

SITRA HOLDINGS (INTERNATIONAL) LIMITED

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

RESPONSE TO SGX QUERIES ON 16 AUGUST 2022 AND FURTHER SGX QUERIES ON 21 SEPTEMBER 2022

The Board of Directors ("**Board**") of Sitra Holdings (International) Limited (the "**Company**", together with its subsidiaries, the "**Group**") sets out its responses to queries raised by Singapore Exchange Regulation Pte. Ltd ("**SGX**") on 16 August 2022 ("**16 August 2022 Queries**") and 21 September 2022 respectively relating to the Company's announcements on 10, 11 August 2022 and the circular to shareholders dated 15 September 2022 ("**Circular**") in relation to the proposed acquisition of the remaining 46% interest in Mapur Rocky Resort Limited ("**Proposed Acquisition**")

*Unless otherwise defined, all capitalised terms used in this announcement which are not defined herein shall have the same meanings ascribed to them in the Company's previous announcements dated 10 August 2022, 11 August 2022 ("**Previous Announcements**") and the Circular.*

SGX QUERIES ON 16 AUGUST 2022 ("RegCo Queries Part 1") **COMPANY'S RESPONSE DATED 18 AUGUST 2022**

SGX Query 1:

We note that the Company acquired 54% of MRRL in 2019, with a view to developing a resort and apartments on the land pieces in Bintan ("**Proposed Project**"). What is the status of the development?

Company's Response to SGX Query 1:

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

On 4 May 2022, the Company announced the appointment of Ernesto Bedmar Architects Pte Ltd ("**Architect**") for the provision of architectural services for the Proposed Project. The Architect is currently working on the master plan/architectural blueprint for the Proposed Project.

SGX Query 2:

Are there any prohibitions/restrictions imposed for the development of land and/or the Proposed Project on the land?

Company's Response to SGX Query 2:

As far as the Company is aware, there are no prohibitions or restrictions imposed for the development of the land and/or the Proposed Project on the land.

SGX Query 3:

Does MRRL have all necessary licenses and permits to develop the land and work on the Proposed Project?

Company's Response to SGX Query 3:

Licences and permits are required to be obtained from the relevant Indonesian authorities before the commencement of the construction of the Proposed Project. Such licenses and permits include the building construction permit (Izin Mendirikan Bangunan) and the environmental permit (Izin Lingkungan).

MRRL's subsidiary, PT East Bintan Resort ("**EBR**") has yet to obtain the licences and permits for the Proposed Project to date and as mentioned in Q2 above, the Company is currently only in the planning stage.

Barring any unforeseen circumstances, EBR does not foresee any difficulty in obtaining the requisite permits and approvals for the construction of the Proposed Project as the Company will be engaging experienced contractors and other professional parties to assist in the said licenses/permits.

SGX Query 4:

Please provide a timeline leading to the commencement and expected completion of the "Proposed Project".

Company's Response to SGX Query 4:

The Company is currently in the planning stage and is expected to complete the planning by the first quarter of 2023.

The target construction commencement date of the Proposed Project is expected to be in the second quarter of 2024 and the estimated construction period is 3 years.

The actual commencement and completion of the Proposed Project might be affected by external factors such as possible delays to the construction works. As such, delays to the estimated timeline stated above are possible.

The development plan, including the construction costs, will be approved by the Board, considering the property's highest and best use, legally permissible limits, market sentiments and demand, and financial feasibility.

SGX Query 5:

Does MRRL have any other assets besides its holdings in EBR?

Does EBR own any assets/businesses other than the land?

Company's Response to SGX Query 5:

MRRL does not have any business or own any other asset besides its holdings of EBR.

EBR does not have any assets other than the lands. EBR does not have any other business other than developing the lands.

SGX Query 6:

What has the board assessed on whether the Proposed Acquisition is in the best interest of the Company and minority shareholders, given that the Company already has 54% interest in MRRL and in view of the fact that there has not been much progress on the Proposed Project since the Company acquired its 54% stake in MRRL in 2019?

