



SITRA HOLDINGS
(INTERNATIONAL)
LIMITED



GROWING SUSTAINABILITY

2022
ANNUAL
REPORT

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the rules of Singapore Exchange Securities Trading Limited (the "SGX-ST").

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

The contact person for the Sponsor is Mr. Khong Choun Mun - Registered Professional, 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com.

CONTENTS

02	Corporate Profile/ Our Brands/ Sustainable Design
04	Chairman's Statement
05	Operations Review
07	Board of Directors
10	Key Management
11	Corporate Information
12	Sustainability Report
32	Corporate Governance Report
55	Directors' Statement
59	Independent Auditor's Report
62	Consolidated Statement of Comprehensive Income
63	Consolidated Statement of Financial Position
64	Statement of Financial Position
65	Consolidated Statement of Changes in Equity
66	Consolidated Statement of Cash Flows
68	Notes to the Financial Statements
113	Statistics of Shareholdings
115	Notice of Annual General Meeting in 2023
123	Additional Information on Director Seeking Re-Election
	Proxy Form

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 wood-based products such as decks and deckings systems, flooring, a full range of fences, and other DIY products; and (II) premium lifestyle furniture such as outdoor garden furniture, garden accessories and contract furnishings.

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

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

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

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

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

On 4 October 2019, the Group acquired a 54% equity interest in Mapur Rocky Resort Limited with the intention to diversify the business into resort and holiday homes development. The Group’s core businesses now include distribution of wood-based products and property development in Bintan, Indonesia.

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

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 my pleasure to share with you the Company’s annual report for the financial year ended 31 December 2022 (“**FY2022**”).

In FY2022, the COVID-19 pandemic continued to be a global challenge, affecting business sentiments and operational capacity. Nonetheless, various countries made progress in managing the virus with the easing of travel restrictions and reopening of borders to facilitate economic recovery. There was also a gradual shift in policies and perception to view COVID-19 as endemic and the world adapted to living with the virus.

Although the Group views these developments positively, their impact on our performance for the year under review cannot be overlooked. Our core business of timber and wood-based products, as well as lifestyle outdoor furniture, reported a decline in revenue by 18% or S\$4.7 million from S\$26.6 million in FY2021 to S\$21.9 million in FY2022. This was due to the significant decrease in sales of wood-based products in all our key markets. In contrast, FY2021 saw a significant increase in sales as compared to FY2020 as demand for our wood-based products was fuelled by the shift to working from home and flexible work arrangements, and with contribution from e-commerce platforms.

In addition to the low demand, the Group faced high inflation and interest rates, currency fluctuations and global uncertainties that affected consumer sentiment along with strong competition. This resulted in our gross profit margin decreasing by 1.7% from 9.7% in FY2021 to 8.0% in FY2022. Gross profit also saw a decline of 33% to S\$1.7 million in FY2022 (FY2021: S\$2.6 million).

As for our property development business, no revenue was generated for FY2022 as the Group is in the planning and design stages and has not commenced construction of the development project in Bintan, Indonesia. However, work to build up the segment is

underway and we have laid further groundwork via the acquisition of the remaining shares in Mapur Rocky Resort Limited which grants us full control over the timing, scale, financing and experienced gained from the proposed project. We will kick off the first phase with the building of 150 apartments and a resort.

Moving forward, FY2023 is also expected to be a challenging year as aforementioned challenges such as the high inflation, global rate hikes and tensions from the Russia-Ukraine conflict continue to affect our main markets in Europe and we expect that demand for our timber products across our markets to remain weak.

In light of these challenges, the Group will closely monitor the situation in order to respond accordingly and adjust our strategies as required. The decline in our core business serves as a reminder for the importance of flexibility and maintaining more than one source of revenue. As we progress on the planning of our Bintan property, the Group is cautiously optimistic that our property development business will become an additional source of revenue contribution after the completion of the project.

I would like to take this opportunity to thank all our stakeholders, in particular our Board of Directors for their invaluable guidance and leadership throughout this challenging period; I would also like to thank our Management and staff for their commitment to the Group; as well as our customers, suppliers and business partners for their continued confidence in and support for us. Finally, I would like to thank our shareholders for your continuous faith and trust in Sitra over the years. We will do our best to deliver greater value to you in the future.

