------------------------------------------------------------------------------------|------------|------------|------------|------------|
|                                                                                         | 30/06/2018 | 31/12/2017 | 30/06/2018 | 31/12/2017 |
| Net asset value per ordinary share based on issued share capital at the end of (cents): | 1.66       | 1.76       | 0.12       | 0.18       |

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

**Revenue**

Revenue posted a decrease of S\$3.4 million or 35.6% from S\$9.5 million in 1HFY2017 to S\$6.1 million in 1HFY2018, due to lower sales registered for both the wood-based products and the lifestyle outdoor furniture products. This was mainly due to the slow-down in shipments from our suppliers caused by the severe shortage of raw materials that started at the 2<sup>nd</sup> half of last financial year that continues to affect the supply of logs to our key suppliers.

The wood-based segment revenue decreased by S\$3.2 million or 34.4% to S\$6.1 million and the lifestyle outdoor furniture registered a S\$0.16 million or 84.2% decrease in sales to S\$0.03 million in 1HFY18. In terms of business by geographical regions, all the Australia/New Zealand market, Europe market and Asia/Others market registered a decrease in sales of S\$0.4 million or 22.2% to S\$1.4 million, S\$2.4 million or 34.38% to S\$4.6 million and S\$0.5 million or 71.4% to S\$0.2 million respectively in 1HFY18.

**Cost of sales and gross profit margin**

The cost of sales decreased by 33.3% or S\$2.8 million to S\$5.6 million in 1HFY18 and the cost of sales as a percentage of revenue increased from 88.9% in 1HFY17 to 92.0% in 1HFY18, thus resulting in lower gross margin of 8.0% in 1HFY18 compared to 11.1% gross margin for 1HFY17. The decrease in gross margin was mainly due to the large increase in the cost of our products, caused by the severe shortage of log supply to our suppliers that led to suppliers continue to increase their products price resulting in the Group's sales being compelled to close at much lower margins in order to stay competitive with the markets and also to maintain the existing key customers.

**Other income**

Other income decreased by S\$0.05 million to S\$0.17 million in 1HFY18 due mainly to the lower rental and commission income, offset by higher government grant received as compared to 1HFY17.

**Other losses – net**

Other losses remained almost the same as prior corresponding period at S\$0.5 million for 1HFY18.

**Selling and marketing expenses**

Selling and marketing expenses remained almost the same as prior corresponding period at S\$0.3 million for 1HFY18.

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD  
ENDED 30 JUNE 2018**

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**Administrative expenses**

Administrative expenses decreased by S\$0.06 million and remained approximately the same at S\$1.1 million.

**Finance expenses**

Finance cost increased by S\$20K due to the higher bill payable interest incurred.

**BALANCE SHEET**

**Current assets**

Current assets remained approximately the same at S\$13.0 million.

**Non-current assets**

Non-current assets decreased by S\$0.19 million to S\$3.59 million arising mainly from depreciation charges and translation loss for the period.

**Current liabilities**

Current liabilities increased by S\$0.54 million to S\$3.88 million due mainly to the increase in bank borrowing of S\$0.40 million and higher trade and other payables of S\$0.14 million.

**Non-current liabilities**

Non-current liabilities remained approximately the same at S\$0.3 million.

**Capital and reserves**

Total equity decreased by S\$0.76 million to S\$12.49 million due mainly to the total comprehensive loss of S\$1.24 million, offset by higher other reserves of S\$0.48 million arising from the currency translation gain for the period.

**Cash Flows**

The Group had a negative cash flow from operating activities before working capital changes of approximately S\$0.38 million. Net cash used in working capital was S\$0.05 million due to the increase in other current assets of S\$0.09 million and decrease in trade and other payables of S\$0.33 million, offset by a decrease in trade and other receivables of S\$0.37 million respectively. Net cash used in operating activities stood at S\$0.45 million after the payment of interest.

The net cash used in investing activities of S\$1K was for the purchase of property, plant and equipment.

Net cash provided by financing activities was S\$0.38 million due mainly to the proceeds from bank borrowings of S\$0.39 million, offset by the repayment of finance lease liabilities and interest paid of S\$0.01 million.

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

Not applicable

**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

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

The Group expects that the demand for our wood-based products will remain weak for the rest of this financial year, as the impact of the severe shortage of raw materials that affected the supply of logs to our key suppliers which in turn led to large increase in raw material prices during the end of last financial year will continue into the rest of this financial year. Some of our customers are still not able to accept this price level and had sourced for alternative products.

- 11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No dividend has been declared for 1HFY18.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

- 12. If no dividend has been declared/recommendeded, a statement to that effect.**

The Company has not declared or recommended any dividend for 1HFY18.

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

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

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

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

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

We, Chew Ah Ba and Steven Chew, being two directors of Sitra Holdings (International) Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Group for the 6-month period ended 30 June 2018 to be false or misleading.

On behalf of the Board of Directors

Chew Ah Ba  
Director

Steven Chew  
Director

**BY ORDER OF THE BOARD**

Chew Ah Ba  
Executive Chairman  
14 August 2018

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

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*The details of the contact person for the Sponsor are:*

*Name: Mr. Leong Weng Tuck, Registered Professional*

*Address: 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619*

*Tel: (65) 6381 6757*