SITRA HOLDINGS
(INTERNATIONAL) LIMITED

POWERING A SUSTAINABLE FUTURE

ANNUAL REPORT 2023

CONTENTS

CORPORATE PROFILE

Sitra Holdings (International) Limited ("**Sitra**" or the "**Company**", together with 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 woodbased 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.

The Group acquired 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.

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.

CORPORATE PROFILE

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

CHAIRMAN'S STATEMENT

"In the year ahead, we will also continue to focus on recovering our core business in the sale and services of timber and wood-based products."

Dear Shareholders,

On behalf of the Board of Directors of Sitra Holdings (International) Limited ("**Sitra**" or the "**Company**", together with its subsidiaries, the "**Group**"), it is with cautious optimism that I present the Company's annual report for the financial year ended 31 December 2023 ("**FY2023**").

As I reflect on FY2023, I am, first and foremost, heartened by the resilience that the Group has displayed as we continue to navigate a challenging business landscape. After emerging from the shadows of COVID-19 in FY2022, we entered FY2023 fully aware of the strong economic headwinds that lay ahead. Global inflationary pressures, record-high interest rate hikes, and uncertainty arising out of the Russia-Ukraine conflict have significantly hampered market recovery, especially in our main market of Europe.

While our financial performance was impacted, it is worth acknowledging that these challenges were anticipated and addressed to the best of our collective abilities. The macro-economic turbulence has left few unscathed but, in its wake, we have gained valuable lessons in prudence and adaptability that will serve us well in the future.

Revenue for FY2023 decreased by 34%, amounting to S$14.5 million, primarily due to an overall decline in sales of our timber and wood-based products. Most notably, revenue from two of our key geographic markets has suffered. We recorded top-line decreases of 19% in Australia/New Zealand and 41% in Europe. Revenue from sales and services of wood-based products to Asia/Other markets did increase by 15% but continues to represent just 4% of our total revenue.

Adding to the challenges of weak consumer sentiment and strong competition, the Group also had to combat the effects of runaway inflation and high-interest rates. In response, we focused on operational efficiency and cost optimisations.

While the cost of sales decreased by 34% in tandem with the drop in revenue, the Group's gross profit margin increased by 0.3% from 8.0% in FY2022 to 8.3% in FY2023. There has also been a notable 92% reduction in other losses – net from S$1.3 million in FY2022 to S$0.1 million in FY2023 due to the foreign currency translation from net lossof S$1.2 million in FY2022 to net gains of S$0.05 million in FY2023. Consequently, the Group's total loss of S$2.2 million in FY2023 was a 25% improvement over FY2022's S$2.9 million.

Looking ahead at FY2024, overall economic volatility is expected to continue. However, we do expect the interest rate environment to normalise soon. This may present the appropriate opportunity for us to commence construction on our development project in Bintan, Indonesia. We had earlier made the prudent decision to delay the commencement of the construction of the development project because of market uncertainty and the high-interest rates. Once this is underway, we can look forward to our property development business generating a new revenue stream for the Group.

In the year ahead, we will also continue to focus on recovering our core business in the sale and services of timber and wood-based products. Already, our team is actively engaging customers, partners, and other stakeholders to explore ways in which we can better position ourselves to capitalise on the recovery when it comes.

On that note, please allow me to extend my sincerest gratitude to our Board of Directors, shareholders, customers, and dedicated team members. Thank you for your unwavering trust and support. The night is darkest just before dawn, but a day will surely break. I do not doubt that we are moving steadily towards a brighter future.

Once again, thank you for your continued confidence in Sitra.

Yours faithfully,

Mr Chew Hua Seng
Non-Executive Chairman

OPERATIONS REVIEW

INCOME STATEMENT

Revenue

Revenue decreased by 34% from S$21.873 million in FY2022 to S$14.509 million in FY2023 mainly due to a decrease in sales of wood-based products across two key geographical markets - Europe and Australia/New Zealand.

Based on the geographical breakdown of the Group's revenue, the Australia/New Zealand market contributed S$5.150 million in FY2023, a decrease of 19% or S$1.235 million compared to FY2022. Europe continues to be our largest market, accounting for S$8.825 million of FY2023's revenue but recording a 41% or S$6.198 million decrease from S$15.023 million in FY2022. Revenue from Asia/Others, however, notched up by 15%, bringing in $0.534 million in FY2023, compared to S$0.465 million in FY2022.

Cost of Sales and Gross Profit Margin

In tandem with the decrease in revenue, cost of sales decreased by 34% or S$6.823 million from S$20.133 million in FY2022 to S$13.310 million in FY2023. Gross profit margin increased by 0.3% from 8.0% in FY2022 to 8.3% in FY2023 mainly from higher profit margins achieved from lower freight and handling charges.

Selling and Marketing Expenses

Selling and marketing expenses decreased by 8% from S$0.604 million in FY2022 to S$0.556 million in FY2023, largely due to a reduction in commission expenses and employee compensation. This was partially offset by an increase in advertisement expenses.

Administrative Expenses

Administrative expenses increased by 1% or S$0.024 million from S$2.776 million in FY2022 to S$2.800 million in FY2023. This is mainly attributed to an increase in the depreciation of property, plant and equipment as well as bank charges, partially offset by a decrease in legal and professional fees.

Other Losses – Net

Other losses reduced by 92%, from a loss of S$1.267 million in FY2022 to S$0.100 million in FY2023. This was mainly due to gain in foreign currency translation and the disposal of property, plant and equipment. It was offset by an increase in impairment loss on property, plant and equipment.

Finance Expenses

Finance expenses increased by 375% or S$0.145 million from S$0.039 million in FY2022 to S$0.184 million in FY2023 mainly due to the increase in amortisation of notional interest in FY2023.

BALANCE SHEET

Current Assets

Total current assets decreased by S$1.847 million to S$3.524 million as at 31 December 2023.

Trade and other receivables decreased by S$0.086 million to S$0.688 million as at 31 December 2023. Trade receivables decreased by S$0.088 million to S$0.540 million as at 31 December 2023, mainly due to the decrease in trade receivables from non-related parties for the year in review.

Other receivables increased by approximately 1% to S$0.148 million as at 31 December 2023 due to an increase in GST receivables and a decrease in advances to suppliers that relate to the advances made to the non-related parties on confirmed purchase orders.

Inventories decreased by S$0.580 million to S$2.039 million as at 31 December 2023, with the decrease mainly due to the higher provision for slow-moving inventory for the year in review.

OPERATIONS REVIEW

Non-Current Assets

Property, plant and equipment decreased by S$0.895 million to S$8.956 million as at 31 December 2023 compared to S$9.851 million as at 31 December 2022, with the decrease mainly due to a depreciation charge of S$0.935 million during the year.

Apart from the above, there were no significant purchases or disposals of property, plant and equipment during the financial year. Property, plant and equipment comprise mainly the property in Bintan acquired in October 2019, as well as the Group's land and factory in Indonesia.

Current Liabilities

Total current liabilities decreased by S$0.648 million to S$1.401 million as at 31 December 2023.

Current trade and other payables decreased by S$0.757 million to S$1.218 million as at 31 December 2023. Trade payables decreased by S$0.464 million to S$0.510 million as at 31 December 2023 in tandem with the decrease in sales.

Other payables decreased by S$0.021 million to S$0.212 million as at 31 December 2023, and advances received from customers decreased by S$0.208 million to S$0.185 million as at 31 December 2023. There was also a decrease of S$0.065 million in accruals for operating expenses to S$0.297 million as at 31 December 2023.

Current borrowings increased by S$0.109 million to S$0.183 million as at 31 December 2023 due to an increase in bank overdrafts.

Non-Current Liabilities

Non-current liabilities increased from S$2.073 million to S$2.176 million as at 31 December 2023, mainly due to the increase in lease liabilities and other financial liability.

Non-Controlling Interests

Non-controlling interest increased by 8% from S$0.689 million as at 31 December 2022 to S$0.747 million as at 31 December 2023.

Cash Flow

Net cash used in operating activities before working capital changes was S$0.707 million. Net cash used in working capital changes was S$1.091 million, mainly arising from:

a. A decrease in trade and receivables of S$0.135 million;
b. A decrease in inventories of S$0.255 million;
c. An increase in other current assets of S$0.017 million; and
d. A decrease in trade and other payables of S$0.757 million.

Net cash used in operating activities amounted to S$1.185 million in FY2023. This is an increase from FY2022's S$0.074 million, mainly due to the operating costs of the operating costs of the Group.

Net cash used in investing activities was S$0.003 million in FY2023, as cash used for additions of property, plant and equipment of S$0.031 million was offset by proceeds from disposal of property, plant and equipment of S$0.028 million.

Net cash used in financing activities was S$0.118 million in FY2023. This was a decrease of S$0.470 million from FY2022, which was largely due to the repayment of term loans in FY2022.

The Group had cash and cash equivalents of S$0.441 million as at 31 December 2023 (31 December 2022: S$1.746 million).

BOARD OF DIRECTORS

MR CHEW HUA SENG

Non-Executive Director and Non-Executive Chairman

Date of Appointment as Director:
21 October 2019
Date of last re-election: 28 April 2023
Nature of Appointment: Non-Executive Director
Board Committees served on:
Member of Nominating Committee

Mr Chew Hua Seng ("Mr Chew") is a Non-Executive Director and Non-Executive Chairman of Sitra Holdings (International) Limited.

Mr Chew is the founder, controlling shareholder, Chairman, and CEO of Raffles Education Limited ("RafflesEducation"). Under his astute leadership, RafflesEducation has grown to become a premier private education provider with 17 institutions of learning, including two universities, spread across 10 different countries. Mr Chew founded the RafflesEducation in 1990 and led it to be listed on the Stock Exchange of Singapore in 2002.

Mr Chew is Executive Chairman of Oriental University City Holdings (H.K.) Limited ("OUCHK"), a subsidiary of RafflesEducation, which is listed on the Growth Enterprise market of the Stock Exchange of Hong Kong. Mr Chew's role in OUCHK is primarily to oversee overall strategic planning and management of the OUCHK group of companies.

Mr Chew holds a Bachelor's Degree in Business Administration from the University of Singapore (now known as National University of Singapore), obtained in May 1979, 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.

MR SIM GUAN SENG

Lead Independent Director

Date of Appointment as Director: 1 June 2021
Date of last re-election: 29 April 2022
Nature of Appointment: Independent Non-Executive
Board Committees served on:
Chairman of Audit Committee and a Member of Nominating and Remuneration Committees

Mr Sim Guan Seng ("Mr Sim") is the Managing Director of Cohen Assurance PAC which is an accountancy services firm he founded in 2022. Prior to this, he was the Managing Partner of Baker Tilly TFW LLP, a top 10 professional services firm offering audit, tax, advisory, accounting, and corporate secretarial services, from 2010 to 2019. He retired from Baker Tilly TFW LLP in 2022. He 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 and Pro Bono SG.

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

BOARD OF DIRECTORS

MR CHAN HOCK KENG

Independent Director

Date of Appointment as Director:
1 July 2021
Date of last re-election: 29 April 2022
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 ("Mr Chan") 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 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 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
Date of last re-election: 29 April 2022
Nature of Appointment: Independent Non-Executive
Board Committees served on:
Chairman of Remuneration Committee and a Member of Audit and Nominating Committees

Mr Lim Kian Thong ("Mr Lim") is an Independent Non-Executive Director of Sitra Holdings (International) Limited.

Mr Lim is Group CFO of iFAST Corporation Ltd, which is listed on the Stock Exchange of Singapore. Mr Lim has more than 30 years of management, accounting, financial, treasury and investment banking experience gained from working as the top management and board member of various financial institutions and a listed manufacturing company.

Prior to his appointment as Independent Non-Executive 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, with a specialisation 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 Business School, Nanyang Technological University, Singapore. He is also a Fellow Chartered Accountant of Singapore and Fellow CPA Australia.

BOARD OF DIRECTORS

MR STEVEN CHEW CHIEW SIANG

Executive Director

Date of Appointment as Director:
20 September 2006
Date of last re-election: 29 April 2022
Nature of Appointment: Executive Director

Mr Steven Chew Chiew Siang ("Mr Steven Chew") has been with the Group for more than 30 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 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.

KEY MANAGEMENT

MR GEORGE CHEW AH BA

Director of Timber Division

Mr George Chew Ah Ba ("Mr George Chew") is the co-founder of our Group.

Mr George 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 50 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 George Chew was a director of Joseph Timbermart Pte Ltd from 1975 to 1979 where he was responsible for its sales and marketing. In March 2012, Mr George Chew completed two terms (a total of four years) as President of the Catholic Business Network.

MADAM LIM SOOK HWA

Vice President Operations (Timber Division)

Madam Lim Sook Hwa ("Madam Lim") was appointed VP - Operations of the Timber Division in November 2006. She has been with the Group for more than 28 years. Madam Lim is in charge of formulating the Group's pricing plans and strategies, managing our relationships with suppliers and customers, and overseeing various key operational functions including logistics planning and purchasing for the Timber Division.

MR MOK KAM WAH

Chief Financial Officer

Mr Mok Kam Wah ("Mr Mok") 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 in multiple positions from Finance Officer of a college to Chief Financial Officer ("CFO") and Vice President, Administration and Admission of a University, as well as Vice President, Malaysia operations of the Raffles Education Limited 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).

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chew Hua Seng *(Non-Executive Chairman)*
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*

REGISTERED OFFICE

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CATALIST SPONSOR

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36 Robinson Road, #10-06
City House, Singapore 068877

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(a business division of Tricor Singapore Pte Ltd.)
9 Raffles Place, # 26-01, Republic Plaza Tower 1,
Singapore 048619

INDEPENDENT AUDITORS

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

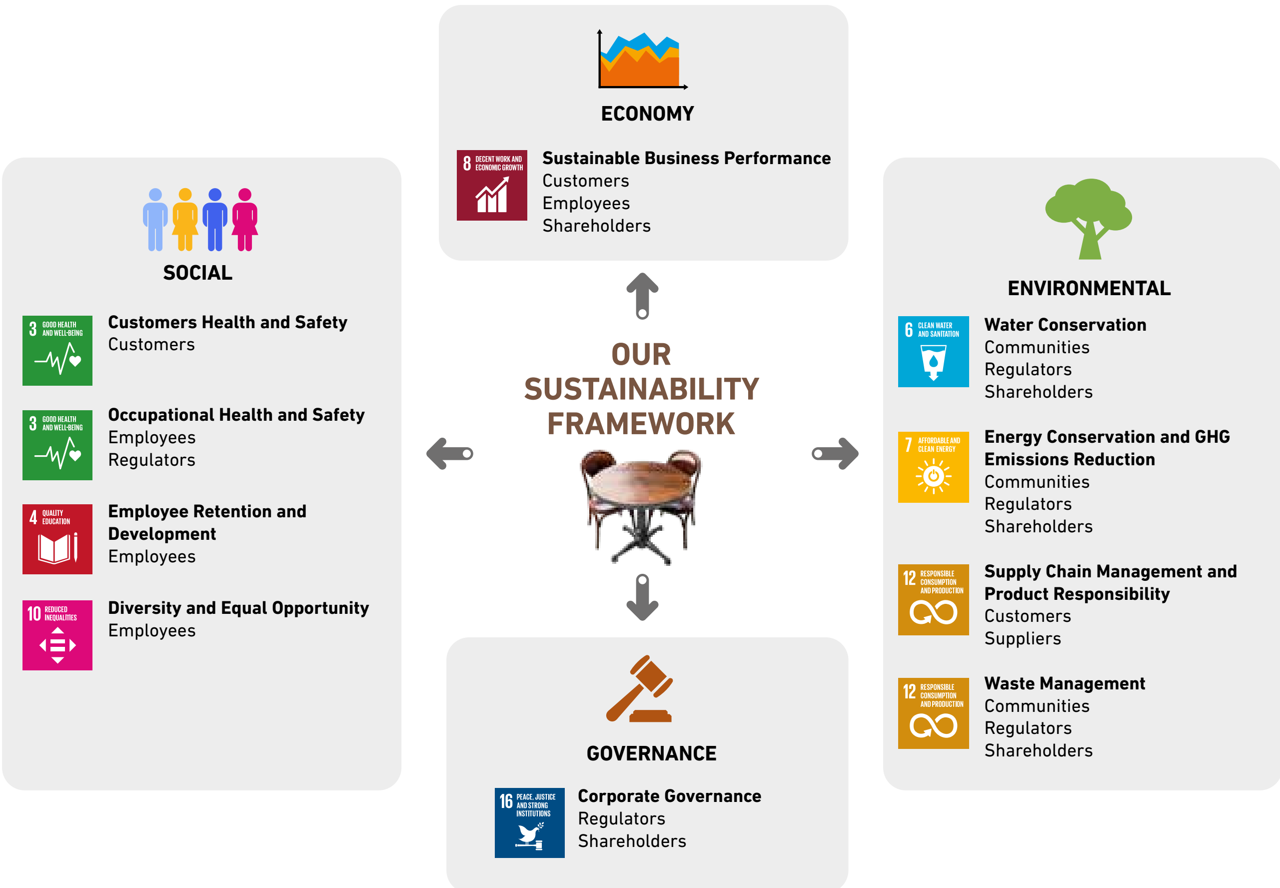
SUSTAINABILITY REPORT

1. BOARD STATEMENT

Sitra Holdings (International) Limited ("**Sitra**" or "**Company**", and together with its subsidiaries, the "**Group**") reaffirm our commitment to sustainability with the publication of our sustainability report ("**Report**"). This Report highlights our key sustainability factors under the sustainability pillars of economic, environmental, social and governance (collectively, the "**Sustainability Factors**"). The Board of Directors ("**Board**"), having considered the Group's sustainability issues as part of its strategic formulation and business strategies, oversees the key Sustainability Factors and the management and monitoring of the key Sustainability Factors.

Our core business remains in distribution of wood products and within this industry, there is an increasing attention to sustainable forestry. Hence, sourcing raw materials from sustainable supplies is a key focus for us and we place great emphasis on maintaining the Forest Stewardship Council ("**FSC**") certification and conserving water and energy through operational efficiency. We believe that sustainable growth is delivered through fair and equitable behaviour whilst dealing with our stakeholders, which drives talent retention, repeat customer activity and build confidence amongst suppliers, shareholders and regulators. Such a belief and resulting actions optimise our impacts on the economy, environment and community.