Yours faithfully,

Mr Chew Hua Seng
Non-Executive Chairman

OPERATIONS REVIEW

Revenue

Revenue decreased from S\$26.6 million in FY2021 to S\$21.9 million in FY2022, a decline of S\$4.7 million. The decrease was due to the downturn in sales of wood-based products in all our key markets.

Based on the geographical breakdown of the Group's revenue, the Australia/New Zealand market contributed revenue of S\$6.4 million in FY2022, a decrease of S\$3.7 million from the S\$10.0 million in FY2021. Revenue from our key Europe market decreased by S\$1.0 million to S\$15.0 million in FY2022, and revenue of Asia / Others decreased S\$0.1 million to S\$0.5 million in FY2022.

Cost of Sales and Gross Profit Margin

Alongside the decrease in revenue, cost of sales also decreased by S\$3.9 million from S\$24.0 million in FY2021 to S\$20.1 million in FY2022. Gross profit margin also fell 1.7% from 9.7% in FY2021 to 8.0% in FY2022, mainly due to the low demand across all our key markets. Additionally, the combined effect of high inflation and interest rates, fluctuations in currency and global uncertainties have damped customer buying sentiments.

Selling and Marketing Expenses

Selling and marketing expenses increased slightly from S\$0.595 million in FY2021 to S\$0.604 million in FY2022, mainly due to the increase in travelling expenses and advertisement for the year in review, and slightly offset by the decrease in certification fees and commission expenses compared to FY2021.

Administrative Expenses

Administrative expenses increased by S\$0.5 million from S\$2.3 million in FY2021 to S\$2.8 million in FY2022, mainly due to the higher depreciation of property, plant and equipment, and legal & professional fees, and slightly offset by the decrease in employee compensation for the year in review.

Other (Losses)/Gains - Net

Other (losses)/gains reversed from a gain of S\$0.2 million in FY2021 to a loss of S\$1.3 million for the year in review. This was due mainly to the higher unrealized foreign translation loss for FY2022.

Finance Expenses

Finance expenses decreased by S\$0.008 million to S\$0.038 million in FY2022, mainly due to the decrease in term loan interest during the year, and offset by the amortisation of notional interest incurred in FY2022. The term loan was fully repaid on 11 January 2022.

BALANCE SHEET

Current Assets

Total current assets decreased by S\$2.6 million to S\$5.4 million as at 31 December 2022.

Financial assets at fair value through profit represent the Group's 10% equity investment in World Furnishing Hub Pte Ltd ("WFH"). On 24 March 2021, the Group entered into a Sale and Purchase Agreement to dispose of the 10% equity investment for S\$3.7 million in cash, and the Group received the remaining balance consideration of S\$1.9 million on 17 January 2022. As such, there were no financial assets at fair value through profit or loss as at 31 December 2022.

Trade and other receivables decreased by S\$1.5 million to S\$0.8 million as at 31 December 2022. Trade receivables decreased by S\$1.4 million to S\$0.6 million as at 31 December 2022, mainly due to the decrease in trade receivables from non-related parties for the year in review. Other receivables decreased by approximately S\$0.1 million to S\$0.2 million as at 31 December 2022 due to the decrease in GST receivables and advances to suppliers that relate to the advances made to the non-related parties on confirmed purchase orders, which are refundable.

Inventories decreased by S\$0.3 million as at 31 December 2022, in tandem with the decrease in revenue.

OPERATIONS REVIEW

Non-Current Assets

Property, plant and equipment decreased by S\$1.1 million to S\$9.9 million as at 31 December 2022 compared to S\$11.0 million as at 31 December 2021, with the decrease mainly due to foreign currency translation loss on property, plant and equipment of S\$0.9 million mainly due to the strengthening of the Singapore Dollar against the Indonesian Rupiah, and the depreciation charge of S\$0.8 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 comprised mainly the property in Bintan acquired in October 2019, as well as the Group's land and factory in Indonesia.