Company's Response to SGX Query 6:

The Board has reviewed the Proposed Acquisition.

First, the lack of progress on the Proposed Project since the 2019 acquisition was the result of the Board's deliberate decision to suspend all works and minimise expenses on the Proposed Project due to the challenging circumstances caused by Covid-19.

Second, the rationale for the Proposed Acquisition is for the Group to have full control over several matters including:

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

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

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

The Group may in the future apply the experience and expertise it gains from the Proposed Project to future projects in the region.

SGX FURTHER QUERIES ON 21 SEPTEMBER 2022 **COMPANY'S RESPONSE DATED 23 SEPTEMBER 2022**

The Board wishes to set out its responses below to the further SGX queries raised on 21 September 2022 in relation to the Previous Announcements and the Circular with regards to the Proposed Acquisition and the queries raised by SGX on 16 August 2022:

SGX Further Query 1:

With reference to the Company's response to query 2 in the queries raised by SGX on 16 August 2022, where the Company stated that it is not aware of any prohibitions or restrictions imposed for the development of the land and / or the Proposed Project on the land, please elaborate on the due diligence performed by the Company to arrive at this confirmation.

SGX Further Query 2:

What were the findings from legal due diligence on the Proposed Acquisition, including but not limited to issues on whether there are restrictions for land ownership, land development and the Proposed Project; relevant licensing matters as well as relevant Indonesian / Singapore / other jurisdictions' laws and regulations? How is the Board satisfied that these issues, if any, have been addressed?

Company's Responses to Further Queries 1 and 2:

The Group has not carried out a further legal due diligence exercise on MRRL as MRRL is already an existing subsidiary of the Company where the ownership and other relevant details of MRRL are already known to the Company. The Company had previously engaged Solis Advisors - Attorneys &

Consultants to carry out a legal due diligence exercise when it acquired the 54% interest in MRRL in 2019. In relation to land ownership, land development, and the Proposed Project, The MRRL Group has not been advised of any restrictions on land ownership, land development, and the Proposed Project.

Based on the above and as of date, the Board is satisfied that there are no issues with the Proposed Project and the Proposed Acquisition.

SGX Further Query 3:

Despite the fact that the Company acquired a 54% stake in MRRL in 2019, there has not been progressing on the Proposed Project. Moreover, licences and permits for the Proposed Project have not been obtained from the Indonesian authorities, and the Proposed Project has yet to commence. The Company stated in its response to RegCo Queries Part 1 that the Proposed Acquisition of the remaining 46% interest in MRRL is for the Group to have full control over matters pertaining to the Proposed Project.

- (a) Please elaborate on the challenges faced by the Company in having full control / making decisions on the Proposed Project since 2019.
- (b) Please also elaborate on the Board's consideration and rationale for the Proposed Acquisition of the remaining 46% in MRRL, given that the Company already has a controlling stake (54%) in MRRL, and is acquiring the remaining 46% in MRRL from an interested person (wife of the Company's Chairman cum controlling shareholder).

Company's Response to SGX Further Query 3:

To further elaborate on the Board's consideration and rationale (as disclosed in the Circular and Previous Announcements) for the Proposed Acquisition:

- (a) The Company foresees that once the project started it could not make decisions more expediently relating to the Proposed Project and operations and maintenance could not be expediently carried out without the need to seek common consensus among all stakeholders.
- (b) The Board's consideration is that the Proposed Acquisition will remove potential interested party transaction and conflict of interest issues.
- (c) The Board has considered the preliminary plan of the Proposed Project which is expected to contribute positively to the Group. Having full ownership will allow the Group to be able to realise the full potential of the development arising from the Proposed Project.

By Order of the Board
Sitra Holdings (International) Limited
23 September 2022

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the SGX.*

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

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