Our sustainability reporting framework ("**SR Framework**"), as illustrated below, is guided by our business strategy and the United Nations' Sustainability Development Goals ("**SDGs**"), and primarily driven by the concerns of our key stakeholders. Through our SR Framework, we strive to work closely with all stakeholders in our value chain and actively address their concerns related to each of the key Sustainability Factors as follows:



Moving forward, sustainability will always remain at the heart of our business. We sincerely believe that it is key to developing a competitive advantage and a differentiator for our long-term future.

2. SUSTAINABILITY PERFORMANCE AT A GLANCE

A summary of our key sustainability performance in financial year ("**FY**") 2023 is as follows:

Sustainability Pillar	Performance Indicator	Sustainability Performance	
		FY2023	FY2022
Economic	Profit/(Loss) (S$ million)	(2.2)	(2.9)
Environmental	Water consumption intensity (Cu M/ revenue S$' 000)	1.39	0.99
	Greenhouse gas ("**GHG**") emissions intensity (tonnes CO_2e/ revenue S$'000)[1]	0.027	0.021
	Percentage of suppliers certified with relevant environmental certifications and criteria (%)	100	100
	Percentage of wood waste recycled (%)	100	100
Social	Turnover rate	-	-
	Average hours of training per employee	8	2
	Number of reported incidents of unlawful discrimination against employees	-	-
	Number of workplace fatalities	-	-
	Number of high-consequence work-related injuries[2]	-	-
	Number of recordable work-related injuries	-	-
	Number of recordable work-related ill-health[3]	-	-
Governance	Number of incidents of serious offence[4]	-	-
	Number of reported incidents of non-compliance with the relevant legal and regulatory requirements	-	-

Economic conditions remain uncertain in our major markets due to continuing weakness in demand caused by ongoing geopolitical tensions. Whilst there are signs that inflationary effects have moderated, there are also renewed concerns about the hike in freight rates due to the Suez crisis and this affected our main markets especially in Europe which leads to a slowdown in demand for our timber products.

We expect the demand for our timber products in our European market to remain weak due to the above ongoing situation. We will continue to follow up closely with our export customers and adjust our strategies amidst market uncertainty.

[1] GHG emissions are calculated based on the GHG emission factors published by the relevant local authorities.
[2] High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within six months.
[3] Work-related ill health cases refer to negative impacts on health arising from exposure to hazards at work.
[4] A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two years, which is being or has been committed against a company by officers or employees of the company.

SUSTAINABILITY REPORT

3. OUR CORE BUSINESS

We are principally involved in the manufacturing and distribution of high-quality wood-based products and premium lifestyle outdoor furniture, targeting a network of corporate customers in 58 countries spanning across Europe, Australia, New Zealand and Asia.

An overview of our core business is presented as follows:

OUR SUPPLIERS
We procure timber, wood-based products and lifestyle furniture from our suppliers

OUR OPERATIONS
We are principally in:
- Manufacturing of wood-based and other related products at our production factory in Indonesia; and
- Import and export of wood-based and other related products.

OUR CUSTOMERS
We sell mainly to customers based in:
- Australia and New Zealand;
- Europe; and
- Asia.

4. REPORTING SCOPE AND PERIOD

We present this Report which provides an overview of the Group's sustainability performance during the period of 1 January to 31 December 2023 ("**FY2023**" or "**Reporting Period**"), unless stated otherwise.

This Report covers our operations in Singapore, Indonesia and France which contributed 100% (FY2022: 100%) of our total revenue for the Reporting Period.

S/N	Entity	Country
1	Sitra	Singapore
2	Sitra Global Pte Ltd ("**SGPL**")	Singapore
3	Sitra Agencies Pte. Ltd.	Singapore
4	Berakit Development Pte. Ltd. ("**BDPL**")	Singapore
5	PT Jaya Raya Trasindo ("**PT Jaya**")	Indonesia
6	PT East Bintan Resorts	Indonesia
7	Societe 3A	France
8	Mapur Rocky Resort Limited	British Virgin Islands

5. REPORTING FRAMEWORK

This Report is prepared in accordance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the guidance set out in SGX-ST's sustainability reporting guide under Practice Note 7F of the Catalist Rules. The Report is also prepared with reference to the Global Reporting Initiative ("**GRI**") Standards for the Reporting Period. We chose to report using the GRI framework as it is an internationally recognised reporting standard that covers a comprehensive range of sustainability disclosures. As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("**UN Sustainability Agenda**"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership.

We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are also produced based on the 11 recommendations of Task Force on Climate-related Financial Disclosures ("**TCFD**").

We relied on internal data monitoring and verification to ensure accuracy for this Report. Internal review on the sustainability reporting process has been incorporated in our internal audit plan and we will work towards external assurance for our future sustainability reports.

6. FEEDBACK

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback at: contact@sitra.holdings.

7. STAKEHOLDER ENGAGEMENT

We strive to be a responsible corporate citizen by working closely with our stakeholders to understand their concerns and feedback while keeping them abreast of the developments of our businesses. Through an internal stakeholder mapping exercise, we identified key stakeholder groups which we prioritise our engagements with. These include individuals or groups that have an interest that are affected or could be affected by our activities.

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include communities, customers, employees, regulators, shareholders, and suppliers. As a Group, we continue to engage with all key stakeholders to identify areas that are material, sustainable and necessary for future development.

We actively engage our key stakeholders through the following channels:

Stakeholder	Engagement Channel	Frequency of Engagement	Key Concern
Communities	Community campaigns	Ongoing	• Corporate social responsibility • Environmental initiatives
Customers	Business meetings	As and when required	• Product features • Value proposition • Responsiveness to customer feedback • Data protection
	• Informal feedback • Social media platforms • Messaging applications	Regularly	
Employees	• Periodic staff meetings • Company events • Internal communication through emails and noticeboards	As and when required	• Personal data protection • Performance reviews • Equal employment opportunities • Career development and training opportunities • Job security • Remuneration • Workplace health and safety
	Performance appraisals	Annually	
Government and regulatory agencies (collectively as "**Regulators**")	Consultations and briefings organised by key regulatory bodies such as the Singapore Stock Exchange and relevant government agencies/ bodies	As and when required	• Regulatory standards and guide-lines • Workplace health and safety
Shareholders	• Annual General Meeting • Annual reports • Report	Annually	• Financial results • Dividend payments • Market valuation • Corporate governance • Key business developments such as acquisitions
	Emails and telephone calls	As and when required	
	Announcements via SGXNet	Half-yearly	
Suppliers	• Emails and telephone calls • Messaging applications	As and when required	• Information update and feedback on their products and services • Volatility of orders

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

SUSTAINABILITY REPORT

8. POLICY, PRACTICE AND PERFORMANCE REPORTING

A sustainability reporting policy ("**SR Policy**") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring key Sustainability Factors is in place and serves as a point of reference in the conduct of our sustainability reporting. Under our SR Policy, we monitor, review and update our key Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments. A sustainability report is published annually in accordance with our SR policy.

8.1 REPORTING STRUCTURE

The Board provides oversight on the Group's strategic direction on sustainability including, but not limited to, advising and supervising the Sustainability Committee ("**SC**"), an executive level committee formed to take charge of sustainability matters. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet Rule 720(6) of the Catalist Rules, all our directors completed the prescribed training on sustainability matters.

Members of the SC comprise senior management executives and key managers of various functions and are tasked with the development of the sustainability strategy, undertaking of materiality assessment on sustainability-related impacts (including climate-related risks and opportunities), monitoring of the implementation of sustainability initiatives, performance target setting and progression tracking.

The SC is led by our Chief Financial Officer ("**CFO**") and is responsible for on-going communication with the Board. Our sustainability working group from various functions are responsible for the day-to-day implementation of sustainability-related tasks and initiatives for this Report. The reporting structure is as follows:

BOARD

- Oversees on Group's strategic direction by advising and supervising the SC
- Provides advice on key Sustainability Factors of the Group, including climate-related risks and opportunities
- Oversees the sustainability strategy and targets, policies, and approves sustainability reports (including materiality assessment process and outcome)
- Oversees the integration of sustainability and climate-related risks and opportunities within the Group's enterprise risk management ("**ERM**") framework

AUDIT COMMITTEE

- Reviews the adequacy of the Group's internal controls systems and processes
- Oversees the conduct of assurance activities pertaining to the Company's sustainability reporting processes

SC (EXECUTIVE)

- Develops sustainability strategy and policies and recommends revisions to the Board
- Ensures the implementation of sustainability strategy is aligned across geographical locations
- Evaluates overall sustainability risks and opportunities including a focus on climate related issues
- Undertakes materiality assessment and reviews sustainability report prior to approval by the Board
- Aligns practices on the ground with the organisation-wide sustainability agenda and strategy
- Monitors sustainability activities and performance against targets

BUSINESS UNITS | **CORPORATE FUNCTIONS**

As we are still refining our sustainability related metric measuring, tracking and target setting mechanism, we will link key executives' remuneration to sustainability performance when the mechanism is more mature and stable.

8.2 SUSTAINABILITY REPORTING PROCESS

Under our SR policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's sustainability-related impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of key Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:

Context

Understand the Group's context by considering its activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in, including minority interests.

Identification

Identify actual and potential impacts on the economy, environment, social including human rights.

Rating

Assess the pervasiveness of key Sustainability Factors across the Group and cluster similar key Sustainability Factors.

Prioritisation

Prioritise the impacts based on their significance to determine the key Sustainability Factors for reporting.

Validate

Key Sustainability factors will be internally validated by the leadership.

Review

In each reporting period, review the key Sustainability Factors from the previous reporting period to account for changes in impacts which can result from feedback received from engagement with stakeholders, organisational and external developments.

8.3 MATERIALITY ASSESSMENT

In alignment with the GRI standards, we consistently refine our management approach to effectively respond to the dynamic shifts within the business landscape. A cornerstone of our commitment is the undertaking of annual materiality assessment to ensure ongoing relevance and materiality of sustainability issues are addressed and disclosed within our sustainability reports.

The scope of materiality assessment encompasses both positive and negative, actual and potential impacts that may arise, and are based on: (i) the likelihood of occurrence; and (ii) their significance on the economy, environment, social aspects and contribution to sustainable development.

8.4 PERFORMANCE TRACKING AND REPORTING

We track the progress of our key Sustainability Factors by identifying the relevant data points, monitoring and measuring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We consistently enhance our performance-monitoring processes and improve our data capturing systems. We believe that there is always room for improvement, and we seek to continuously review our sustainability metrics as we embark on this journey of improving global sustainability, better corporate governance and greater economic contribution to society.

SUSTAINABILITY REPORT

9. KEY SUSTAINABILITY FACTORS

As a responsible organisation, we are cognisant of the fact that our key Sustainability Factors have both direct and indirect impact on our capacity to create long-term value for our stakeholders. In FY2023, a stakeholder engagement session[5] and materiality assessment were conducted to understand the concerns and expectations of our key stakeholders. Through this session and assessment, factors material to the sustainability of our business were updated. In this Report, we also reported on our progress in managing these factors and set related targets to improve our performance.

Presented below is a list of key Sustainability Factors applicable to the Group:

S/N	Key Sustainability Factor	SDG	Key Stakeholder
Economic			
1	Sustainable Business Performance	Decent work and economic growth	• Customers • Employees • Shareholders
Environmental			
2	Water Conservation	Clean water and sanitation	• Communities • Regulators • Shareholders
3	Energy Conservation and GHG Emissions Reduction	Affordable and clean energy	• Communities • Regulators • Shareholders
4	Supply Chain Management and Product Responsibility	Responsible consumption and production	• Customers • Suppliers
5	Waste Management	Responsible consumption and production	• Communities • Regulators • Shareholders
Social			
6	Customers Health and Safety	Good health and well-being	• Customers
7	Occupational Health and Safety	Good health and well-being	• Employees • Regulators
8	Employee Retention and Development	Quality education	• Employees
9	Diversity and Equal Opportunity	Reduced inequalities	• Employees
Governance			
10	Corporate Governance	Peace, justice and strong institutions	• Regulators • Shareholders

9.1 SUSTAINABLE BUSINESS PERFORMANCE

At present, we operate in Singapore, Indonesia and France, with a global distribution network extending to Australia, New Zealand, Europe and Asia. The success of our business is highly dependent on the commitment of our Board, management and employees. Their knowledge and professional expertise are key to driving our business performance and identifying any sustainability-related risks and opportunities that may arise.

Sustainability trends such as climate change, resource scarcity and demographic changes shape the competitive environment in which we operate by introducing long-term sustainability opportunities. We therefore view our business performance beyond short-term gains and financial bottom line. Our conviction is to achieve a balanced triple bottom line (People, Planet, Profit) that allows us to clearly demonstrate the key risks and opportunities we face, how our strategy aims to tackle these issues and how we link these to the global agenda and our contribution to the wider economy.

[5] We engaged the stakeholder of employees for the purpose of materiality assessment.

Our strategy embeds sustainable practices into every aspect of our business, ensuring our approach aligns to global priorities and plays a part in a sustainable future for us all. Accordingly, we strive to maintain our market position and contribute positively to the society by serving as Asia Pacific's leading wood-based products and lifestyle furniture industry distributor, while maintaining good stewardship of the resources we distribute and generating good shareholder values. We also place our customers' interest as top priority and seek organic growth from the existing operations as well as growth through acquisition of new businesses that can yield good returns.

For information on our financial and business performance, please refer to the Annual Report for FY2023.

9.2 WATER CONSERVATION

We recognise the importance to manage our water consumption efficiently and avoid the depletion of valuable water resources. Having that in mind, we are committed to responsible usage of water resources through enhancing our water consumption efficiently. We rely on water resources for the manufacturing of wood-based products and daily consumption.

Accordingly, we review our water consumption regularly to control usage and perform necessary corrective actions when there are unusual consumption patterns as well as reminding our staff to use water responsibly.

Key statistics on water consumption during the Reporting Period are as follows:

Performance Indicator	Unit of Measurement	FY2023	FY2022
Water consumption			
Water consumption	Cu M	21,657	21,653
Water consumption intensity	Cu M/ revenue S$'000	1.39	0.99

For the Reporting Period, we continue to exercise prudence in our water consumption. Whilst our total water consumption remained largely unchanged, we experienced a reduction in our revenue which led to a corresponding increase water consumption intensity. The reason being that a minimum level of energy consumption is required to support our daily operations, which is not co-related to the level of business activities. We shall continue to exercise prudence in our water usage by tracking our water consumption, observe fluctuation patterns and take corrective actions if required.

9.3 ENERGY CONSERVATION AND GHG EMISSIONS REDUCTION

Our Commitment
We acknowledge that our energy consumption and the resultant GHG emissions contribute to climate change. Accordingly, we are committed to reduce our carbon footprint whilst open to capitalise on opportunities that may arise as we transit to a low-carbon future.

Our Approach
We aim to reduce our environmental footprints and at the same time, establish operational resilience to deliver long-term sustainable value to our stakeholders of communities, shareholders, employees, customers and suppliers. We adopt a balanced approach in effectively managing and minimising the impacts arising from our business operations.

SUSTAINABILITY REPORT

To achieve our decarbonisation goals, we set up a seven-step continuous circular process for our decarbonisation efforts as follows:

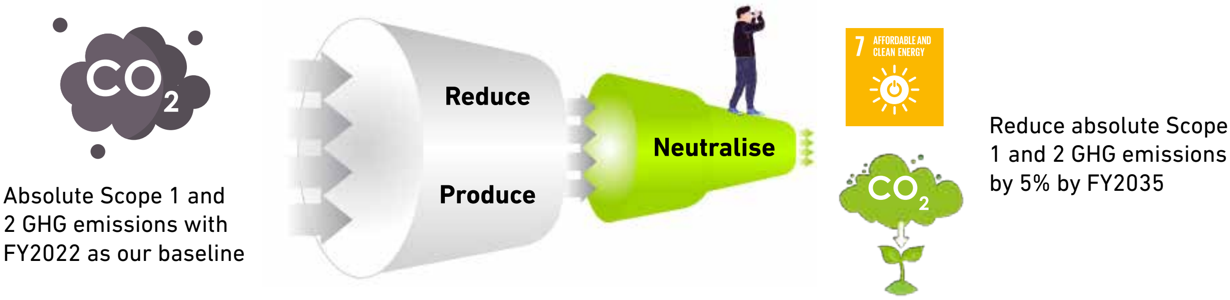
This year, we conducted a GHG emission profiling exercise for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanism to track our other categories of our scope 3 GHG emissions, where relevant and practicable.

We also developed a climate change transition plan and will refine and improve our climate change transition plan as we progressively implement the plan, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our sustainability reports with assurance on the reporting process covered by an internal review.

Climate Change Transition Plan

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce our absolute Scope 1 and 2 GHG emission by 5% by FY2035, with FY2022 as our baseline. Our climate change transition strategy is focused on three strategic levers of reduce, produce and neutralise as follows:

Climate Change Transition Plan



Details of our strategic levers are as follows:

Lever	Reduce	Produce	Neutralise
Description	• Reduce absolute GHG emissions first within our operations and followed by our supply chain • Replace existing energy source with low or zero-carbon sources	On-site generation of green or renewable energy	Neutralise unavoidable residual GHG emissions

Focus Area	• Energy efficiency
	  • Machinery and Equipment
	  • Cooling
	  • Lighting
	• Clean energy
	• Electric vehicles
		Solar energy	• Renewable energy certificates ("**REC**")
			• Carbon credits

We track and review spending on energy consumption regularly to control usage and take corrective actions when there are unusual consumption patterns. We continuously strive to improve our energy use and efficiency through the following initiatives:

Lever	Key Initiative	Description
Reduce	Reduction in energy consumption through efficient machinery and equipment	Our initiatives on this front include: • Maintaining machinery and equipment in good working condition to optimise energy efficiency; • Regular cleaning of filters for air-conditioning systems to reduce air flow resistance; and • Adopt greener work practices such as switching off appliances when not in use and enabling power saving modes.
	Reduction in energy consumption through energy efficient lighting	We optimise electricity efficiency by adopting energy-saving light emitting diode lightings and installing motion sensors in lighting systems where practicable.
	Reduction through switching to renewable energy source	We are constantly exploring opportunities to use clean and/or renewable energy available in the locations that we operate in.
	Reduction in consumption of paper trail	We reduce our paper consumption by transitioning to electronic approvals using e-signatures.
	Reduction through replacement of existing vehicles with electric vehicles	Our forklifts are currently powered by diesel fuel which emits more carbon dioxide than electric vehicles for each unit of distance travelled. We are considering switching to electric-powered forklifts which are cleaner than diesel-powered ones when the need arises.
Produce	Solar energy	We will explore installing solar panels on open premises to further reduce our GHG emissions.
Neutralise	• REC • Carbon credits	We plan to explore the use of REC and carbon credits to offset unavoidable residual GHG emissions when the relevant markets mature.