Current Liabilities

Current trade and other payables decreased by S\$0.9 million to S\$2.0 million as at 31 December 2022. For other payables, there was a decrease of S\$0.5 million to S\$0.2 million as at 31 December 2022, and was offset by an increase in advances received from customers of S\$0.3 million to S\$0.4 million as at 31 December 2022. Similarly, there was a decrease of S\$0.7 million to S\$1.0 million as at 31 December 2022 for trade payables.

Current borrowings decreased from S\$0.4 million to approximately S\$0.1 million as at 31 December 2022 as there were no bank overdrafts and term loans for the year under review.

Non-Current Liabilities

Non-current borrowings decreased from S\$0.4 million to S\$0.02 million as at 31 December 2022, mainly due to the monthly payment of lease liabilities and the full repayment of term loan during the year under review.

Non-Controlling Interests

Non-controlling interest decreased significantly from S\$3.7 million as at 31 December 2021 to S\$0.7 million as at 31 December 2022.

Cash Flow

Net cash used in operating activities before working capital changes was S\$0.8 million. Net cash generated from the working capital changes was S\$0.04 million, mainly arising from:

- a) A decrease in trade and receivables of S\$1.5 million;
- b) A decrease in inventories of S\$0.2 million;
- c) An increase in other current assets of S\$0.1 million; and
- d) An decrease in trade and other payables of S\$0.9 million.

Net cash used in operating activities amounted to S\$0.1 million in FY2022.

Net cash generated from investing activities was S\$1.8 million in FY2022, mainly due to proceeds from disposal of financial assets at fair value through profit or loss of S\$1.9 million.

Net cash used in financing activities was S\$0.5 million in FY2022, mainly due to principal payment of lease liabilities of S\$0.1 million and repayment of term loan of S\$0.4 million.

The Group had cash and cash equivalents of S\$1.7 million at the end of the financial year 31 December 2022 (31 December 2021: S\$0.5 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: 5 June 2020

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, 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 the 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 Guo Shaozeng

Non-Executive Director

Date of Appointment as Director:

21 October 2019

Date of last re-election: 5 June 2020

Nature of Appointment: Non-Executive Director

Board Committees served on:

Member of Remuneration Committee

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

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

Mr Guo has served as Chairman and President of Kingland Technology Co., Ltd. since January 2022. The company’s main businesses include water-saving irrigation, soil remediation and environmental management.

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

BOARD OF DIRECTORS

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 practicing member of the Institute of Singapore Chartered Accountants and a certified internal auditor as conferred by the Institute of Internal Auditors.

Mr Chan Hock Keng

Independent Director

Date of Appointment as Director: 1 July 2021

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.

BOARD OF DIRECTORS

Mr Lim Kian Thong

Independent Director

Date of Appointment as Director: 2 August 2022

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 a Non-Executive Independent Director of Sitra Holdings (International) Limited.

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

Mr Steven Chew Chiew Siang

Executive Director

Date of Appointment as Director: 20 September 2006

Date of last re-election: 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 a Non-Executive Chairman of SFIC Institute Pte Ltd, a wholly owned subsidiary of the SFIC. He also served as Secretary General of the Asean Furniture Industries Council (“AFIC”) from 2008 to 2010

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 40 years of experience in the timber industry and was instrumental to the establishment, development and expansion of our Group’s business. Prior to joining our Group, Mr George Chew was a director of Joseph Timbermart Pte Ltd from 1975 to 1979 where he was responsible for its sales and marketing. Mr George Chew has completed two terms (total 4 years) as President of the Catholic Business Network in March 2012.

Madam Lim Sook Hwa

*Vice President Operations
(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/strategies and suppliers and customers relationship management and oversees various key operational functions including logistics planning and purchasing of our Group’s timber division.

Mr Mok Kam Wah

Chief Financial Officer

Mr Mok Kam Wah (“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 multiple positions from Finance Officer of a college to Chief Financial Officer (“CFO”) and Vice President, Administration, and Admission of a University, and Vice President, Malaysia operations of the Raffles Education 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*)
Guo Shaozeng (*Non-Executive Director*)
Chew Chiew Siang, Steven (*Executive Director*)
Sim Guan Seng (*Lead Independent Director*)
Chan Hock Keng (*Independent Director*)
Lim Kian Thong (*Independent Director*)

Company Secretaries

Joanna Lim Lan Sim, ACIS
Chan Lai Yin, ACIS

Registered Office

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Fax: +65 6742 8233
Email: enquiries@sitraholdings.com

Catalist Sponsor

RHT Capital Pte. Ltd.
36 Robinson Road, #10-06
City House, Singapore 068877

Share Registrar

Tricor Barbinder Share Registration Services
(a business division of Tricor Singapore Pte Ltd.)
80 Robinson Road #11-02
Singapore 068898

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

BOARD STATEMENT

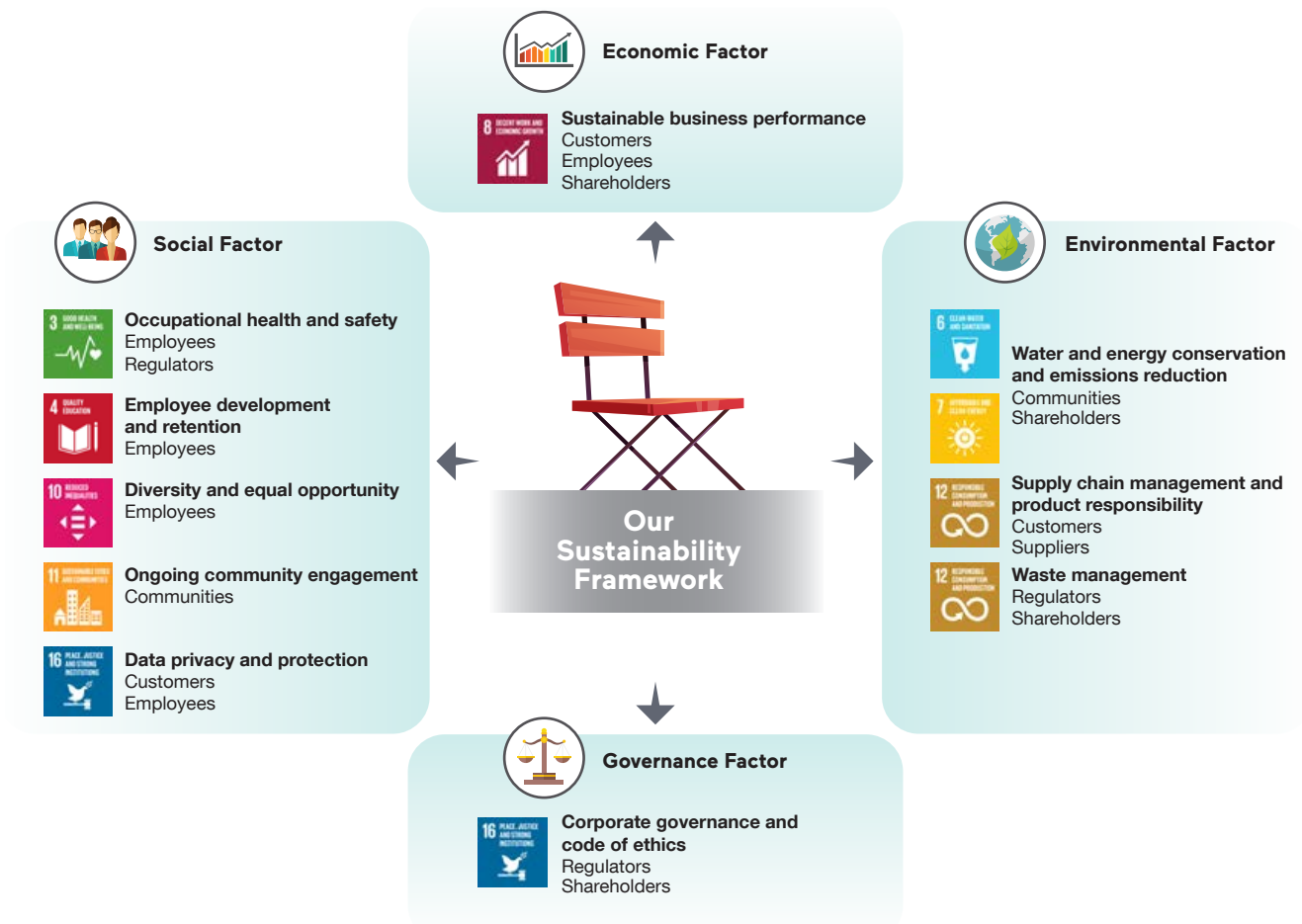
We reaffirm our commitment to sustainability with the publication of this sustainability report (“Report”). This Report highlights our environmental, social, governance (“ESG”) factors and economic performance, (collectively as “Sustainability Factors”).