We are committed to responsible usage of energy in order to reduce GHG emissions and preserve the environment in which we operate in. The conservation of energy reduces operational cost hence also enhances returns to our shareholders. The Board diligently engages the SC on tracking and minimising the Group's environmental impact during its operations. We are dependent on energy resources mainly in the following areas:

- Petrol is required for operating our motor vehicles;
- Diesel is required for operating machinery, equipment and forklifts; and
- Electricity is required for lighting, office equipment and cooling.

Overall, the key statistics on energy consumption and related GHG emissions during the Reporting Period are as follows:

Performance Indicator	Unit of Measurement	FY2023	FY2022
Energy consumption			
Petrol consumption	Litre	638	514[6]
Petrol consumption intensity	litre/ revenue S$'000	0.041	0.023[6]
Diesel consumption	Litre	8,620	3,835[6]
Diesel consumption intensity	litre/ revenue S$'000	0.553	0.175[6]
Electricity consumption	kWh	475,042	518,710
Electricity consumption intensity	kWh/ revenue S$'000	30	24
GHG emissions			
Direct GHG emissions (Scope 1)[7]	tonnes CO_2e	25	12
Indirect GHG emissions (Scope 2)[8]	tonnes CO_2e	403	440
Total GHG emissions (Scope 1 and 2)[1]	tonnes CO_2e	428	452
GHG emissions intensity (Scope 1 and 2)[1]	tonnes CO_2e/ revenue S$'000	0.027	0.021

For the Reporting Period, our total GHG emissions reduced as a result of a reduction in business activities. However, our GHG emission intensity increased as a minimum level of energy consumption is required to support our daily operations, which is not co-related to the level of business activities. We shall continue to intensify our energy conservation efforts by tracking our energy consumption and relevant GHG emissions, observe fluctuation patterns and take corrective actions if required.

During the Reporting period, we started tracking our Scope 3 GHG emissions arising from business travel (category 6) and employee commuting (category 7):

Category	Coverage	Entity	Unit of Measurement	FY2023[9]
Category 6: Business travel	Air travel	• Sitra • SGPL • BDPL • PT Jaya	tonnes CO_2e	6
Category 7: Employee commuting	Transportation of employees between their homes and their worksites		tonnes CO_2e	12

9.4 SUPPLY CHAIN MANAGEMENT AND PRODUCT RESPONSIBILITY

As a globally connected business, we recognise the importance of sustainability in supply chain management to minimise the environmental and social impacts of sourcing, producing and delivering our timber-based products. While conventional supply chain management focuses on the speed, cost and reliability of operation, sustainable supply chain management also promotes the upholding of environmental and societal values.

Our supply chain constitutes the suppliers for our timber, wood-based products and lifestyle furniture as well as our global clients. We maintain a strong partnership with the suppliers for our wood-based products and lifestyle furniture businesses to ensure sustainable procurement and ethical labour practices.

6 Figure restated due to a classification error.
7 GHG emissions from petrol and diesel consumption (Scope 1) are calculated based on the GHG Emissions Measurement and Reporting Guidelines published by the NEA.
8 GHG emissions from electricity purchased (Scope 2) are calculated based on the GHG emissions factors published by the relevant authorities.
9 Comparative figures not available as not tracked previously.

We believe that a transparent supply chain minimises the risks and optimises the opportunities associated to climate changes. We promote a sustainable supply chain and design products for the timber furniture industry that will ensure sustainability in the supply of hardwood.

We control and ensure that the wood used for our products do not originate from controversial sources. We achieve this by assessing the sources of wood from our contract manufacturers and from our own operations. As a result, we ensure that all our supplies are supported by verifiable documentation which identifies the source or region of harvest.

In line with our commitment to forest stewardship, 100% (FY2022: 100%) of our suppliers are certified with environmental certification of Sistem Verifikasi Legalitas Kayu ("**SVLK**")[10], and some of our suppliers have additional environmental certifications such as FSC, Programmes for the Endorsement for Forest Certification ("**PEFC**") and PEFC Controlled Sources[11].

We have been awarded the FSC Chain of Custody certification since 2007 which supports responsible forestry management. Under this certification, the timber used to manufacture our products can be traced throughout the supply chain from the source to sales.

We carry a range of products derived from controlled sources under the PEFC, which demonstrate that they have undergone the PEFC Due Diligence system. This serves to provide assurance that we are part of an extensive ecosystem to manage forests in meeting Environmental, Social and Governance requirements.

9.5 WASTE MANAGEMENT

Proactive mitigation of the environmental impact and protection is deeply embedded within our business model, as aptly demonstrated by our waste management system.

As a strong green advocate for 'Reduce, Reuse and Recycle' ("**3R**"), we implemented waste management processes to ensure proper waste disposal and 100% (FY2022: 100%) of our recyclable wood waste is reused for our operations.

Wood waste is mainly generated from the leftover timber after cutting logs into different sizes, as well as defective timber materials. Small leftover timber raw materials are reused to make small products such as garden tiles and wall panel products. Wood waste that cannot be reused for making small products is sold to energy pellet manufacturers. During the Reporting Period, wood waste generated amounted to 288 tonnes (FY2022: 248 tonnes).


Wall panel products

In FY2023, there is zero incident of non-compliance with the relevant laws and regulations relating to air pollution caused by our operations (FY2022: zero incident).

We implemented Go-Green initiatives across all our operations and corporate office. The implemented initiatives aim to encourage the 3R of papers through the following ways:
- Reduce the use of papers by publishing electronic annual reports, set printers to print on double sides of each piece of paper and print only when necessary;
- Reduce the use of papers by transiting from physical paper approval to electronic approval;
- Reuse single-side printed papers for non-confidential use; and
- Recycling the papers after their uses are exhausted.

[10] SVLK is Indonesia's national timber legality assurance system, which is a mandatory legality and sustainability certification system that requires all timber from state-owned and private forests to obtain verification of legality, as a guarantee that the timber originates from legal, sustainably managed sources.
[11] Tree-based materials are derived from PEFC certified forests or PEFC controlled sources.

SUSTAINABILITY REPORT

9.6 CUSTOMERS HEALTH AND SAFETY

Customers' health and safety is of the utmost importance to us. As part of our commitment to our customers, we pledge our support to the 'Low Formaldehyde[12] Commitment Statement[13] to only supply products with low or no formaldehyde products and solutions.

Under this commitment, we are part of the community that supports the development of sustainable indoor spaces that are purpose designed, built and furnished with the occupants and the environment in mind. Our commitments are as follows:

- We will endeavour to advance sustainable indoor spaces in support of the SDG on good health and well-being;
- We will raise awareness and drive education to promote the linkage between good indoor air quality and health in indoor spaces; and
- We will work towards the supply and adoption of low formaldehyde products and solutions for interior fit-out and renovation works.

To further enhance the health and safety of our customers, the plywood and glue utilised in our products are aligned with: (i) E0, the most stringent European standard for wood-based products for harmful formaldehyde emissions; and (ii) the California Air Resources Board, emission standards of California.

In FY2023, we achieved zero incidents (FY2022: zero incident) of non-compliances with the prevailing regulations in the countries we operate in.

[12] Formaldehyde is a pungent chemical that is commonly emitted from household furnishings and can cause irritation to the eyes, nose and throat and pro-longed exposure is hazardous to health.

[13] The Low Formaldehyde Commitment Statement is part of the Alliance for Action on Sustainable Spaces in support of the Singapore Green Plan 2030 effort to raise public awareness and open up opportunities for suppliers of sustainable products and services that can improve wellness and quality of living.

9.7 OCCUPATIONAL HEALTH AND SAFETY

We prioritise the well-being of our employees and maintain an organisational culture of safety in the workplace. Accordingly, we constantly make efforts to enhance workplace safety and health ("**WSH**"), focusing on raising awareness using the best practices such as educating and promoting safe behaviours at all levels. To support our commitment, we attained bizSAFE Level 3 certification issued by the WSH Council which recognises our continuous efforts to embed a positive health and safety culture in our operations.

The management team sets a strong foundation by providing clear direction within the organisation of the value of an effective occupational health and safety management approach to foster risk-free and environment-friendly premises. An occupational health, safety and security policy is in place to guide the Group in achieving high workplace health and safety standards and leads the Group in adhering to the relevant WSH regulations as stipulated by the Ministry of Manpower ("**MOM**"), WSH Council and the relevant regulatory authorities of countries we operate in.

Our emphasis on promoting workers' health and improving occupational safety has resulted in zero fatalities, zero high-consequence work-related injuries[2], zero recordable work-related injuries and zero recordable work-related ill-health cases[3] in FY2023 (FY2022: zero fatalities, zero high-consequence work-related injuries, zero recordable work-related injuries and zero recordable work-related ill health cases). We shall continue to instil a strong safety work culture and maintain a clean safety record for our employees' health and safety.

9.8 EMPLOYEE RETENTION AND DEVELOPMENT

To underscore our care and commitment towards our employees, the Group adopts a human resource ("**HR**") strategy that focuses on fair remuneration and equal opportunities, training and development as well as work-life harmony. We implemented policies and staff engagement programmes that aim to help employees build long-term and fulfilling careers with us.

We meet and comply with the relevant laws and regulations for manpower employment in the three key markets where we have direct business operations. In Singapore, we contribute to the Central Provident Fund Scheme and obtains medical benefits such as hospitalisation and surgical plans for all our employees. We also provide maternity as well as paternity leave in accordance with the recommendations of the MOM. We provide health insurance for all our employees based in Indonesia and France.

Our recruitment policy is based on the pre-requisite skills and academic qualifications necessary to perform the required job scope. We implemented stringent shortlisting process in the recruitment process to recruit candidates who share the same values as us. We understand the importance of talent retention by providing fair and sustainable financial and non-financial incentives and learning and development opportunities. An employee share option scheme and performance share plan is in place to incentivise our employees in achieving higher performance. Our compensation and benefit policies are determined by guidelines proposed by our HR department and approved by the Remuneration Committee of our Board.

Our business is highly dependent on our senior managers who have been in the wood-based products and lifestyle furniture businesses for over 28 years. Over the years of our business, we strengthened the retention of our pool of talented employees, whose professional expertise and strong customer relationship contribute to the continual success of our wood-based products and lifestyle furniture business.

There were no new hires (FY2022: no new hire) and no employee turnover (FY2022: no employee turnover) for FY2023.

Pivotal to our success is our people performing at their best. We value the vital contributions by all employees towards sustaining our long-term success. One of our main challenges is to attract and retain talents. We developed our brand and company values and actively communicate them to our employees to build belongingness and loyalty. Apart from providing fair and sustainable financial incentives to our employees, we also strive to create a culture of learning through providing training and skill-upgrade opportunities.

We continue to equip our employees with training through sending them to conferences and courses related to their work areas. For new employees, we groom them and develop their talents through mentorship and on-the-job training programmes. During the Reporting Period, our employees attended the following trainings:
- Data analytics skills training;
- Budget training seminars;
- Sustainability related trainings;
- Service quality related training such as customer experience, customer feedback and relationship management; and
- Continuous process improvement.

During the Reporting Period, we conducted a total of 248 hours (FY2022: 66 hours) of training for our full-time employees. Our employees received an average of 8 hours (FY2022: 2 hours) of training per employee.

Key statistics on training hours are as follows:

Training and Education

Disclosure	FY2023	FY2022
Overall		
Total training hours	248	66
Average training hours per employee	8	2
Employee category		
Management	24	Not available[9]
Non-management	224	Not available[9]

As we move towards the endemic phrase of the COVID-19 pandemic, we continue to ramp up our investment in employees by sending them for more training, to ensure that they are equipped with the adequate skillset. We also took the opportunity to upskill our employees as there were several government grants available.

To promote a high-performance culture, an employee performance appraisal programme is in place to ensure expectation setting conversations are conducted. Year-end performance reviews are performed for our employees, providing them with the opportunity to self-assess, provide feedback, and engage in competency discussions. Our procedures for employee promotions are based on merit, salary revisions are subject to the Group's and individual's performance, to motive our employees in seeking continuous self-improvement and personal development.

Key statistics on the performance review are provided below:

Performance Indicator	FY2023	FY2022
Overall	100%	100%
Employee category		
Management	13%	13%
Non-management	87%	87%
Gender		
Male	74%	74%
Female	26%	26%

9.9 DIVERSITY AND EQUAL OPPORTUNITY

We recognise that employees are our greatest asset. We are committed to the goals of diversity and equal opportunity in employment by implementing fair employment practices during the hiring process and ensuring non-discrimination against employees.

We advocate fair employment practices by ensuring equal opportunities for recruitment, fair remuneration, career progression and training opportunities. During the Reporting Period, we maintain zero (FY2022: zero) incident of unlawful discrimination against employees.

As at 31 December 2023, the group has a workforce of 31 permanent full-time and 2 part-time[14] employees and our employees are based in Singapore, Indonesia and France with breakdown as follows:

Country	FY2023			FY2022		
	Full-time	Part-time	Overall	Full-time	Part-time	Overall
Singapore	10	-	10	10	-	10
Indonesia	19	1	20	19	1	20
France	2	1	3	2	1	3
Total	31	2	33	31	2	33

Gender Diversity (%)
We view gender diversity as an essential element in supporting sustainable development. Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2023		FY2022	
	Male	Female	Male	Female
Overall				
All employees	70%	30%	70%	30%
Employee category				
Management	75%	25%	75%[6]	25%[6]
Non-management	69%	31%	69%[6]	31%[6]
Employment type				
Full-time	74%	26%	74%	26%
Part-time	-%	100%	-%	100%

[14] Part-time employees are not included in the statistics for training, appraisal, new hire rate and turnover rate.

Age Diversity (%)

We maintain a fair and open employment policy through providing fair employment opportunities to both young and mature workers. Key statistics on age diversity of our employees are as follows:

Disclosure	FY2023			FY2022		
	Below 30	30 – 50	Over 50	Below 30	30 – 50	Over 50
Overall						
All employees	-%	48%	52%	-%	48%	52%
Employee Category						
Management	-%	-%	100%	-%	-%	100%
Non-management	-%	55%	45%	-%	64%	36%
Employment type						
Full-time	-%	52%	48%	-%	52%	48%
Part-time	-%	-%	100%	-%	-%	100%

Educational Background Diversity (%)

We seek to create an inclusive environment for employees from different educational background. Key statistics on educational background diversity of our employees are as follow:

Disclosure	FY2023		FY2022	
	Tertiary	Non-tertiary	Tertiary	Non-tertiary
Performance of employees by educational diversity	52%	48%	52%	48%

9.10 CORPORATE GOVERNANCE

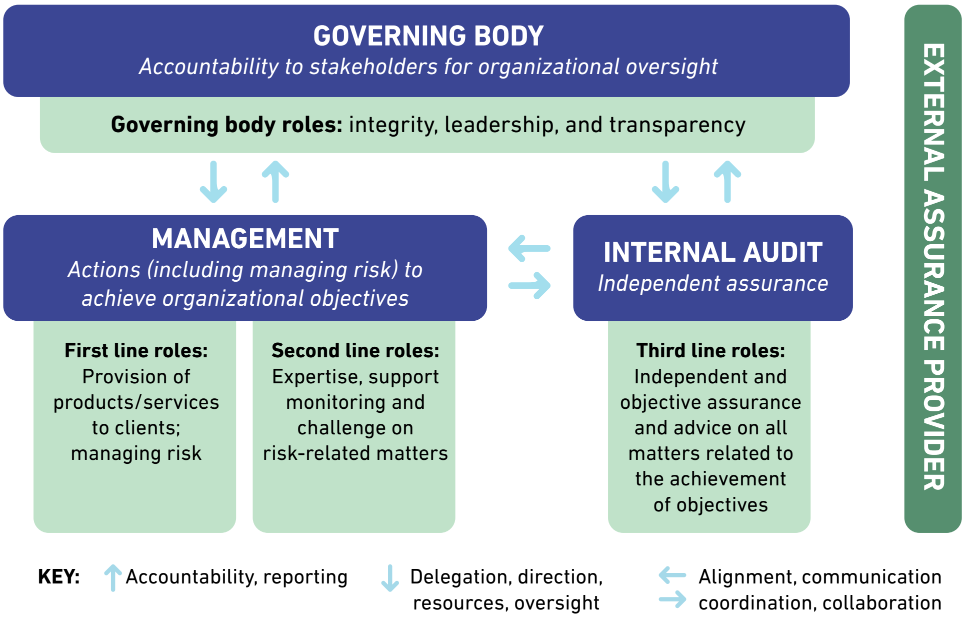
We are committed to ethical and fair conduct, as well as the prohibition of corruption, including bribery and fraud. We uphold these commitments by implementing the corporate best practices and adhering to the definitions and put forth guidelines.

Our approach is to weave sustainability throughout our governance structure, thus enabling Sitra to consistently deliver value to our customers and stakeholders, impacting our return on investment, growth and risk management opportunities.

We are proactive in ensuring compliance with relevant laws and regulations. Our management team is responsible for the review and monitoring of the Group's policies and practices in respect to legal and regulatory requirements across all operations. Any non-compliance of the relevant laws and regulations and the proposed resolutions will be reported to the Board.

We implemented policies and procedures to ensure compliance with the relevant laws and regulations in all the jurisdictions we operate in. At a corporate level, we also ensure that we comply with the Catalist Rules, Securities and Futures Act and Singapore Companies Act.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("**IIA**"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first- and second-line roles), internal audit (third-line roles) and the relationship among them are defined as follows:



Source: Three Lines Model of the IIA

We promote an ethical and act with integrity culture throughout the Group. We seek to conduct our business in an ethical manner and uphold best practices in the wood-based products and lifestyle furniture industry. All directors, operations and management staff are required to fully comply with our principles set out in our Employee Handbook and their employment contracts with us.

Our Employee Handbook details our expected standards of employee's professional behaviour towards our business partners whom we have business dealings with, to the people in the society whom we serve, such as customers, and towards each other as employees of the Group. Above all, we are inculcated with strong corporate values to act with integrity.

We recognise the importance of risk management and how business risks may adversely affect our business performance. An ERM framework which governs the risk management process in the Group is in place. We regularly review our business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

A whistle-blowing policy is in place, where our employees 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 detrimental or unfair treatment. A dedicated email address accessible by only the AC members is set-up for the purposes of whistleblowing. The complainant's identity shall also be kept confidential to the extent reasonably practical within the limits of the law. Refer to the Corporate Governance Report for more information.