Our core business remains in distribution of wood products. Within this industry, there is an increasing attention to sustainable forestry, hence ensuring that sources of raw materials are derived 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 which drives talent retention, repeat customer activity and confidence amongst our shareholders. Such a belief and resulting actions will optimise our impacts on the economy, environment and society.

The Board of Directors (“Board”) oversees the management and monitor material Sustainability Factors. For this Report, the Board has considered Sustainability Factors as part of our strategic formulation and determined the material Sustainability Factors.

A sustainability policy (“SR Policy”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments. Please refer to Policy, Practice and Performance Reporting for further details.

Our sustainability framework communicates our commitment towards supporting the United Nations’ Sustainable Development Goals (“SDGs” or “Global Goals”) and is primarily driven by the concerns of our key stakeholders. We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our Sustainability Factors and the SDGs as follows:



SUSTAINABILITY REPORT

A summary of our key sustainability performance in FY2022 is as follows:

Performance indicator	Sustainability performance	
	FY2022	FY2021
Economic		
Loss for the Reporting Period	(\$2.9 million)	(\$0.2 million)
Environmental		
Water consumption intensity (Cu M/ revenue S\$' 000)	1.0	0.8
Greenhouse Gas (“GHG”) ¹ emissions intensity (tonnes CO ₂ e/ revenue S\$'000)	0.021	0.020
Percentage of suppliers certified with relevant environmental certifications and criteria	100%	100%
Percentage of wood waste recycled	100%	100%
Social		
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	-	-
Percentage of employees that underwent annual performance review and received periodic performance feedbacks	100%	100%
Number of reported incidents of unlawful discrimination ³ against employees	-	-
Number of reported substantiated complaints concerning breaches of data privacy and losses of personal data	-	-
Governance		
Number of incidents of serious offence ⁴	-	-
Number of reported incidents of non-compliance with the relevant legal and regulatory requirements	-	-

¹ GHG emissions are calculated based on the 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 6 months.

³ Unlawful discrimination refers to an incident of employee discrimination whereby the relevant authority has commenced investigation and resulted in a penalty to the Company.

⁴ A serious offence is defined as one that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S\$100,000.

SUSTAINABILITY REPORT

CORPORATE PROFILE

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Sitra has 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 the sales.

Since 2021, we introduced a range of products derived from controlled sources under the Programme for the Endorsement of Forest Certification (“PEFC”) to our buyers which demonstrated that the PEFC Due Diligence System has been implemented for our products. This is a step further to provide assurance that we are part of an extensive ecosystem to manage forests in meeting challenging environmental, social and economic requirements and to broaden our sustainability journey.

The Group serves a network of corporate customers in 26 countries spanning North America, Europe, Australia, New Zealand and Asia. We develop our own lifestyle furniture products and brands and have gained a following amongst customers in Europe.

On 4 October 2019, the Group acquired a 54% equity interest in Mapur Rocky Resort Limited (“MRRL”) with the intention to diversify the business into resort and holiday homes development. The Group’s core businesses now include distribution of wood-based products and property development in Bintan, Indonesia. The Group announced on 11 October 2022 that it completed the acquisition of the remaining 46% of MRRL and effectively became the sole shareholder holding 100% of the total issued and paid-up share capital of MRRL. The Group’s property development business is in the planning and design stage.

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.

SUSTAINABILITY REPORT

OUR CORE BUSINESS

An overview of the Group's core business is presented as follows:



Our Suppliers

Suppliers for timber, wood-based products and lifestyle furniture



Our Operations

- Manufacturing of wood-based and other related products at our production factory in Indonesia
- Import and export of wood-based and other related products



Our Suppliers

Customers located in the following geographic areas:

- Australia and New Zealand
- Europe
- Asia and Others

OUR PEOPLE

As at 31 December 2022, we have a diverse workforce of 33 employees with details as follows:

	Singapore	Indonesia	France	Total
Overall				
	10	20	3	33
Full-time				
	10	19	2	31
Part-time⁵				
	-	1	1	2

REPORTING SCOPE

This Report covers data and information from 1 January 2022 to 31 December 2022 ("FY2022" or "Reporting Period") and discusses Sitra's sustainability performance.