During the Reporting Period, zero incident of serious offence[4] is reported through our whistle-blowing channel (FY2022: zero incident). We also have zero reported incidents of non-compliance with the relevant legal and regulatory requirements (FY2022: zero incident).

SUSTAINABILITY REPORT

10 TARGETS AND PERFORMANCE HIGHLIGHTS

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our key Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

Legend	Progress Tracking
○○○	New target
●●●	Target achieved
●●○	On track to meet target
●○○	Not on track, requires review

S/N	Key Sustainability Factor	Target[15]	Performance in FY2023
Economic			
1	Sustainable Business Performance	Short-term Maintain or improve our financial performance subject to market conditions	●○○ Refer to section 9.1 for more information
Environment			
2	Water Conservation	Short-term Maintain or the water consumption intensity	●●○ Refer to section 9.2 for more information
3	Energy Conservation and GHG Emissions Reduction	Short-term • Maintain or reduce GHG emissions intensity by FY2025, with FY2022 as our baseline Medium-term • Reduce absolute Scope 1 and Scope 2 GHG emissions by 5% and by FY2035, with FY2022 as our baseline	○○○ ○○○
4	Supply Chain Management and Product Responsibility	Ongoing and long-term Maintain 100% of suppliers being certified with relevant environmental certifications and criteria	●●●
5	Waste Management	Ongoing and long-term Ensure recyclable wood waste is 100% reused in our operations	●●●
Social			
6	Customers Health and Safety	Ongoing and long-term Maintain zero incident of non-compliance with the prevailing regulations in our operating countries	●●●
7	Occupational Health and Safety	Ongoing and long-term Maintain zero workplace fatalities, high-consequence work-related injuries, recordable work-related injuries and recordable work-related ill health cases	●●●
8	Employee Retention and Development	Short-term • Maintain or reduce employee turnover rate • Maintain percentage of employees who received regular performance reviews • Maintain or improve average training hours per employee	●●●
9	Diversity and Equal Opportunity	Ongoing and long-term Maintain zero reported incident of unlawful discrimination against employees	●●●
Governance			
10	Corporate Governance	Ongoing and long-term Maintain zero incident of serious offence	●●●

[15] Time horizons for target settings are: (i) short term: before FY2025; (ii) medium term: FY2025 – FY2035; (iii) long term: FY2035 onwards; and (iv) ongoing: continous time horizon.

11. SUPPORTING THE SDGs

The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important part in advancing sustainable development and to align our business objectives with the SDGs, we identified the relevant SDGs which we can contribute to through our business practices, products and services. The SDGs that we focus on and the related key Sustainability Factors are as follows:

SDG		Our Effort
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	9.7 Occupational Health and Safety We implement measures to ensure a safe and secure working environment for our employees
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	9.8 Employee Retention and Development We invest in training and development of our people to enhance our business competencies as well as overall productivity.
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	9.2 Water Conservation We implement measures to monitor and reduce the utilisation of water resources which in turn help us to work towards achieving sustainable management and efficient use of natural resources.
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	9.3 Energy Conservation and GHG Emissions Reduction We implement measures to monitor and reduce the utilisation of energy resources which in turn help us to improve our energy efficiency and reduce GHG emissions.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	9.1 Sustainable Business Performance We contribute to economic growth through creating long-term economic value for our shareholders.
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	9.9 Diversity and Equal Opportunity We create a diverse and inclusive workplace that will bring new perspectives to our business and strengthen our ability to overcome new challenges.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	9.4 Supply Chain Management and Product Responsibility We ensure that our suppliers are certified with relevant environmental certifications and criteria such as SVLK, FSC, PEFC and PEFC Controlled Sources. 9.5 Waste Management We contribute to the reduction of waste generation through recycling, reusing and reducing.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	9.10 Corporate Governance We maintain a high standard of corporate governance to safeguard our shareholders' interest and maximise long-term shareholder value and carry out business with integrity by avoiding corruption in any form.

SUSTAINABILITY REPORT

12. TCFD DISCLOSURES

We are committed to support the recommendations by the TCFD and disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

TCFD Recommended Disclosures
Governance
a. Describe the board's oversight of climate-related risks and opportunities.
The Board provides advice, supervise and oversees the Company's initiatives in identifying, assessing and integrating climate-related risks and opportunities, including providing advice on the key Sustainability Factors of the Group.
b. Describe management's role in assessing and managing climate-related risks and opportunities.
Our sustainability strategy is developed and directed by the SC in consultation with the Board. The SC, includes representatives from key Group functions, is led by our CFO. The responsibilities of the SC include considering and determining the Group's strategic function, sustainability-related target setting, climate-related issues, monitoring of climate-related initiatives as well as collection, monitoring and reporting of performance data.
Strategy
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. *b. Describe the impact of climate-related risks to our businesses, strategy, and financial planning.*
We recognise that climate change poses different types of risks to our business. These include physical and transition risks which can have adverse operational and financial impact on our operation. In FY2023, the Group undertook a climate scenario analysis to identify and assess climate-related risks and opportunities for all our operations. Consistent with the intended scope of our study, we selected scenarios relevant to our businesses and assessed the potential implications of our assets, supply chain resilience as well as business strategies in respect of climate change based on the Representative Concentration Pathway ("**RCP**") adopted by the Intergovernmental Panel on Climate Change ("**IPCC**") to examine the potential impact:

Scenario	Description
IPCC RCP 2.6/1.5°C	This scenario is in line with Paris Agreement to limit global warming to below 2°C by 2100 as a result of efficiency enhancements and behaviour changes as key mitigation strategy.
IPCC RCP 8.5/4°C	The 'business-as-usual' scenario assumes that GHG emissions continue to rise with significant increases in global temperatures, as no concerted efforts are made to reduce GHG emissions.

Based on the scenarios above, we identified the potential impact of climate change, both physical and transitions risk on our business as well as climate-related opportunities which the Group can capitalise on as follows:

Scenario	Climate-Related Risk	Potential Impact	Our Response
IPCC RCP 8.5/4°C	Physical Risk - Increased intensity of extreme weather events	Variability in weather patterns and increased extreme weather events such as flash floods, heatwaves may adversely impact the Group's wood-based products business (e.g., forest fire, reduced precipitation level and sustained higher temperature might reduce the quantity and quality timber supply).	In view of the increased intensity of extreme weather events, we raise awareness amongst our employees to be more environmentally conscious and reducing our environmental impact throughout our operations.

TCFD Recommended Disclosures			
Scenario	**Climate-Related Risk**	**Potential Impact**	**Our Response**
IPCC RCP 2.6/1.5°C	Transition Risk - Expansion of carbon pricing mechanism	Expansion in carbon tax coverage and increase in carbon tax rates which may lead to increased operating costs.	In view of this development, we will continue to use energy resources responsibly and raise climate awareness amongst our employees so that the Group will be in a better position to meet the rising needs and expectations of regulators and our customers
	Transition Risk – Shift in customer preference	Rising demands of the transition to a low carbon economy and the shifts in consumer preferences for sustainable wood-based product will require the Group's attention to ensuring wood products come from sustainable sourcing.	In response to these demands, we put in place a Responsible Wood Purchasing Programme to ensure that timber is sourced only from forests with responsible forest management. This will in turn build customer trust and raise our reputation.

The impact of the above climate-related risks is analysed on group-wide activities over the short term (before FY2025), medium term (FY2025 - 2035) and long term (FY2035 onwards) with details as follows:

Warming Scenario 1: 1.5°C Warming - RCP 2.6

Climate-Related Risk and Opportunity	Significance of Financial Impact[16]		
	Short Term	**Medium Term**	**Long Term**
Key physical risk identified			
Increased extreme weather events and changes in weather patterns	Minor	Minor	Minor
Key transition risk identified			
Expansion of carbon pricing mechanism	Minor	Moderate	Moderate
Shift in customer preference	Minor	Moderate	Moderate

Warming Scenario 2: > 4°C Warming - RCP 8.5

Climate-Related Risk and Opportunity	Significance of Financial Impact		
	Short Term	**Medium Term**	**Long Term**
Key physical risk identified			
Increased extreme weather events and changes in precipitation patterns	NA[17]		Major
Key transition risk identified			
Expansion of carbon pricing mechanism	NA[17]		Minor
Shift in customer preference	NA[17]		Minor

Legend: ● Minor ● Moderate ● Major

[16] Significance of financial impact is determined based on the risk appetite established in accordance with the Group's ERM framework.
[17] Not applicable as this scenario is unlikely in the short and medium term.

TCFD Recommended Disclosures
In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans and explore allocating resources towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.
c. *Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.*
The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities. Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario 2: > 4°C warming) may result in major financial impact by FY2035. Under warming scenario 1: 1.5°C, there may be moderate level of financial impact in the medium and long-term arising from the combined effects of carbon tax increase, shift in consumer preference, increased cost on operating expenses and potential revenue loss. We will incorporate these findings and considerations into our strategy, decision-making and ERM approach moving forward.
Risk Management
a. *Describe the organisation's processes for identifying and assessing climate-related risks.* b. *Describe the organisation's processes for managing climate-related risks.* c. *Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.*
We included climate-related risks in our ERM exercise. Risks and opportunities identified under our ERM framework, including climate-related ones, are strategically assessed and managed through our risk management process. The framework also covers areas such as the implementation of risk treatment plans and continuous monitoring of risks which was reviewed and updated during the ERM exercise and are also presented to the AC, amongst other enterprise risks. In terms of managing our climate-related risks, we will continue monitoring the trend of climate-related performance indicators.
Metrics and Targets
a. *Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.*
Our environmental performance, including GHG emissions, water consumption and waste management are tracked, measured, and its related metrics are subsequently disclosed in our Report. Monitoring and reporting of these metrics assist us in identifying areas with material climate-related risks and enable us to track our progress towards reaching our goals.
b. *Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.*
To support the climate change agenda, we disclosed our Scope 1, 2 and certain categories of Scope 3 GHG emissions in this Report and set climate-related targets such as those related to GHG emissions. We recognised the importance of monitoring our indirect Scope 3 GHG emissions and started disclosure of Scope 3 GHG emissions from business travel (category 6) and employee commuting (category 7). We aim to better disclose our material Scope 3 GHG emissions by expanding the reporting coverage of our Scope 3 GHG emissions on other categories relevant to the Group and where data is available.
c. *Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.*
As a commitment towards mitigating climate change, we set climate-related targets related to GHG emissions management, water consumption and waste management. For further details, please refer to above section '10 Targets and Performance Highlights'.

13. GRI CONTENT INDEX

Statement of use	Sitra Holdings (International) Limited reported the information cited in the GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location
General Disclosure		
GRI 2: General Disclosures 2021	2-1 Organisational details	2, 3
	2-2 Entities included in the organisation's sustainability reporting	14
	2-3 Reporting period, frequency and contact point	14, 15
	2-4 Restatements of information	22, 27
	2-5 External assurance	15
	2-6 Activities, value chain and other business relationships	12 - 14
	2-7 Employees	27 - 28
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	7 - 9, 16
	2-10 Nomination and selection of the highest governance body	42 - 44
	2-11 Chair of the highest governance body	7, 41
	2-12 Role of the highest governance body in overseeing the management of impacts	16, 32
	2-13 Delegation of responsibility for managing impacts	16, 32
	2-14 Role of the highest governance body in sustainability reporting	16, 32
	2-15 Conflicts of interest	37, 50
	2-16 Communication of critical concerns	28 - 29, 51
	2-17 Collective knowledge of the highest governance body	16, 39 - 41
	2-18 Evaluation of the performance of the highest governance body	42 - 44
	2-19 Remuneration policies	44 - 48
	2-20 Process to determine remuneration	44 - 48
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	3, 12
	2-23 Policy commitments	24, 28 - 29, 31
	2-24 Embedding policy commitments	24
	2-25 Processes to remediate negative impacts	28 - 29, 51
	2-26 Mechanisms for seeking advice and raising concerns	28 - 29, 51
	2-27 Compliance with laws and regulations	28 - 29
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	15, 18
	2-30 Collective bargaining agreements	None
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	17 - 18
	3-2 List of material topics	18
	3-3 Management of material topics	18 - 29
Sustainable Business Performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	18 - 19
Corporate Governance		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	28 - 29

SUSTAINABILITY REPORT

GRI standard	Disclosure	Location
Energy Conservation and GHG Emissions Reduction		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	21 - 22
	302-2 Energy consumption outside of the organization	21 - 22
	302-3 Energy intensity	21 - 22
	302-4 Reduction of energy consumption	20 - 21
	302-5 Reductions in energy requirements of products and services	20 - 21
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	22
	305-2 Energy indirect (Scope 2) GHG emissions	22
	305-3 Other indirect (Scope 3) GHG emissions	22
	305-4 GHG emissions intensity	22
	305-5 Reduction of GHG emissions	20 - 22
	305-6 Emissions of ozone-depleting substances (ODS)	Disclosure is not applicable as we do not emit a material amount of these emissions through our products, services and operations.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Disclosure is not applicable as we do not emit a material amount of these emissions through our products, services and operations.
Water Conservation		
GRI 303: Water and Effluents 2018	303-5 Water consumption	19
Waste Management		
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	23
	306-3 Waste generated	23
Supply Chain Management and Product Responsibility		
GRI 308: Supplier Environment Assessment 2016	308-1 New suppliers that were screened using environmental criteria	
Employee Retention and Development		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	26
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	25 - 27
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	25 - 26
	404-2 Programs for upgrading employee skills and transition assistance programs	25 - 27
	404-3 Percentage of employees receiving regular performance and career development reviews	25 - 27
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	25
	403-10 Work-related ill health	25
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	27 - 28, 39 - 41
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	27 - 28
Customers Health and Safety		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	24
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	24

CORPORATE GOVERNANCE

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 Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). 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 2023 ("**FY2023**"), 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 **<u>Corporate Governance Practices of the Company</u>**

1.1 Directors' Fiduciary Duties and Conflicts of Interest

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

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, as well as 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. In addition, as required under the Catalist Rule 406(3)(a), a Director who has no prior experience as a director of a listed company on SGX-ST must, in addition to the induction described above, must undergo training as prescribed by SGX-ST within one year from the date of his appointment to the Board, which includes attending certain modules of the Listed Entity Director Programme conducted by Singapore Institute of Directors. There were no new Director appointed during FY2023 and up to the date of this report.

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 Catalist Rules which are relevant to the Directors are circulated to the Board. The external auditors also update the Audit Committee ("**AC**") and the Board on the new and revised accounting standards that are applicable to the Group.

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.

CORPORATE GOVERNANCE

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. Pursuant to Catalist Rule 720(6), all Directors have completed the mandated training on sustainability matters as prescribed by SGX-ST.

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 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. Further information on the activities of the AC, the NC and the RC during FY2023 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 FY2023, 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 by senior management prior to Board meetings, and on an on-going basis. Such information includes Board papers related materials, explanatory information relating to matters to be brought before the Board, periodic financial statements, budgets. Requests for information from the Board, in order for the Directors to make informed decisions, are dealt with promptly by management. The Board is informed of all material events and transactions as and when they occur. The Company Secretary and/or their representatives attend all Board meetings.

1.7 Access to Management and Company Secretary

The Board has separate and independent access to the Group's senior management and the Company Secretary at all times.

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.

CORPORATE GOVERNANCE

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 **<u>Corporate Governance Practices of the Company</u>**

2.1 Director Independence

The Board comprises five (5) Directors, of whom one (1) is Non-Independent Non-Executive Director ("**NED**"); three (3) are Non-Executive Independent Directors ("**NEID**s") and one (1) Executive Director ("**ED**"). NEIDs make up at least one-third of the Board. 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. The NC also takes into consideration Catalist Rule 406(3)(d) and the guidelines in Provision 2.1 of the Code, which 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.

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. The Company has conformed to the relevant provision of the Code with majority of the Board made up of Independent Directors.

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 Company acknowledges and values the significance and advantages of having a Board and Board Committees that are structured, sized, and composed appropriately, with directors who collectively offer a balanced and diverse range of perspectives. The Company also recognizes that diversity is a crucial characteristic of a high-performing and efficient Board, as it brings in multiple viewpoints, improves decision-making, mitigates group think, encourages constructive debates. The Company has adopted a formal Board Diversity Policy setting out its policy, framework and measurable objectives for promoting diversity on the Board. The Board recognizes the benefits of having greater diversity on the Board in terms of skills, knowledge, experience and other aspects of diversity such as age, gender, educational background and ethnicity and views diversity on the Board as an important element in building an effective Board. The diversity of the Directors' experience allows for the useful exchange of ideas and views. The NC is responsible for administering and reviewing the Board Diversity Policy to ensure its effectiveness and practicality. Where appropriate, the NC will report to the Board on the progress made towards achieving board diversity on an annual basis and conduct periodic review to the Board Diversity Policy.

CORPORATE GOVERNANCE

Provisions **Corporate Governance Practices of the Company**

In reviewing the Board's structure, size and composition, the NC (and Board) takes into consideration the relevant rules and regulations, the Board Diversity Policy. The NC reviews the Board's collective skills matrix during the annual assessment of the effectiveness of the Board, as well as the independent element, listed company representations and other principal commitments held by each director, scope and nature of operations as well as business requirements of the Group, succession plan for directors, progressive refreshing of the Board and Board Committees.

The NC and the Board is of the view that the present size, structure and composition of the Board and respective Board Committees are appropriate and effective in providing adequate diversity and independence to the Board. There is efficient and effective discussion and decision making with meaningful individual participation by each director with diverse professional expertise. 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. In line with the Board Diversity Policy, the Board has met its objectives in ensuring a diverse of skills and experience given that the existing Board members comprises Directors with a mix of professional accounting and legal background. The biographies of all Board members are set out in the section titled "**Board of Directors**".

Details of the Board composition for FY2023 are as follows:

- Directors' professional area of expertise:

Business	2
Accountancy, Finance	2
Legal	1

- Board Independence

Non-Executive Independent Directors	3
Executive Director	1
Non-Executive Non-Independent Directors	1

- Directors' age group

50s	2
60s	2
70s	1

- Directors' length of service on the Board

	Non-Executive Independent Directors	Non-Executive Director(s)	Executive Director(s)
Served less than three (3) years	3	–	–
Served three (3) years and up to (6) years	–	1	–
Served six (6) years and up to nine (9) years	–	–	–
Served more than nine (9) years	–	–	1

CORPORATE GOVERNANCE

Provisions **Corporate Governance Practices of the Company**

Although the current composition of the Board comprises all male, as and when the circumstances arise for the Board to appoint a new director, the NC will nominate the most suitable candidate (taking into account the relevant skill sets and diversity) which includes potential female candidates to be fielded for consideration based on the set objectives of the Board.