This Report covers our operations in Singapore, Indonesia and France which contributed 100% (FY2021: 100%) of our total revenue for the Reporting Period.

The electronic edition of this Report is available at: <https://www.sgx.com/securities/company-announcements>.

REPORTING FRAMEWORK

This Report has been prepared in accordance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalyst ("Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the Global Reporting Initiative ("GRI") Standards. We have chosen to report using the GRI framework as it is an internationally recognised reporting framework. The GRI content index can be found in Appendix of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have 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 have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

⁵ Part-time employees are not included for consideration of training, new hire rate and turnover rate.

SUSTAINABILITY REPORT

We are also guided by the recommendations of the Taskforce on Climate-related Financial Disclosures (“TCFD”) in our climate-related disclosure.

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

STAKEHOLDER ENGAGEMENT

We strive to be a responsible corporate citizen by working closely with our stakeholders to understand their concerns and feedbacks and keep them abreast of the developments of our businesses. Through an internal stakeholder mapping exercise, we have 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.

The stakeholder engagement provides valuable information for our sustainability reporting, particularly in determining material environment and social issues. We will continue to engage our external stakeholders more extensively to identify areas that are material, sustainable and necessary for future development.

We actively engage our key stakeholders through the following channels:

Our key stakeholders	Engagement channel	Frequency of engagement	Key concerns
Communities	<ul style="list-style-type: none"> Community campaigns 	Ongoing	<ul style="list-style-type: none"> Corporate social responsibility Environmental initiatives
Customers	<ul style="list-style-type: none"> Business meetings 	As and when required	<ul style="list-style-type: none"> Product features Value proposition Responsiveness to customer feedback Data protection
	<ul style="list-style-type: none"> Informal feedbacks Social media platforms Messaging applications 	Regularly	
Employees	<ul style="list-style-type: none"> Periodic staff meetings Company events Internal communication through emails and noticeboards 	As and when required	<ul style="list-style-type: none"> Data protection Performance reviews Equal employment opportunity Career development and training opportunities Job security Remuneration Workplace health and safety
	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Regulatory standards and guidelines Workplace health and safety
Shareholders	<ul style="list-style-type: none"> Annual General Meeting Annual reports Sustainability reports 	Annually	<ul style="list-style-type: none"> Financial results Dividend payment Market valuation Corporate governance Key business developments such as acquisitions or new business developments
	Emails and telephone calls	As and when required	
	Announcements via SGXNet	Half-yearly	
Suppliers	<ul style="list-style-type: none"> Emails and telephone calls Messaging applications 	As and when required	Information update and feedbacks on their products and services

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

SUSTAINABILITY REPORT

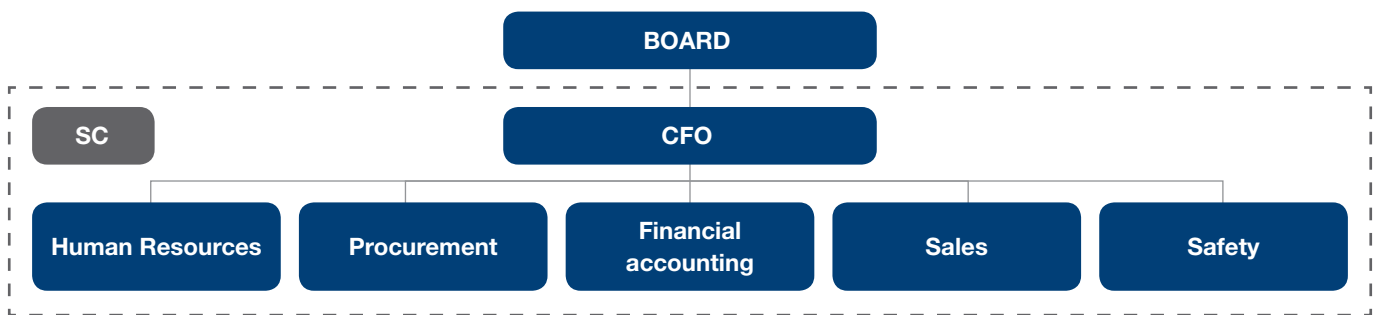
POLICY, PRACTICE AND PERFORMANCE REPORTING