The Company does not prescribe a timeline for the appointment of a female director as such appointment will be dependent on the Company's business needs and adequacy of the Board composition as whole. The Company remains committed to implementing the Board Diversity Policy and any further progress made towards the implementation of the policy will be disclosed in future annual reports.

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

The Non-Executive Director and/or Independent Directors, will meet at least once a year without the presence of Management to discuss on matters such as the performance of management, risk management, internal controls and important business issues. During the financial year, the Independent Directors had met once without the presence of Management to discuss on some of the aforesaid matters.

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.

Provisions **Corporate Governance Practices of the Company**

3.1 **Separation of the roles of the Chairman and the Chief Executive Officer ("CEO")**

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 and no CEO is proposed to be appointed. The CEO's responsibilities have been assumed by the existing Management staff.

3.2 **Division of responsibilities between the Chairman and CEO**

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**

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

CORPORATE GOVERNANCE

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**

1.1 **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 FY2023

- Reviewed the Board's composition and size, Director's tenure, competencies and outside commitments, attendance and the nomination of directors for re-election as well as key management personnel (if any);

- Reviewed the need to renew the Board by bringing in candidates with the requisite experience and in performing the aforesaid, give adequate consideration to the Company's Board Diversity Policy;

- 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;

- Oversight of directors' training programs, including sustainability training of all directors as prescribed under listing rules; and

- 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 Catalist Rule 720(4).

All newly appointed directors will have to retire from office at the next AGM following their appointments pursuant to Regulation 106 of the Company's Constitution. The retiring directors are eligible to offer themselves for re-election. The following Directors will retire by rotation at the upcoming AGM and have been re-nominated for re-election:

Mr. Chew Chiew Siang, Steven	(Regulation 100)
Mr. Sim Guan Seng	(Regulation 100)

The NC has recommended the nomination of the directors retiring under Regulation 100 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. Each Director abstains from making any recommendation and voting on any resolution in respect of the assessment of his own performance or re-appointment as a director. The Company has no alternate director on its Board.

Provisions <u>**Corporate Governance Practices of the Company**</u>

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 and is satisfied that there is no relationship set forth in the Catalist Rules and Code (including the accompanying Practice Guidance) which could affect the independence of each of the existing independent directors. Each NEID has abstained from the deliberation of his own independence. For further information on the declaration of independence submitted by the independent directors to the NC for assessment and consideration, please refer to details set out in Provision 2.1.

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 the Directors do not impede the performance of their duties to the Company. 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 <u>**Corporate Governance Practices of the Company**</u>

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 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.

The NC would review the assessment criteria periodically to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval. The NC did not propose any changes to the performance criteria for FY2023 as compared to the previous financial year as the Board composition and the Group's principal business activities remained largely the same.

Based on the NC and Board's assessment and review for FY2023, the performance of the Board as a whole is satisfactory with each Director contributing to the overall effectiveness of the Board. No external facilitators were used in the evaluation process and the assessment of the Board and its Board Committees for FY2023.

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 package for the 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. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.

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**.

Provisions **Corporate Governance Practices of the Company**

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 package of the Executive Director is based on his service agreement. The service agreement of the Executive Director is 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 Director 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.

Summary of RC's activities in FY2023

- 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 member of a director, the CEO or substantial shareholder; and

- 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 Director and key management personnel as it was considered unnecessary in the Company's current context.

CORPORATE GOVERNANCE

Provisions <u>**Corporate Governance Practices of the Company**</u>

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

In reviewing the recommendation for Independent Non-Executive Directors' remuneration for FY2023, 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

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

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 <u>**Corporate Governance Practices of the Company**</u>

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.

The Executive Director does not receive director's fees but are remunerated as members of management. The remuneration package of the Executive Director 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 short-term 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 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). There was no termination, retirement, post-employment benefits that may be granted to the Directors and the top key management personnel.

Table D and Table D1 set out the breakdown of the remuneration of the Directors and the top key management personnel (who are not Directors or the CEO), respectively, for FY2023.

Provisions **<u>Corporate Governance Practices of the Company</u>**

8.2 Remuneration of employees who are substantial shareholders of the company, or are immediate family member 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, stepchild, 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 FY2023.

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. 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.

No share options or share awards were granted under the Scheme or Plan for FY2023.

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 **<u>Corporate Governance Practices of the Company</u>**

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.

Provisions **Corporate Governance Practices of the Company**

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, prioritization, 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 Executive Director and Chief Financial Officer 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 for FY2023. 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.

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 25 "Financial Risk Management" of the notes to the financial statements.

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;

Provisions	Corporate Governance Practices of the Company

(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;

(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 auditors, 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 auditors 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.

Provisions **Corporate Governance Practices of the Company**

Catalist Rules 1204(6)(a) and 1204(6)(b)

The total audit fees paid to the external auditors are stated on page 86 of this Annual Report. There were no non-audit fees payable to the external auditors in FY2023 that would affect the independence of the auditors. The AC having assessed the independence of auditors and size of resources and expertise, has recommended to the Board the re-appointment of Moore Stephens LLP as auditors 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.

Whistle Blowing Policy

Catalist Rules 1204 (18A) and 1204 (18B)

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 detrimental or unfair treatment. 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 whistle blowing report received in FY2023.

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 FY2023

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.

CORPORATE GOVERNANCE

Provisions <u>**Corporate Governance Practices of the Company**</u>

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 property, plant and equipment *Refer to Note 3.1 and Note 17 to the financial statements*	As at 31 December 2023, the Group has leasehold land and building classified under property, plant and equipment of S$8.83 million, representing 71% 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	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 classified under property, plant and equipment of $8.83 million as at 31 December 2023.

Catalist Rules 1204(6)(c), 712,715 and 716

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 Catalist Rule 716 has been complied with. Refer to Note 16 "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 Catalist Rules 712, 715 and 716.

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 who do not have any management or business relationships with the Company or any substantial shareholders of the Company. The names of the members of the AC are disclosed in **Table B**. The members of the AC, collectively, have recent and relevant accounting or related financial management expertise or experience and are qualified to discharge the AC's responsibilities.

Provisions	Corporate Governance Practices of the Company
10.3	**AC does not comprise former partners or directors of the Company's auditing firm**

None of the AC members were former partners of or directors of the Company's existing auditing firm or have any financial interest in the Company's auditors, Moore Stephens LLP.

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 independent and able to discharge its duties effectively as the internal auditor of the Company as the IA is staffed with suitably qualified and experienced professionals with the relevant experience, adequately resourced and has the appropriate standing in the Company, given, *inter alia*, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.

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 IA 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 external auditors 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.

The FY2023 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 FY2023 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 FY2024 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.

CORPORATE GOVERNANCE

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 **<u>Corporate Governance Practices of the Company</u>**

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. Results announcements, any other material information or press releases are also made available to the public through SGXNET.

In accordance with Catalist Rule 730A(2) 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.

Due to the Covid-19 restrictions and advisories issued by the relevant authorities in Singapore and the related safe distancing measures that were in effect at the relevant time, the AGM of the Company held in respect of the financial year ended 31 December 2022 on 28 April 2023 was held by way of electronic means and shareholders were not able to attend the AGM in person. To enable shareholders to participate in and vote effectively at the AGM held by way of electronic means, the Company had set out in the Notice of AGM, detailed information on the alternative arrangements relating to attendance at the annual general meeting, submission of questions in advance of the annual general meeting and voting procedures for the AGM.

As the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings) Orders (Orders) ceased from 1 July 2023, the extraordinary meeting of the Company held on 15 January 2024 ("EGM") was held in a wholly physical mode. Printed copies of the Circular, the Notice of EGM and proxy form ('Documents") were sent to shareholders of the Company via post. These Documents were also made available on the SGXNET. Shareholders were allowed to deposit their proxy forms and submit the questions in advance by post and by electronic mail.

The upcoming AGM of the Company to be held in respect of FY2023 will be held in a wholly physical manner. Details of the meeting participation and voting procedures for the AGM will be communicated to shareholders. Please refer to the important notes to shareholders on the Notice of Annual General Meeting dated 11 April 2024 for further information.

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. Reasons, and implications of why resolutions are bundled will be set out clearly if applicable.

11.3 **All Directors attend general meetings**

All directors will attend the Company's AGM to address shareholders' questions relating to the work of the Board and Board Committees. The external auditors are also 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. Directors will address the shareholders' queries prior to and during the AGM if required.

All directors attended the Company's AGM duly held on 28 April 2023 via electronic means. A record of the directors' attendance at AGM is set out in **Table A.**

Provisions <u>**Corporate Governance Practices of the Company**</u>

11.4 Company's Constitution on absentia voting of shareholders

Provision 11.4 of the Code recommends that the Company's Constitution allow for absentia voting at general meetings of shareholders. The Company's Constitution allows for absentia voting at general meetings of shareholders, including but not limited to voting by mail, electronic mail or facsimile. As the authentication of shareholder identity and other related security and integrity issues still remains a concern, the Company has decided for the time being, not to implement absentia voting methods such as voting by mail, electronic mail or facsimile. Notwithstanding variation from Provision 11.4 of the Code, the Company is of the view that the intent of Principle 11 is still met as the existing arrangement whereby shareholders have the right to appoint proxies to attend general meetings and vote on their behalf enables shareholders to exercise their rights and have the opportunity to vote even if they are unable to attend in person.

11.5 Minutes of general meeting are published via SGXNet

In accordance with Guidance 6 of the Practice Note 7E General Meetings of the Catalist Rules, the minutes of general meetings, including the substantial and relevant comments or queries raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management, will be published within one month after the general meeting on SGXNET.

11.6 Dividend Policy

The Company does not have a dividend policy. As the Company had accumulated losses as at 31 December 2023 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 declared or recommended for FY2023 for reasons set out in the Company's full year results that were announced on SGXNET on 23 February 2024.

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 <u>**Corporate Governance Practices of the Company**</u>

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 Catalist Rules.

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.

CORPORATE GOVERNANCE

Provisions **Corporate Governance Practices of the Company**

12.3 Mechanisms for contacting the Company

The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the Catalist Rules, 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 Catalist Rules.

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.

13.2 The Company embarked on a stakeholder engagement exercise with customers, shareholders, employees, suppliers, Government and Regulatory Agencies and the media as set out in its sustainability reports since FY2019. 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 "Stakeholder Engagement" on page 15 of this Annual 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

Catalist Rule 1204(19)

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 2001 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

Catalist Rule 1204(8)

Save for the service agreements entered into with Mr. Steven Chew which is still subsisting as at the end of FY2023, there are no material contracts involving the interests of 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.

INTERESTED PERSON TRANSACTIONS

Catalist Rule 907

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, aside from the completion of the acquisition of the remaining 46% shares in Mapur Rocky Resort Limited on 7 October 2022 (further details can be found in circular to shareholders dated 15 September 2022 and the Company's announcements on 10 August 2022, 11 August 2022, 30 September 2022, 6 October 2022 and 11 October 2022), there were no material interested person transactions of S$100,000, or more during FY2023 requiring disclosure pursuant to the Catalist Rules.

CATALIST SPONSOR

Catalist Rule 1204(21)

The Company's sponsor, RHT Capital Pte. Ltd. had not rendered any non-sponsorship services to the Company for FY2023.

SUSTAINABILITY REPORTING

Catalist Rules 711A, 711B

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 Sustainability Report for FY2023 is included on pages 12 to 36 of this Annual Report.

TABLE A – DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS AND OTHER MEETINGS FOR FY2023

	Board of Directors		Nominating Committee		Audit Committee		Remuneration Committee		AGM	Attendance	
Directors	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Attended	Total	%
Chew Hua Seng	4	4	1	1	2	2	1	1	1	9/9	100%
Chew Chiew Siang, Steven	4	4	1	1	2	2	1	1	1	9/9	100%
Sim Guan Seng	4	4	1	1	2	2	1	1	1	9/9	100%
Chan Hock Keng	4	4	1	1	2	2	1	1	1	9/9	100%
Lim Kian Thong	4	4	1	1	2	2	1	1	1	9/9	100%

CORPORATE GOVERNANCE

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	–	–
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	70	21/10/2019	28/04/2023	• Raffles Education Limited • Oriental University City Holdings (H.K.) Limited • Sitra Holdings (International) Limited	–	Full time employment with Raffles Education Limited and its subsidiaries.
Chew Chiew Siang, Steven	53	20/09/2006	29/04/2022	• Sitra Holdings (International) Limited	–	Full time employment with the Group
Sim Guan Seng	65	01/06/2021	29/04/2022	• Sitra Holdings (International) Limited • Darco Water Technologies Limited	–	Managing Director Cohen Assurance PAC
Chan Hock Keng	56	01/07/2021	29/04/2022	• Sitra Holdings (International) Limited	–	WongPartnership - Partner
Lim Kian Thong	62	02/08/2021	29/04/2022	• Sitra Holdings (International) Limited • Aspen (Group) Holdings Limited	• United Global Limited • Capital World Limited • LHN Logistics Limited	iFAST Corporation Ltd. – Group Chief Financial Officer

* *The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, etc.*

CORPORATE GOVERNANCE

TABLE D – REMUNERATION OF DIRECTORS

The breakdown of the total remuneration of the directors of the Company for the year ended 31 December 2023 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 short-term benefits[3]	Total	
Chew Chiew Siang, Steven	ED	–	96.3%	3.7%	100%	$100,001 - $200,000
Chew Hua Seng	NENI	–	–	–	–	Nil
Sim Guan Seng	NEID	100%	–	–	100%	<$100,000
Chan Hock Keng	NEID	100%	–	–	100%	<$100,000
Lim Kian Thong	NEID	100%	–	–	100%	<$100,000
The aggregate total remuneration of directors		**$100,000**	**$170,484**	**$6,580**	**$277,064**	
		36.1%	**61.5%**	**2.4%**	**100.0%**	

Notes

ED: Executive director

NENI: Non-executive non-independent director

NEID: Non-executive independent director

(1) The director's fees are subject to shareholdersw' 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 short-term benefits include motor vehicles running expenses and club subscription fees.

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 2023 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 short-term benefits[2]	Total	
Chew Ah Ba	Director Timber Division / Immediate family member of a director and substantial shareholders	96.7%	3.3%	100%	$100,001 - $200,000
Lim Sook Hwa Jacinta	Senior VP Operations / Immediate family member of a director and substantial shareholders	100%	–	100%	$100,001 - $200,000
Mok Kam Wah	Chief Financial Officer	100%	–	100%	$100,001 - $200,000
The aggregate total remuneration of key management personnel		**$416,699**	**$5,705**	**$422,404**	
		98.6%	**1.4%**	**100%**	

Notes:

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

(2) Other short-term benefits is motor vehicles running expenses.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023 and the statement of financial position of Sitra Holdings (International) Limited (the "Company") as at 31 December 2023.

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 2023 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, as disclosed in Note 2.1 to the financial statements.

1 Directors

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

Chew Hua Seng
Chew Chiew Siang, Steven
Sim Guan Seng
Chan Hock Keng
Lim Kian Thong

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 1.1.2023	**At 31.12.2023**	**At 21.01.2024**
The Company			
(No. of ordinary shares)			
Chew Chiew Siang, Steven	24,393,900	24,393,900	24,393,900
Chew Hua Seng	654,033,520	654,033,520	654,033,520

By virtue of Section 7 of the Singapore Companies Act 1967 (the "Act"), Chew Hua Seng is 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 three directors, Mr. Lim Kian Thong (Chairman), 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 ("SGX-ST").

- 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.

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 three directors, Mr. Lim Kian Thong (Chairman), 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 2023 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 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 auditors.

The Audit Committee has met with the independent auditors 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.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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
5 April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SITRA HOLDINGS (INTERNATIONAL) LIMITED

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 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the 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 17 to the financial statements) As at 31 December 2023, the Group has leasehold land and building classified under property, plant and equipment of S$8.83 million, representing 71% 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 17 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.

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.

- 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.

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

- 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
5 April 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		S$	S$
Revenue	4	14,508,798	21,872,920
Cost of sales		(13,309,661)	(20,132,867)
Gross profit		1,199,137	1,740,053
Other income	7	112,060	121,206
Other losses - net	8	(100,110)	(1,266,765)
Expenses			
- Selling and marketing		(556,304)	(603,784)
- Administrative		(2,800,377)	(2,775,861)
- Finance	9	(184,271)	(38,818)
Loss before income tax		(2,329,865)	(2,823,969)
Income tax	10	131,879	(101,945)
Loss for the year		(2,197,986)	(2,925,914)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	24(b)	43,059	173,467
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on property, plant and equipment - net	24(b)	-	368,520
Other comprehensive income, net of tax		43,059	541,987
Total comprehensive loss for the year		(2,154,927)	(2,383,927)
Loss for the year attributable to:			
Equity holders of the Company		(2,285,634)	(3,050,411)
Non-controlling interest		87,648	124,497
		(2,197,986)	(2,925,914)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		(2,254,932)	(2,467,621)
Non-controlling interest		100,005	83,694
		(2,154,927)	(2,383,927)
Loss per share attributable to equity holders of the Company (cents per share)			
- Basic and diluted	11	(0.15)	(0.21)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023	2022
		S$	S$
ASSETS			
Current assets			
Cash and bank balances	12	549,183	1,746,456
Trade and other receivables	13	688,157	774,266
Inventories	14	2,039,211	2,619,703
Other current assets	15	247,607	230,662
		3,524,158	5,371,087
Non-current assets			
Property, plant and equipment	17	8,956,300	9,851,207
Deferred tax assets	22	23,881	24,128
		8,980,181	9,875,335
Total assets		12,504,339	15,246,422
LIABILITIES			
Current liabilities			
Trade and other payables	19	1,217,934	1,974,600
Borrowings	20	182,788	73,831
		1,400,722	2,048,431
Non-current liabilities			
Other financial liability	21	1,853,096	1,677,446
Borrowings	20	133,987	18,806
Deferred tax liabilities	22	188,750	377,000
		2,175,833	2,073,252
Total liabilities		3,576,555	4,121,683
Net assets		8,927,784	11,124,739
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	25,793,130	25,793,130
Other reserves	24	2,541,267	2,510,565
Accumulated losses		(20,153,985)	(17,868,351)
		8,180,412	10,435,344
Non-controlling interest		747,372	689,395
Total equity		8,927,784	11,124,739

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023	2022
		S$	S$
ASSETS			
Current assets			
Cash and bank balances	12	407,732	1,051,897
Other receivables	13	808,000	2,675,649
Other current assets	15	1,410	1,410
		1,217,142	3,728,956
Non-current assets			
Investments in subsidiary corporations	16	7,104,632	5,216,036
Plant and equipment	17	18,065	25,986
		7,122,697	5,242,022
Total assets		8,339,839	8,970,978
LIABILITIES			
Current liabilities			
Other payables	19	3,840,903	3,885,279
Non-current liability			
Other financial liability	21	1,853,096	1,677,446
Total liabilities		5,693,999	5,562,725
Net assets		2,645,840	3,408,253
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	25,793,130	25,793,130
Other reserves	24	14,393	14,393
Accumulated losses		(23,161,683)	(22,399,270)
Total equity		2,645,840	3,408,253

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Attributable to equity holders of the Company					
	Note	**Share capital**	**Other reserves**	**Accumulated losses**	**Total**	**Non-controlling interest**	**Total equity**
		S$	**S$**	**S$**	**S$**	**S$**	**S$**
Balance at 1 January 2023		25,793,130	2,510,565	(17,868,351)	10,435,344	689,395	11,124,739
Loss for the year		-	-	(2,285,634)	(2,285,634)	87,648	(2,197,986)
Other comprehensive income		-	30,702	-	30,702	12,357	43,059
Total comprehensive loss for the year		-	30,702	(2,285,634)	(2,254,932)	100,005	(2,154,927)
Dividend paid to non-controlling interest	16	-	-	-	-	(42,028)	(42,028)
Balance at 31 December 2023		25,793,130	2,541,267	(20,153,985)	8,180,412	747,372	8,927,784
Balance at 1 January 2022		25,793,130	471,602	(14,817,940)	11,446,792	3,717,708	15,164,500
Loss for the year		-	-	(3,050,411)	(3,050,411)	124,497	(2,925,914)
Other comprehensive income		-	582,790	-	582,790	(40,803)	541,987
Total comprehensive loss for the year		-	582,790	(3,050,411)	(2,467,621)	83,694	(2,383,927)
Acquisition of non-controlling interests	16	-	1,456,173	-	1,456,173	(3,112,007)	(1,655,834)
Balance at 31 December 2022		25,793,130	2,510,565	(17,868,351)	10,435,344	689,395	11,124,739

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		S$	S$
Cash Flows from Operating Activities			
Loss for the year		(2,197,986)	(2,925,914)
Adjustments for:			
- Depreciation of property, plant and equipment	5	934,552	792,167
- Gain on disposal of plant and equipment		(28,621)	(2,768)
- Amortisation of notional interest		175,650	27,612
- Write-down of advances to suppliers		-	37,218
- Provision for slow-moving inventory		325,611	84,728
- Unrealised currency translation loss		45,142	1,118,658
- Impairment loss on property, plant and equipment	8	179,995	-
- Interest income	7	(18,417)	(133)
- Interest expense	9	8,621	11,206
- Income tax expense	10	(131,879)	101,945
		(707,332)	(755,281)
Change in working capital:			
- Trade and other receivables		134,932	1,504,777
- Inventories		254,881	234,629
- Other current assets		(16,945)	(79,701)
- Trade and other payables		(756,666)	(865,151)
Cash (used in)/generated from operations		(1,091,130)	39,273
Interest received		18,417	133
Interest paid		(6,852)	(7,311)
Income tax paid		(105,194)	(105,769)
Net cash used in operating activities		(1,184,759)	(73,674)
Cash Flows from Investing Activities			
Proceeds from disposal of financial assets at fair value through profit or loss		-	1,850,000
Additions of plant and equipment	17	(31,218)	(15,337)
Proceeds from disposal of plant and equipment		28,621	2,768
Net cash (used in)/generated from investing activities		(2,597)	1,837,431
Cash Flows from Financing Activities			
Principal payment of lease liabilities		(73,831)	(73,002)
Repayment of term loan		-	(387,024)
Interest paid		(1,769)	(3,895)
Acquisition of non-controlling interests		-	(6,000)
Dividend paid to non-controlling interest		(42,028)	-
Net cash used in financing activities		(117,628)	(469,921)
Net (decrease)/increase in cash and cash equivalents		(1,304,984)	1,293,836
Cash and cash equivalents at 1 January		1,746,456	452,620
Cash and cash equivalents at 31 December	12	441,472	1,746,456

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of liabilities arising from financing activities:

	At 1 January 2023	Principal and interest payments	Non-cash changes			At 31 December 2023
			Additions	Interest expense	Foreign exchange movement	
	S$	S$	S$	S$	S$	S$
Lease liabilities	92,637	(75,600)	198,541	1,769	(8,283)	209,064

	At 1 January 2022	Principal and interest payments	Non-cash changes	At 31 December 2022
			Interest expense	
	S$	S$	S$	S$
Lease liabilities	165,639	(75,600)	2,598	92,637
Term loan	387,024	(388,321)	1,297	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 16 to the financial statements.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Directors' Statement.

2 Material Accounting Policy Information

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.

Going Concern Assumption

During the financial year ended 31 December 2023, the Group incurred a net loss of S$2,197,986 (2022: S$2,925,914) and total comprehensive loss of S$2,154,927 (2022: S$2,383,927) and net cash flows used in operating activities of S$1,184,759 (2022: S$73,674). These factors indicate the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Nevertheless, in the preparation of the financial statements, the directors of the Company believe that the use of the going concern assumption is appropriate after taking into consideration:

(i) The directors and management are of the view that the Group will have sufficient working capital and will be able to meet its obligations as and when they fall due based on a cash flow forecast for the next 12 months; and

(ii) a controlling shareholder has undertaken that, for a period of 12 months from the date of these financial statements, the controlling shareholder will provide such financial support as necessary.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

2 Material Accounting Policy Information (cont'd)

2.1 Basis of Preparation (cont'd)

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

On 1 January 2023, 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.

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) 1-1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16 *Leases: Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-7 *Statement of Cash Flows* and SFRS(I) 7 *Financial Instruments: Disclosures: Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	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 Material Accounting Policy Information (cont'd)

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.

(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 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 Material Accounting Policy Information (cont'd)

2.3 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. 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.

2 Material Accounting Policy Information (cont'd)

2.4 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 regular 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:

	Useful lives
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

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 **Material Accounting Policy Information** (cont'd)

2.4 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. Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.5 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.

2.6 Impairment of Non-Financial Assets

Property, plant and equipment (including right-of-use assets)
Investments in subsidiary corporations

Property, plant and equipment 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 cash-generating units ("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 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 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 **Material Accounting Policy Information** (cont'd)

2.7 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.

(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 FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(ii) At subsequent measurement

Debt instruments

Debt instruments of the Group mainly comprise cash and bank balances, trade and other receivables and other current assets (excluding prepayments).

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. Interest income from these financial assets is recognised using the effective interest rate method.

- 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.

2 Material Accounting Policy Information (cont'd)

2.7 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 25(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 bank balances, the general model 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.

2.8 Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statements 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.

2.9 Trade and Other Payables (including other financial liability)

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

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2 Material Accounting Policy Information (cont'd)

2.10 Leases (cont'd)

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

- 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.

  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.

2 Material Accounting Policy Information (cont'd)

2.10 Leases (cont'd)

(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.

2.11 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.

2.12 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.

Deferred 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 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 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 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 tax is measured:

(i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred 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.

2 Material Accounting Policy Information (cont'd)

2.12 Income Taxes (cont'd)

Current and deferred 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 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.

2.13 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.

2.14 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.

2 Material Accounting Policy Information (cont'd)

2.14 Currency Translation (cont'd)

(b) Transactions and balances (cont'd)

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "Finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the consolidated statement of comprehensive income.

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.

2.15 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.

2.16 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 consolidated statement of financial position.

2.17 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.

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

<u>Valuation of leasehold land and buildings</u>

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 17(b) to the financial statements.

<u>Useful lives of property, plant and equipment</u>

Management exercises their judgement in estimating the useful lives of the leasehold land and building which takes into consideration the lease terms and physical conditions of the assets. Depreciation is provided to write off the cost of these assets over their estimated useful lives, using the straight-line method. The carrying amount of the property, plant and equipment of the Group and the Company at the end of the reporting period is disclosed in Note 17 to the financial statements.

3.2 Critical judgements in applying the Group's accounting policies

<u>Determination of functional currency</u>

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.

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	
	2023	**2022**
	S$	**S$**
Sale of goods		
- Australia/New Zealand	5,150,180	6,384,906
- Europe	8,824,767	15,023,477
- Asia/Others	352,071	264,037
	14,327,018	21,672,420
Rendering of services		
- Asia/Others	181,780	200,500
	14,508,798	21,872,920

5 Expenses by Nature

	Group	
	2023	2022
	S$	S$
Bank charges	115,789	75,216
Changes in inventories	254,881	234,629
Provision for slow-moving inventory	325,611	84,728
Commission expense	49,847	81,665
Depreciation of property, plant and equipment (Note 17)	934,552	792,167
Directors' fees	100,000	100,000
Employee compensation (Note 6)	1,345,595	1,459,885
Freight and other costs	1,283,609	3,429,689
Audit fees paid/payable to:		
- Auditor of the Company	83,000	83,000
- Under-provision in the previous year	4,927	4,000
- Other auditors	12,397	11,850
Non-audit fees paid/payable to:		
- Other auditors	19,500	18,000
Insurance	66,630	63,628
Legal and professional fees	133,410	262,287
Purchases of inventories	11,347,186	16,267,868
Rental expense on operating leases	24,336	17,910
Water and electricity	58,851	71,385
Others	506,221	454,605
Total cost of sales, selling and marketing and administrative expenses	16,666,342	23,512,512

There are no non-audit fees paid/payable to the external auditors of the Company during the financial years ended 31 December 2023 and 31 December 2022.

6 Employee Compensation

	Group	
	2023	2022
	S$	S$
Wages and salaries	1,252,727	1,360,018
Employer contribution to defined contribution plans including Central Provident Fund	80,583	79,778
Other short-term benefits	12,285	20,089
	1,345,595	1,459,885

Key management's remuneration is disclosed in Note 26(b) to the financial statements.

7 Other Income

	Group	
	2023	2022
	S$	S$
Commission income	14,682	14,842
Interest income from bank deposits	18,417	133
Government grants	37,759	7,077
Rental income	35,808	36,202
Others	5,394	62,952
	112,060	121,206

8 Other Losses - Net

	Group	
	2023	2022
	S$	S$
Foreign currency translation gain/(loss) - net	51,264	(1,232,315)
Write-down of advances to suppliers	-	(37,218)
Gain on disposal of property, plant and equipment	28,621	2,768
Impairment loss on property, plant and equipment	(179,995)	-
	(100,110)	(1,266,765)

9 Finance Expenses

	Group	
	2023	2022
	S$	S$
Interest expense:		
- Bank overdrafts	6,852	7,311
- Term loan	-	1,297
- Lease liabilities (Note 18)	1,769	2,598
- Amortisation of notional interest	175,650	27,612
	184,271	38,818

10 Income Tax

	Group 2023	Group 2022
	S$	S$
Tax (credit)/expense attributable to loss is made up of:		
- Current income tax	54,125	101,945
- Withholding tax	2,246	-
- Deferred income tax (Note 22)	(188,250)	-
	(131,879)	101,945

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 2023	Group 2022
	S$	S$
Loss before income tax	(2,329,865)	(2,823,969)
Tax calculated at a tax rate of 17% (2022: 17%)	(396,077)	(480,075)
Effects of:		
- Different tax rates in other countries	12,167	(13,607)
- Expenses not deductible for tax purposes	164,781	547,668
- Income not subject to tax	-	(31)
- Deferred tax assets not recognised	85,004	62,764
- Utilisation of previous unrecognised tax loss	-	(14,774)
- Withholding tax	2,246	-
	(131,879)	101,945

11 Loss Per Share

Basic and diluted 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.

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

	Group 2023	Group 2022
Loss for the year attributable to equity holders of the Company (S$)	(2,285,634)	(3,050,411)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	1,483,300	1,483,300
Basic and diluted loss per share (S$ cents per share)	(0.15)	(0.21)

12 Cash and Bank Balances

	Group		Company	
	2023	2022	2023	2022
	S$	S$	S$	S$
Cash at banks	274,857	745,714	157,732	51,897
Cash on hand	1,826	742	-	-
Short-term bank deposits	272,500	1,000,000	250,000	1,000,000
	549,183	1,746,456	407,732	1,051,897

Short-term bank deposits are mainly for a tenure of three months and earn interest at a rate of 2.50% to 2.55% (2022: 2.50%) per annum.

	Group	
	2023	2022
	S$	S$
Cash and bank balances (as above)	549,183	1,746,456
Less: Bank overdrafts (Note 20)	(107,711)	-
Cash and cash equivalents per consolidated statement of cash flows	441,472	1,746,456

13 Trade and Other Receivables

	Group		Company	
	2023	2022	2023	2022
	S$	S$	S$	S$
Trade receivables - non-related parties	637,887	726,490	-	-
Less: Loss allowance (Note 25(b)(ii))	(98,156)	(99,173)	-	-
Trade receivables - net	539,731	627,317	-	-
Other receivables:				
- Advances to suppliers [1]	8,770	48,521	-	-
- Non-related parties	22,018	58	-	-
- GST receivables	117,638	98,370	4,329	5,414
- Subsidiary corporations	-	-	803,671	12,235,235
Less: Loss allowance (Note 25(b)(ii))	-	-	-	(9,565,000)
	-	-	803,671	2,670,235
Other receivables - net	148,426	146,949	808,000	2,675,649
	688,157	774,266	808,000	2,675,649

[1] Advances to suppliers relates to the advances made to the non-related parties on the confirmed purchase orders.

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

14 Inventories

	Group 2023	Group 2022
	S$	S$
Work-in-progress	116,906	56,855
Finished goods	2,187,963	2,605,147
Goods in transit	144,681	42,429
	2,449,550	2,704,431
Less: Provision for slow-moving inventory	(410,339)	(84,728)
	2,039,211	2,619,703

The cost of inventories recognised as an expense and included in "Cost of sales" amounted to S$11,927,678 (2022: S$16,587,225). The cost of inventories recognised as an expense includes S$325,611 (2022: S$84,728) in respect of a provision for slow-moving inventory.

15 Other Current Assets

	Group 2023	Group 2022	Company 2023	Company 2022
	S$	S$	S$	S$
Deposits	176,275	163,180	1,410	1,410
Prepayments	71,332	67,482	-	-
	247,607	230,662	1,410	1,410

16 Investments in Subsidiary Corporations

	Company 2023	Company 2022
	S$	S$
Equity investments, at cost		
At the beginning of the financial year	5,578,310	3,922,476
Additions	-	1,655,834
At the end of the financial year	5,578,310	5,578,310
Less: Allowance for impairment		
At the beginning and end of the financial year	(362,274)	(362,274)
	5,216,036	5,216,036
Amounts due from a subsidiary corporation [1]	11,453,596	-
Less: Loss allowance	(9,565,000)	-
	1,888,596	-
	7,104,632	5,216,036

16 Investments in Subsidiary Corporations (cont'd)

- On 8 August 2022, the Company acquired the remaining 0.01% equity interest in PT East Bintan Resort for a total consideration of S$6,000.

- On 7 October 2022, the Company acquired the remaining 46% equity interest in Mapur Rocky Resort Limited for a total consideration of S$2,600,000 (Note 21).

(1) The settlement of the amounts due from a subsidiary corporation (which is a foreign operation) is neither planned nor likely to occur in the foreseeable future. Accordingly, in substance, it is a part of the Company's net investment in the foreign operation.

The Group has the following subsidiary corporations as at 31 December 2023 and 2022.