REPORTING STRUCTURE

With our vision and corporate values in mind, we aim to integrate sustainability into our businesses so that it is systematic and seamless. Where possible, we incorporate sustainability considerations in our decision-making processes.

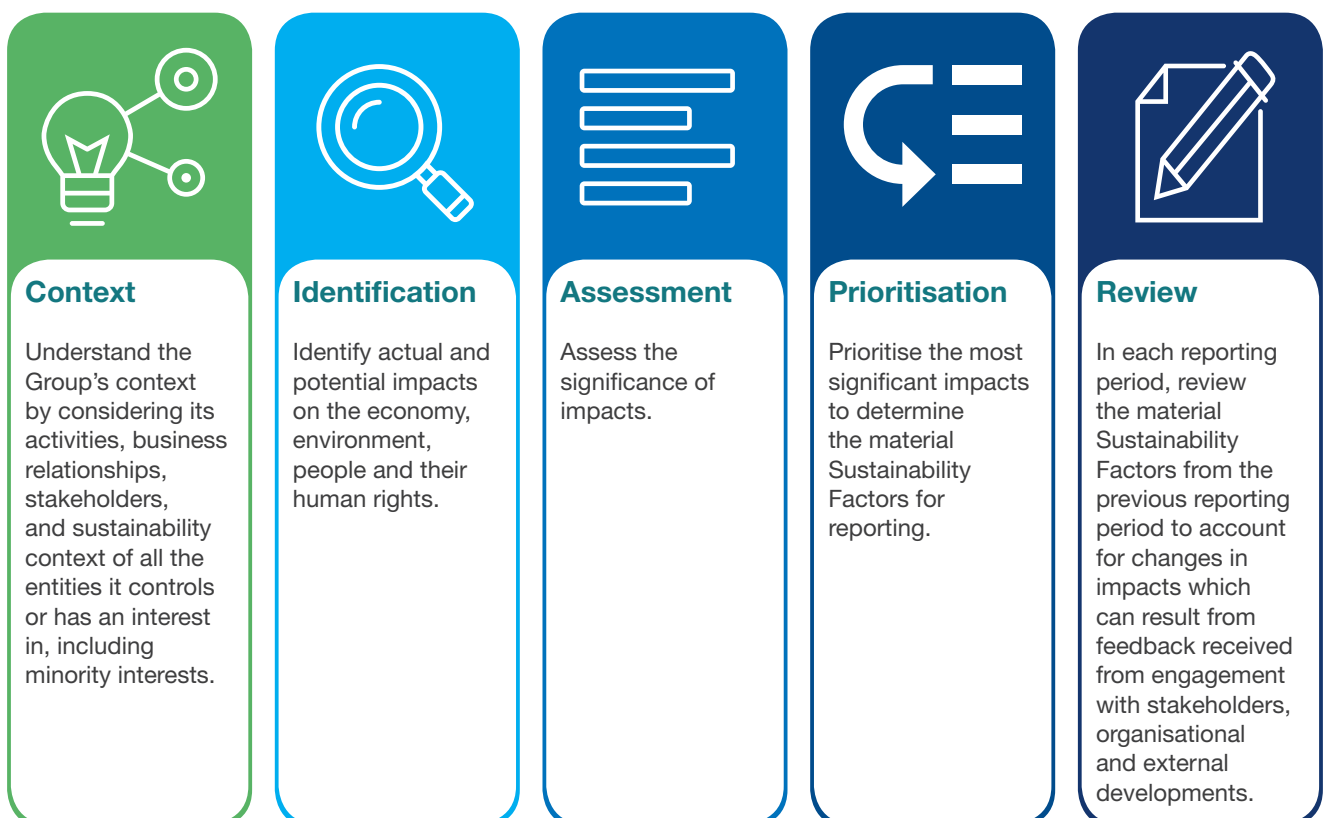
Our sustainability efforts are led by our Sustainability Committee (“SC”), which comprises senior management executives and key managers of various functions and tasked to ensure that the Group’s business objectives are in line with our commitments to sustainable development. The SC is led by our Chief Financial Officer (“CFO”) and is responsible for on-going communication with the Board.