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 the non-controlling interest	
			2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Held by the Company								
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	100	100	100	100	-	-
Held by Sitra Global Pte. Ltd.								
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
Held by Mapur Rocky Resort Limited								
PT East Bintan Resort [(c)]	Property development	Indonesia	-	-	100	100	-	-

(a) *Audited by Moore Stephens LLP, Singapore*

(b) *Audited by Talenz Groupe-Fidorg, France*

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

16 Investments in Subsidiary Corporations (cont'd)

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

Summarised statement of financial position as at 31 December

	Societe 3A	
	2023	**2022**
	S$	**S$**
Current:		
- Assets	1,970,728	2,608,374
- Liabilities	(478,327)	(1,211,886)
Total net current assets	1,492,401	1,396,488
Non-current:		
- Assets	31,675	10,441
Net assets	1,524,076	1,406,929

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

	Societe 3A	
	2023	**2022**
	S$	**S$**
Revenue	6,735,488	6,923,119
Profit before income tax	232,998	390,188
Income tax	(54,125)	(101,945)
Profit for the year	178,873	288,243
Other comprehensive gain/(loss)	25,219	(80,452)
Total comprehensive income for the year	204,092	207,791
Total comprehensive income for the year allocated to non-controlling interest	100,005	101,818
Dividends paid to non-controlling interest	(42,028)	-

16 Investments in Subsidiary Corporations (cont'd)

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

	Societe 3A	
	2023	**2022**
	S$	**S$**
Net cash (used in)/generated from operating activities	(48,357)	328,098
Net cash used in investing activity	(30,106)	(1,222)
Net cash used in financing activity	(86,945)	-
Net (decrease)/increase in cash and cash equivalents	(165,408)	326,876
Cash and cash equivalents, net of bank overdrafts, at 1 January	59,860	(267,016)
Cash and cash equivalents, net of bank overdrafts, at 31 December	(105,548)	59,860

Acquisition of non-controlling interests

During the previous financial year, the Company acquired the remaining 46% equity interest in Mapur Rocky Resort Limited and 0.10% equity interest in PT East Bintan Resort from a non-controlling interest for a total consideration of S$2,600,000 and S$6,000 respectively. The effect of the change in the Group's ownership interests in Mapur Rocky Resort Limited and PT East Bintan Resort on the equity attributable to equity holders of the Company was summarised below:

	2022
	S$
Total consideration payable/paid for acquisition of non-controlling interests:	
- Mapur Rocky Resort Limited	2,600,000
Less: Notional interest	(950,166)
Present value (Note 21)	1,649,834
- PT East Bintan Resort	6,000
	1,655,834
Decrease in equity attributable to non-controlling interests	(3,112,007)
Increase in equity attributable to equity holders of the Company	(1,456,173)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17 Property, Plant and Equipment

Group	Leasehold land and buildings	Furniture, fixtures and office equipment	Plant and equipment	Renovation	Motor vehicles	Computers	Total
	S$	S$	S$	S$	S$	S$	S$
At cost or valuation							
At 1 January 2023	10,019,156	169,085	599,196	95,239	638,158	119,175	11,640,009
Currency translation differences	(10,148)	(256)	(4,105)	(977)	(3,601)	926	(18,161)
Additions	161,636	1,112	-	-	36,905	30,106	229,759
Disposal	-	-	(51,819)	-	(5,736)	-	(57,555)
Write off	(223,820)	-	-	-	-	-	(223,820)
At 31 December 2023	9,946,824	169,941	543,272	94,262	665,726	150,207	11,570,232
Representing:							
- Cost	308,578	169,941	543,272	94,262	665,726	150,207	1,931,986
- Valuation	9,638,246	-	-	-	-	-	9,638,246
	9,946,824	169,941	543,272	94,262	665,726	150,207	11,570,232
Accumulated depreciation and impairment losses							
At 1 January 2023	278,125	158,913	527,380	95,239	638,158	90,987	1,788,802
Currency translation differences	(675)	(221)	(4,333)	(977)	(2,447)	611	(8,042)
Depreciation charge (Note 5)	885,103	1,584	29,526	-	615	17,724	934,552
Disposal	-	-	(51,819)	-	(5,736)	-	(57,555)
Impairment loss	179,995	-	-	-	-	-	179,995
Write off	(223,820)	-	-	-	-	-	(223,820)
At 31 December 2023	1,118,728	160,276	500,754	94,262	630,590	109,322	2,613,932
Net book value							
At 31 December 2023	8,828,096	9,665	42,518	-	35,136	40,885	8,956,300

17 Property, Plant and Equipment (cont'd)

Group	Leasehold land and buildings	Furniture, fixtures and office equipment	Plant and equipment	Renovation	Motor vehicles	Computers	Total
	S$	S$	S$	S$	S$	S$	S$
At cost or valuation							
At 1 January 2022	11,186,210	175,006	653,511	104,455	672,728	107,174	12,899,084
Currency translation differences	(935,689)	(6,321)	(54,315)	(9,216)	(24,795)	(2,936)	(1,033,272)
Additions	-	400	-	-	-	14,937	15,337
Disposal	-	-	-	-	(9,775)	-	(9,775)
Revaluation gain – net	550,520	-	-	-	-	-	550,520
Revaluation adjustments	(781,885)	-	-	-	-	-	(781,885)
At 31 December 2022	10,019,156	169,085	599,196	95,239	638,158	119,175	11,640,009
Representing:							
- Cost	370,762	169,085	599,196	95,239	638,158	119,175	1,991,615
- Valuation	9,648,394	-	-	-	-	-	9,648,394
	10,019,156	169,085	599,196	95,239	638,158	119,175	11,640,009
Accumulated depreciation and impairment losses							
At 1 January 2022	314,866	163,490	541,759	104,453	672,728	81,415	1,878,711
Currency translation differences	-	(6,279)	(48,211)	(9,214)	(24,795)	(1,917)	(90,416)
Depreciation charge (Note 5)	745,144	1,702	33,832	-	-	11,489	792,167
Disposal	-	-	-	-	(9,775)	-	(9,775)
Revaluation adjustments	(781,885)	-	-	-	-	-	(781,885)
At 31 December 2022	278,125	158,913	527,380	95,239	638,158	90,987	1,788,802
Net book value							
At 31 December 2022	9,741,031	10,172	71,816	-	-	28,188	9,851,207

17 Property, Plant and Equipment (cont'd)

Company	Furniture, fixtures and office equipment	Plant and equipment	Motor vehicles	Computers	Total
	S$	S$	S$	S$	S$
At cost					
At 1 January 2023 and 31 December 2023	95,726	37,800	383,618	57,277	574,421
Accumulated depreciation					
At 1 January 2023	88,130	23,856	383,618	52,831	548,435
Depreciation charge	1,171	3,780	-	2,970	7,921
At 31 December 2023	89,301	27,636	383,618	55,801	556,356
Net book value					
At 31 December 2023	6,425	10,164	-	1,476	18,065
At cost					
At 1 January 2022	95,726	37,800	383,618	54,327	571,471
Additions	-	-	-	2,950	2,950
At 31 December 2022	95,726	37,800	383,618	57,277	574,421
Accumulated depreciation					
At 1 January 2022	86,752	20,076	383,618	50,352	540,798
Depreciation charge	1,378	3,780	-	2,479	7,637
At 31 December 2022	88,130	23,856	383,618	52,831	548,435
Net book value					
At 31 December 2022	7,596	13,944	-	4,446	25,986

(a) Right-of-use assets acquired under the leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 18 to the financial statements.

(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 during the previous financial year ended 31 December 2022. There has been no significant change to the fair value of these properties during the current financial year ended 31 December 2023. These are regarded as level 2 and level 3 fair values.

17 Property, Plant and Equipment (cont'd)

(b) (cont'd)

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$**	**S$**
2023			
Leasehold land and buildings:			
- Land and buildings in Indonesia	-	2,009,167	1,500,635
- Vacant land in Indonesia	-	6,128,444	-
	-	8,137,611	1,500,635
2022			
Leasehold land and buildings:			
- Land and buildings in Indonesia	-	2,012,983	1,503,505
- Vacant land in Indonesia	-	6,131,906	-
	-	8,144,889	1,503,505

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 refers 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$105 (2022: S$106). 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 engaged 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 regular 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 2022.

(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$7,028,435 (2022: S$7,083,523).

17 Property, Plant and Equipment (cont'd)

(d) As at 31 December 2023 and 2022, 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	
			2023	**2022**
Jalan H. Abdul Salam Teluk Merbau, Berakit, Teluk Sebong, Bintan, Indonesia.	Commercial	123,534	100%	100%

The Group has not commenced the construction of the development project and the leasehold land above remains vacant as at 31 December 2023 and 2022.

(e) During the financial year ended 31 December 2023, the Group recognised a full impairment loss in respect of a right-of-use asset classified under leasehold building amounting to S$179,995 (2022: Nil). The impairment loss has been included in "Other losses - net".

18 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.

Motor vehicle

The Group leases a motor vehicle for its business.

(a) Carrying amount - right-of-use assets classified within property, plant and equipment

	Group	
	2023	**2022**
	S$	**S$**
Leasehold building	-	92,637
Motor vehicle	35,136	-
	35,136	92,637

(b) Depreciation charge during the financial year

	Group	
	2023	**2022**
	S$	**S$**
Leasehold building	74,278	71,522
Motor vehicle	615	-
	74,893	71,522

18 Leases - The Group as a Lessee (cont'd)

(c) Interest expense

	Group	
	2023	2022
	S$	S$
Interest expense on lease liabilities (Note 9)	1,769	2,598

(d) Lease expenses not capitalised in lease liabilities

	Group	
	2023	2022
	S$	S$
Lease expenses - short-term leases	24,336	17,910

(e) Total cash outflow for all leases in 2023 was S$99,936 (2022: S$93,510).

(f) There are additions of right-of-use assets of S$198,541 (2022: Nil) during the financial year ended 31 December 2023.

19 Trade and Other Payables

	Group		Company	
	2023	2022	2023	2022
	S$	S$	S$	S$
Trade payables:				
- Non-related parties	509,891	974,356	-	-
Other payables:				
- Subsidiary corporation	-	-	3,759,630	3,760,630
- Non-related parties	212,491	233,474	11,226	30,491
	212,491	233,474	3,770,856	3,791,121
Accruals for operating expenses	297,176	361,906	63,351	87,462
Advances received from customers	184,707	392,797	-	-
Deposit received	13,669	12,067	6,696	6,696
	1,217,934	1,974,600	3,840,903	3,885,279

The other payables to subsidiary corporation are unsecured, interest free and repayable on demand.

20 Borrowings

	Group	
	2023	2022
	S$	S$
Current:		
- Bank overdrafts (Note 12)	107,711	-
- Lease liabilities	75,077	73,831
	182,788	73,831
Non-current:		
- Lease liabilities	133,987	18,806
Total borrowings	316,775	92,637

Security granted

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

21 Other Financial Liability

Other financial liability relates to the fair value of the consideration payable for the acquisition of the remaining 46% equity interest in Mapur Rocky Resort Limited from a non-controlling interest on 7 October 2022. The consideration payable is unsecured and interest-free, and will be paid in cash to the non-controlling interest in 5 tranches according to the following payment schedule:

(a) S$520,000 payable 6 months after the earlier of the date of launch of the pre-sale of a resort and apartments on the Group's vacant land in Bintan, Indonesia or 31 December 2024 ("Reference Date");

(b) S$520,000 payable 18 months after the Reference Date;

(c) S$520,000 payable 30 months after the Reference Date;

(d) S$520,000 payable 42 months after the Reference Date; and

(e) the balance 54 months after the Reference Date.

Unless with the non-controlling interest's written consent, no postponement of the Reference Date beyond 31 December 2024 is allowed. The consideration payable will be fully paid on or before 31 December 2030.

The fair value of the consideration payable is determined by discounted cash flows method using a discount rate of 10%. The difference between the present value of the consideration payable and the gross amount of S$950,166 is treated as notional interest.

	Group and Company	
	2023	2022
	S$	S$
Gross amount	2,600,000	2,600,000
Less: Notional interest	(950,166)	(950,166)
Present value	1,649,834	1,649,834
Add: Amortisation of notional interest	203,262	27,612
Carrying amount	1,853,096	1,677,446

22 Deferred 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	
	2023	**2022**
	S$	**S$**
<u>Deferred tax assets</u>		
(to be recovered after one year)		
- Unutilised tax losses	(23,881)	(24,128)
<u>Deferred tax liabilities</u>		
(to be settled after one year)		
- Asset revaluation	188,750	377,000
	164,869	352,872

Movement in deferred tax account is as follows:

	Group	
	2023	**2022**
	S$	**S$**
At the beginning of the financial year	352,872	168,537
Currency translation differences	247	2,335
Tax credit to profit or loss (Note 10)	(188,250)	-
Tax charged to other comprehensive income:		
- Revaluation gain on property, plant and equipment - net	-	182,000
At the end of the financial year	164,869	352,872

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately S$9,749,000 (2022: S$9,249,000) 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.

23 Share Capital

Group and Company	**No. of ordinary shares**	**Amount**
		S$
<u>2023</u>		
At 1 January and 31 December	1,483,300,000	25,793,130

23 Share Capital (cont'd)

Group and Company	No. of ordinary shares	Amount
		S$
2022		
At 1 January and 31 December	1,483,300,000	25,793,130

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.

24 Other Reserves

(a) Composition:

	Group		Company	
	2023	2022	2023	2022
	S$	S$	S$	S$
Capital reserve	14,393	14,393	14,393	14,393
Currency translation reserve	792,956	762,254	-	-
General reserve	423,530	423,530	-	-
Asset revaluation reserve	1,310,388	1,310,388	-	-
	2,541,267	2,510,565	14,393	14,393

(b) Movements:

	Group		Company	
	2023	2022	2023	2022
	S$	S$	S$	S$
Capital reserve				
At the beginning and end of the financial year	14,393	14,393	14,393	14,393
Currency translation reserve				
At the beginning of the financial year	762,254	547,984	-	-
Net currency translation differences of financial statements of:				
- Foreign subsidiary corporations	43,059	173,467	-	-
- Attributable to non-controlling interest	(12,357)	40,803	-	-
	30,702	214,270	-	-
At the end of the financial year	792,956	762,254	-	-

24 Other Reserves (cont'd)

(b) Movements:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	S$	**S$**	**S$**	**S$**
General reserve				
At the beginning of the financial year	423,530	(1,032,643)	-	-
Acquisition of non-controlling interests (Note 16)	-	1,456,173	-	-
At the end of the financial year	423,530	423,530	-	-
Asset revaluation reserve				
At the beginning of the financial year	1,310,388	941,868	-	-
Revaluation gain - net (Note 17)	-	550,520	-	-
Tax on revaluation gain	-	(182,000)	-	-
	-	368,520	-	-
At the end of the financial year	1,310,388	1,310,388	-	-

Other reserves are non-distributable.

25 Financial Risk Management

Financial risk factors

The Group's activities expose it to market risk (including currency 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.

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

25 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:

	31 December 2023					
	SGD	**USD**	**EUR**	**IDR**	**Others**	**Total**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**
Financial assets						
Cash and bank balances	466,398	51,323	1,018	26,426	4,018	549,183
Trade and other receivables	15,246	528,573	6,907	11,023	-	561,749
Other current assets	15,320	-	160,955	-	-	176,275
Intra-group receivables	5,740,219	1,525,355	-	-	-	7,265,574
	6,237,183	2,105,251	168,880	37,449	4,018	8,552,781
Financial liabilities						
Trade and other payables	(182,669)	(308,066)	(372,818)	(169,674)	-	(1,033,227)
Other financial liability	(1,853,096)	-	-	-	-	(1,853,096)
Borrowings	(180,442)	-	(107,711)	(28,622)	-	(316,775)
Intra-group payables	(5,740,219)	(1,525,272)	-	-	-	(7,265,491)
	(7,956,426)	(1,833,338)	(480,529)	(198,296)	-	(10,468,589)
Net financial (liabilities)/assets	(1,719,243)	271,913	(311,649)	(160,847)	4,018	(1,915,808)
Less: financial liabilities denominated in the respective entities' functional currencies	1,398,765	-	312,667	162,444	-	1,873,876
Currency exposure of financial (liabilities)/ assets net of those denominated in the respective entities' functional currencies	(320,478)	271,913	1,018	1,597	4,018	(41,932)

25 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 2022					
	SGD	**USD**	**EUR**	**IDR**	**Others**	**Total**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**
Financial assets						
Cash and bank balances	1,115,113	592,783	870	28,189	9,501	1,746,456
Trade and other receivables	86	371,108	222,897	12,187	21,097	627,375
Other current assets	15,321	-	147,859	-	-	163,180
Intra-group receivables	5,529,905	1,654,394	-	11,572,245	-	18,756,544
	6,660,425	2,618,285	371,626	11,612,621	30,598	21,293,555
Financial liabilities						
Trade and other payables	(215,213)	(356,640)	(848,752)	(161,198)	-	(1,581,803)
Other financial liability	(1,677,446)	-	-	-	-	(1,677,446)
Borrowings	(92,637)	-	-	-	-	(92,637)
Intra-group payables	(5,529,905)	(1,653,501)	-	(11,572,245)	-	(18,755,651)
	(7,515,201)	(2,010,141)	(848,752)	(11,733,443)	-	(22,107,537)
Net financial (liabilities)/assets	(854,776)	608,144	(477,126)	(120,822)	30,598	(813,982)
Less: financial liabilities denominated in the respective entities' functional currencies	604,228	-	477,996	11,693,215	-	12,775,439
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	(250,548)	608,144	870	11,572,393	30,598	11,961,457

25 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 2023			
	SGD	**USD**	**IDR**	**Total**
	S$	**S$**	**S$**	**S$**
Financial assets				
Cash and bank balances	405,873	262	1,597	407,732
Other receivables	799,703	3,968	-	803,671
Other current assets	1,410	-	-	1,410
	1,206,986	4,230	1,597	1,212,813
Financial liabilities				
Other payables	(3,840,903)	-	-	(3,840,903)
Other financial liability	(1,853,096)	-	-	(1,853,096)
	(5,693,999)	-	-	(5,693,999)
Net financial (liabilities)/assets	(4,487,013)	4,230	1,597	(4,481,186)
Less: financial liabilities denominated in the Company's functional currency	4,487,013	-	-	4,487,013
Currency exposure of financial assets net of those denominated in the Company's functional currency	-	4,230	1,597	5,827

25 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: (cont'd)

	31 December 2022			
	SGD	**USD**	**IDR**	**Total**
	S$	**S$**	**S$**	**S$**
Financial assets				
Cash and bank balances	1,049,792	1,957	148	1,051,897
Other receivables	658,956	4,034	11,572,245	12,235,235
Other current assets	1,410	-	-	1,410
	1,710,158	5,991	11,572,393	13,288,542
Financial liabilities				
Other payables	(3,881,087)	-	(4,192)	(3,885,279)
Other financial liability	(1,677,446)	-	-	(1,677,446)
	(5,558,533)	-	(4,192)	(5,562,725)
Net financial (liabilities)/assets	(3,848,375)	5,991	11,568,201	7,725,817
Less: financial liabilities denominated in the Company's functional currency	3,848,375	-	-	3,848,375
Currency exposure of financial assets net of those denominated in the Company's functional currency	-	5,991	11,568,201	11,574,192

25 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

If the IDR change against the SGD by 1% (2022: 10%) 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 2023		31 December 2022	
	(Decrease) / Increase			
	Net Loss	Equity	Net Loss	Equity
	S$	S$	S$	S$
Group				
IDR against SGD				
- Strengthened	(13)	13	(960,509)	960,509
- Weakened	13	(13)	960,509	(960,509)
Company				
IDR against SGD				
- Strengthened	(13)	13	(960,161)	960,161
- Weakened	13	(13)	960,161	(960,161)

(ii) 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 at 31 December 2023 and 2022, the Group has no significant exposure to interest rate risk.

(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.

The trade receivables of the Group comprise 6 debtors (2022: 6 debtors) that individually represented more than 5% of trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25 **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	
	2023	**2022**
	S$	**S$**
By geographical areas		
Australia/New Zealand	477,326	21,097
Europe	58,154	594,005
Asia/Others	26,269	12,273
	561,749	627,375
By types of customers		
Non-related parties:		
- Corporate	561,749	627,375

	Company	
	2023	**2022**
	S$	**S$**
By geographical areas		
Asia/Others	803,671	2,670,235
By types of customers		
Subsidiary corporations	803,671	2,670,235

(i) Credit rating

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

The expected credit loss 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.

25 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

(i) Credit rating (cont'd)

The Group and the Company use 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 have 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 considers 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.

25 **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 2023 and 2022 is set out in the provision matrix as follows:

		Past due				
Group	**Current**	**Within 30 days**	**30 to 60 days**	**60 to 90 days**	**More than 90 days**	**Total**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**
2023						
Sale of goods						
Expected loss rate	0%	0%	0%	0%	0%	
Trade receivables	489,927	17,153	-	-	21,628	528,708
Loss allowance	-	-	-	-	-	-
Rendering of services						
Expected loss rate	0%	0%	0%	0%	95%	
Trade receivables	4,504	-	900	-	103,775	109,179
Loss allowance	-	-	-	-	(98,156)	(98,156)
2022						
Sale of goods						
Expected loss rate	0%	0%	0%	0%	0%	
Trade receivables	589,564	21,097	-	-	4,469	615,130
Loss allowance	-	-	-	-	-	-
Rendering of services						
Expected loss rate	0%	0%	0%	0%	99%	
Trade receivables	11,155	899	-	-	99,306	111,360
Loss allowance	-	-	-	-	(99,173)	(99,173)

The Company has no credit risk exposure in the relation to trade receivable as at 31 December 2023 and 2022.

25 **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 movements in loss allowance are as follows:

	Group	
	2023	**2022**
	S$	**S$**
At the beginning of the financial year	99,173	108,769
Currency translation differences	(1,017)	(9,596)
At the end of the financial year (Note 13)	98,156	99,173

Other receivables

As at 31 December 2023 and 2022, 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 and the loss allowances are disclosed in Note 13 and Note 16.

Cash and bank balances

The Group considers cash and bank balances 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.

(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.

25 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

	Group				
	Less than 1 year	**Between 1 and 5 years**	**After 5 years**	**Total**	**Carrying amount**
	S$	**S$**	**S$**	**S$**	**S$**
2023					
Trade and other payables	1,033,227	-	-	1,033,227	1,033,227
Other financial liability	-	2,080,000	520,000	2,600,000	1,853,096
Bank overdraft	107,711	-	-	107,711	107,711
Lease liabilities	89,936	123,906	-	213,842	209,064
	1,230,874	2,203,906	520,000	3,954,780	3,203,098
2022					
Trade and other payables	1,581,803	-	-	1,581,803	1,581,803
Other financial liability	-	1,560,000	1,040,000	2,600,000	1,677,446
Lease liabilities	75,600	18,900	-	94,500	92,637
	1,657,403	1,578,900	1,040,000	4,276,303	3,351,886

	Company				
	Less than 1 year	**Between 1 and 5 years**	**After 5 years**	**Total**	**Carrying amount**
	S$	**S$**	**S$**	**S$**	**S$**
2023					
Other payables	3,840,903	-	-	3,840,903	3,840,903
Other financial liability	-	2,080,000	520,000	2,600,000	1,853,096
	3,840,903	2,080,000	520,000	6,440,903	5,693,999
2022					
Other payables	3,885,279	-	-	3,885,279	3,885,279
Other financial liability	-	1,560,000	1,040,000	2,600,000	1,677,446
	3,885,279	1,560,000	1,040,000	6,485,279	5,562,725

25 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 2023, the Group's and the Company's gearing ratio was 24% and 67% (2022: 15% and 57%) respectively.

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

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	S$	**S$**	**S$**	**S$**
Net debt	2,838,622	1,998,227	5,286,267	4,510,828
Total equity	8,927,784	11,124,739	2,645,840	3,408,253
Total capital	11,766,406	13,122,966	7,932,107	7,919,081
Gearing ratio	24%	15%	67%	57%

The Group and the Company are not exposed to any externally imposed capital requirements for the financial years ended 31 December 2023 and 31 December 2022.

(e) Fair value measurements

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(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 17.

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 values of borrowings and other financial liability approximate their carrying amounts and are based on discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

25 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	
	2023	**2022**	**2023**	**2022**
	S$	**S$**	**S$**	**S$**
Financial assets, at amortised costs	1,287,207	2,537,011	3,101,409	3,723,542
Financial liabilities, at amortised cost	3,203,098	3,351,886	5,693,999	5,562,725

26 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) Transactions with related parties

	Group	
	2023	**2022**
	S$	**S$**
Acquisition of non-controlling interests of subsidiaries from a related party	-	2,606,000

Related party comprises a non-controlling interest, who is the wife of a director and a controlling shareholder of the Company.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2023	**2022**
	S$	**S$**
Directors' fees	100,000	100,000
Salaries	543,400	629,292
Employer's contribution to defined contribution plans, including Central Provident Fund	43,783	44,735
Other short-term benefits	12,285	20,089
	699,468	794,116

Included in the above is total compensation to directors of the Company amounting to S$277,064 (2022: S$327,581).

27 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.

(i) 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.

(ii) 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 lifestyle 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 for each business segment.

No revenue was generated from the Group's property development business segments as the Group has not commenced the construction of the development project in Bintan, Indonesia (Note 17).

(a) Revenue from major products

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

Group	2023 Revenue		2022 Revenue	
	S$	%	S$	%
Wood-based products	14,224,085	98.04	21,511,350	98.35
Outdoor lifestyle furniture	101,205	0.70	142,956	0.65
Others	183,508	1.26	218,614	1.00
Total	14,508,798	100.00	21,872,920	100.00

Revenues of S$2,210,255 (2022: S$2,785,681) are derived from a single external customer. These revenues are attributable to the sale of wood-based products in Australia/New Zealand.

27 **Segment Information** (cont'd)

(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 and services of wood-based products and outdoor lifestyle furniture.

Group	2023 Revenue		2022 Revenue	
	S$	%	S$	%
Europe	8,824,767	60.82	15,023,477	68.69
Australia/New Zealand	5,150,180	35.50	6,384,906	29.19
Asia/Others	533,851	3.68	464,537	2.12
	14,508,798	100.00	21,872,920	100.00

Group	2023 Non-current assets		2022 Non-current assets	
	S$	%	S$	%
Europe	31,675	0.35	10,442	0.11
Asia/Others	8,924,625	99.65	9,840,765	99.89
	8,956,300	100.00	9,851,207	100.00

STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

SHARE CAPITAL

Number of Issued Shares	:	1,483,300,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

The Company has no treasury shares and *subsidiary holdings as at 21 March 2024.

*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 1967.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 21 MARCH 2024

SIZE OF SHAREHOLDINGS			NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1	-	99	5	0.98	90	0.00
100	-	1,000	28	5.50	17,100	0.00
1,001	-	10,000	58	11.40	409,000	0.03
10,001	-	1,000,000	373	73.28	70,743,901	4.77
1,000,001	AND ABOVE		45	8.84	1,412,129,909	95.20
TOTAL			**509**	**100.00**	**1,483,300,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS
As at 21 March 2024

NO.	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	11,505,980	0.78
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	7,266,110	0.49
11.	CHIN SEK PENG	6,300,000	0.42
12.	EW WEI MIN (YU WEIMING)	4,616,200	0.31
13.	TAN LYE SENG	4,584,400	0.31
14.	OCBC SECURITIES PRIVATE LTD	4,122,800	0.28
15.	NG BOON HUAN DANIELS	4,120,000	0.28
16.	KARUPPIAH PALANIAPPAN	3,300,000	0.22
17.	SATPAL KAUR	3,300,000	0.22
18.	PRIMALANI CHANDRU GULABRAI	3,168,000	0.21
19.	KWA LECK TIEW	3,121,000	0.21
20.	GOH SIEW LAN	2,800,000	0.19
	Total	**1,370,686,309**	**92.38**

STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

SUBSTANTIAL SHAREHOLDERS

As at 21 March 2024 as shown in the Company's Register of Substantial Shareholders

	Direct / Beneficial Interest		Deemed Interest		Total Interest	
Name of Substantial Shareholder	**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 21 March 2024, 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 OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**") of Sitra Holdings (International) Limited (the "**Company**") will be held at 111 Somerset #15-22, 111 Somerset Road, Singapore 238164 on Friday, 26 April 2024 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 2023, the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors who are retiring in accordance with Regulation 100 of the Company's Constitution and who, being eligible, offers himself for re-election:

   (a) Mr Chew Chiew Siang, Steven **(Resolution 2)**

   (b) Mr Sim Guan Seng **(Resolution 3)**

   Mr Sim Guan Seng will, upon re-election as a Director of the Company, remain as 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").

   [See Explanatory Note (a)]

3. To approve the payment of Directors' fees of S$100,000 for the financial year ending 31 December 2024, payable quarterly in arrears (2023: S$100,000). **(Resolution 4)**

   [See Explanatory Note (b)]

4. To re-appoint Moore Stephens LLP as external auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

5. 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:-

6. Authority to allot and issue shares pursuant to the Share Issue Mandate

   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

   (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 sub-paragraph (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 sub-paragraph (i) above and this sub-paragraph (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 6)

7. 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 7)

8. Authority to grant share 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 8)

By Order of the Board

Joanna Lim Lan Sim
Company Secretary

Singapore, 11 April 2024

Explanatory Notes

(a) In relation to Resolutions 2 to 3 proposed under items 2(a) and 2(b) above, the detailed information on Mr Chew Chiew Siang, Steven and Mr Sim Guan Seng 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 2023 Annual Report.

(b) In relation to Resolution 4 proposed in item 3 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.

NOTICE OF ANNUAL GENERAL MEETING

Statement Pursuant to Regulation 54 of the Company's Constitution

Ordinary Resolution 6

Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors from the date of this AGM 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 6 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 6 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Ordinary Resolution 7

Ordinary Resolution 7 proposed in item 7 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 8

Ordinary Resolution 8 proposed in item 8 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.

Important Notes:

Physical Meeting

1. The shareholders of the Company (the "**Shareholders**") are invited to attend the AGM physically in person. There will be no option for Shareholders to participate in the AGM by electronic means.

2. Printed copies of this Notice of AGM, Proxy Form and the Request Form (to request for printed copy of the Annual Report) have been despatched to Shareholders and are also available on SGXNet at the URL https://www.sgx.com/securities/company-announcements

3. The Annual Report has been published and is available for download or online viewing by the Shareholders on SGXNet at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the Annual Report will not be sent to the Shareholders unless requested by the Shareholders via the submission of the Request Form. Shareholders who wish to receive a printed copy of the Annual Report are required to complete the Request Form and return it to the Company by 18 April 2024 by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Tower 1 Singapore 048619; or electronically via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com

4. Shareholders (including investors who hold shares through the Central Provident Fund ("CPF") Investment Scheme ("CPF Investors") and/or Supplementary Retirement Scheme ("SRS Investors")) may participate in the AGM by:

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM (i) themselves personally; or (ii) where applicable through their duly appointed proxy(ies).

5. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their respective CPF Agent Banks or SRS Operators to appoint the Chairman of the AGM to act as their proxy, and submit their votes by 5.00 p.m. on 17 April 2024, being at least seven (7) working days prior to the date of the AGM. In such case, the CPF and SRS investors shall be precluded from attending the AGM.

6. To attend the AGM, please bring along your NRIC/passport so as to enable the Company to verify your identity. Shareholders are requested to arrive early to facilitate the registration process.

Voting by proxy

7. (a) A Shareholder, who is not a Relevant Intermediary, is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A Shareholder, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy needs not be a Shareholder of the Company.

   Where such Shareholder appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

   (b) A Shareholder, who is a Relevant Intermediary, is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

   "Relevant Intermediary" has the meaning prescribed to it in Section 181 of the Companies Act:

   (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 holder to provide custodial services under the Securities and Futures Act and who holds shares in that capacity; or

   (iii) the CPF Board established by the CPF Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of Shareholders of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

8. A Shareholder can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.

9. If a Shareholder wishes to appoint the Chairman of the AGM as proxy, such Shareholder (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

10. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be deposited in the following manner:

    a. if submitted by post, be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza Tower 1, Singapore 048619; or

    b. if submitted electronically, via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com

    in either case, by no later than 10.00 a.m. on 23 April 2024, being at least 72 hours before the time appointed for holding the AGM. **Shareholders are strongly encouraged to submit the completed proxy forms electronically by email.**

11. The instrument appointing the proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

12. The Company shall be entitled to reject the instrument appointing the 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 in the instrument appointing the proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the proxy).

13. In addition, in the case of Shares entered in the Depository Register maintained by The Central Depository (Pte) Limited, the Company may reject any proxy form lodged if the Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM.

Submission of questions in advance of the AGM

14. Shareholders may raise questions at the AGM and/or submit questions related to the Ordinary Resolutions to be tabled for approval at the AGM, in advance of the AGM. For Shareholders who would like to submit questions in advance of the AGM, they may do so by 18 April 2024:

    (a) if in hard copy by post, to the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza Tower 1, Singapore 048619; or

    (b) if submitted electronically, via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com

15. Shareholders will need to identify themselves when posing questions by email or by post by providing the following details:

    (a) the Shareholder's full name as it appears on his/her/its CDP/CPF/SRS share records;

    (b) the Shareholder's NRIC/Passport/UEN number; and

    (c) the manner in which the Shareholder holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

16. The Company will endeavour to address all substantial and relevant questions submitted by Shareholders prior to (via SGXNet by 10.00 a.m. on 21 April 2024) or during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the responses made during the AGM to such questions together with the minutes of the AGM on SGXNet at the URL https://www.sgx.com/securities/company-announcements within one (1) month after the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

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.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the personal data of a Shareholder or its proxy and/or representative (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Steven Chew Chiew Siang and Mr. Sim Guan Seng 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**
Date of Initial Appointment	20 September 2006	1 June 2021
Date of last re-appointment	29 April 2022	29 April 2022
Age	53	64
Country of principal residence	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.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-executive
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 of Nominating Committee
Professional qualifications	Diploma in Manufacturing Engineering Diploma in Computer Studies	Bachelor of Accountancy and Certified Internal Auditor.
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.	Currently, Managing Director of Cohen Assurance PAC Assurance Partner of Baker Tilly TFW LLP Please refer to Mr Sim Guan Seng's profile write-up in the "Board of Directors" section of this Annual Report.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Steven Chew Chiew Siang	**Sim Guan Seng**
Shareholding interest in the listed issuer and its subsidiaries	24,393,900 shares	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 Chairman and substantial shareholder of the Company.	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years)	Past ● Berakit Development Pte Ltd ● World Furnishing Hub Pte Ltd	Past ● Lightway Corporate Services Pte Ltd ● Cennerv Pharmaceuticals Pte. Ltd. ● TFW Management Services Pte Ltd ● Baker Tilly International ● Baker Tilly Consultancy (Singapore) Pte. Ltd. ● Park Crescent Services Pte Ltd ● Singapore Accountancy Commission
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)	Present ● Sitra Holdings (International) Limited ● SFIC Institute Pte Ltd ● Sitra Agencies Pte Ltd ● Sitra Global Pte Ltd Other Principal Commitments ● Vice-President of the Singapore Furniture Industries Council	Present ● Sitra Holdings (International) Limited ● Darco Water Technologies Limited ● Anglican Preschool Services Ltd ● Pro Bono SG ● National Volunteer and Philanthropy Centre Other Principal Commitments ● Cohen Assurance Pac – Managing Partner

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		Steven Chew Chiew Siang	Sim Guan Seng
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 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
b)	Whether there is any unsatisfied judgment against him?	No	No
c)	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
d)	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
e)	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
f)	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
g)	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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Steven Chew Chiew Siang	Sim Guan Seng
h) 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
i) 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
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
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
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
j) 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	In 2003, he was subject to a disciplinary enquiry by the Public Accountants Board and was fined.
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).	Not applicable. This relates to a re-election of a Director.	Not applicable. This relates to a re-election of a Director.

PROXY FORM
ANNUAL GENERAL MEETING

SITRA HOLDINGS (INTERNATIONAL) LIMITED
(Incorporated in Singapore)
Company Reg No : 197901237E

IMPORTANT:
1. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF Investors and SRS Investors are requested to contact their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM to specify voting instructions.

*I / We, ______________________________ NRIC/Passport no./Co.Reg No: ______________________

of ____

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

Name	Address	NRIC/ Passport No	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No	Proportion of Shareholdings (%)

or failing him/her, the Chairman of the Annual General Meeting ("**AGM**") as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM of the Company to be held at 111 Somerset #15-22, 111 Somerset Road, Singapore 238164 on Friday, 26 April 2024 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the AGM is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as my/our 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 2023, the Directors' Statement and the Reports of Auditors thereon.			
2.	To re-elect Mr. Chew Chiew Siang as a Director (Retiring under Regulation 100).			
3.	To re-elect Mr. Sim Guan Seng as a Director (Retiring under Regulation 100).			
4.	To approve the payment of Directors' fees of S$100,000 for the financial year ending 31 December 2024, payable quarterly in arrears. (2023: S$100,000).			
5.	To re-appoint Messrs Moore Stephens LLP as the Company's external auditors and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
6.	To authorise the Directors to allot and issue shares pursuant to the Share Issue Mandate.			
7.	To authorise the Directors to offer and grant options and to allot and issue shares under the Sitra Holdings Employee Share Option Scheme.			
8.	To authorise the Directors to grant share awards and to allot and issue shares under the Sitra Holdings Performance Share Plan.			

Note:
If you wish to exercise all your votes "For", "Against" or "Abstain" the resolution, please insert [✓] within the relevant box provided. Alternatively, please indicate the number of Shares as appropriate.

Dated this ______ day of __________ 2024

Total Number of Shares held	
CDP Register	
Register of Members	

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

*delete as appropriate

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register maintained by The Central Depository (Pte) Limited, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A shareholder of the Company (other than a Relevant Intermediary*) is entitled to attend and vote at the AGM or is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a shareholder (other than a Relevant Intermediary*) appoints two proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by it. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form.
5. Subject to note 10, completion and return of this instrument appointing a proxy shall not preclude a shareholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
6. This Proxy Form is not valid for use by investors who hold shares through Central Provident Fund ("CPF") Investment Scheme ("CPF Investors") and/or Supplementary Retirement Scheme ("SRS Investors") and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS Investors: (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2024, being at least seven working days prior to the date of the AGM.

Fold along this line

Affix
Postage
Stamp

The Share Registrar

Tricor Barbinder Share Registration Services
9 Raffles Place, #26-01 Republic Plaza Tower 1,
Singapore 048619;

This flap for sealing

7. This Proxy Form must be submitted to the Company in the following manner:
   a. if submitted by post, be deposited at the at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza Tower 1, Singapore 048619; or
   b. if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com

   Shareholders are strongly encouraged to submit the completed proxy forms electronically by email
8. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a Proxy Form 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) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
9. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any Proxy Form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
10. A CPF Investor or SRS Investor may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their respective CPF Agent Banks or SRS Operators to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

    A Relevant Intermediary means:

    (a) 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;

    (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

    (c) 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 Act providing for the making of investments from the contributions and interest standing to the credit of shareholders 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.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2024.

SITRA HOLDINGS (INTERNATIONAL) LIMITED | ANNUAL REPORT 2023

SITRA HOLDINGS (INTERNATIONAL) LIMITED

Company Registration Number: 197901237E
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