The SC determines focus areas where the Group can have the greatest economic, environmental and social impact, as well as the areas that are most important to our stakeholders. The reporting structure is as follows:



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 impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.



SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Under our SR Policy, we assessed our Sustainability Factors based on the likelihood of the occurrence of actual and potential negative and positive impacts (“Likelihood of Impact”) and significance of impacts on the economy, environment, people and their human rights, which in turn can indicate our contribution (negative or positive) to sustainable development (“Significance of Impacts”).

PERFORMANCE TRACKING AND REPORTING

We track the progress of our material 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 shall 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.

MATERIAL SUSTAINABILITY FACTORS

In FY2022, a materiality assessment was conducted by the SC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, Sustainability Factors material to the sustainability of our business and their reporting priority level were updated. In this Report, we have also reported our progress in managing these Sustainability Factors and set related targets to improve our sustainability performance.

Presented below is a list of material Sustainability Factors and material factor matrix applicable to our Group:

S/N	Material Sustainability Factor	SDG	Key stakeholder
Economic			
1	Sustainable business performance	Decent work and economic growth	<ul style="list-style-type: none"> • Customers • Employees • Shareholders
Environmental			
2	Water and energy conservation and emissions reduction	<ul style="list-style-type: none"> • Affordable and clean energy • Clean water and sanitation 	<ul style="list-style-type: none"> • Communities • Shareholders
3	Supply chain management and product responsibility	Responsible consumption and production	<ul style="list-style-type: none"> • Customers • Suppliers
4	Waste management	Responsible consumption and production	<ul style="list-style-type: none"> • Regulators • Shareholders
Social			
5	Occupational health and safety	Workplace safety and health	<ul style="list-style-type: none"> • Employees • Regulators
6	Employee retention and development	Quality education and well-being	<ul style="list-style-type: none"> • Employees
7	Diversity and equal opportunity	Reduced inequalities	<ul style="list-style-type: none"> • Employees
8	Ongoing community engagement	<ul style="list-style-type: none"> • Sustainable cities and communities 	<ul style="list-style-type: none"> • Communities
9	Data privacy and protection	<ul style="list-style-type: none"> • Peace, justice and strong institutions 	<ul style="list-style-type: none"> • Customers • Employees
Governance			
10	Corporate governance and code of ethics	<ul style="list-style-type: none"> • Peace, justice and strong institutions 	<ul style="list-style-type: none"> • Regulators • Shareholders

SUSTAINABILITY REPORT

SUSTAINABLE BUSINESS PERFORMANCE

At present, we operate in Singapore, Indonesia and France, with a global distribution network extending to North America, Europe, Australia, New Zealand and Asia. The success of our business is highly dependent on the commitment of our Board, management and employees. Their knowledge, professional expertise and their job satisfaction are key to identify any sustainability 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.

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 through our economic presence by serving as Asia Pacific's leading wood-based products and lifestyle furniture industry globally, while maintaining good stewardship of the resources we manage and generating good shareholder values. We also place our customers' interest as the highest priority and seek organic growth from the existing operations as well as growth through acquisition of new businesses that can reap good returns growth.

For information on Sitra's financial and business performance, please refer to the Annual Report for FY2022.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain or improve our financial performance subject to market conditions	We recorded a net loss of S\$2.9 million in FY2022 mainly due to decrease in revenue, higher foreign currency translation loss and higher depreciation of property, plant and equipment	Maintain or improve our financial performance subject to market conditions

WATER, ENERGY CONSERVATION AND EMISSIONS REDUCTION

We are driven by our commitment to conserve water and energy resources and reduce carbon emissions to preserve the environment we operate in, reduce our costs and create enhanced returns to shareholders.

To run our operations, we rely on water and energy resources in the following areas:

- Water is mainly required for production, consumption by our employees and for sanitation;
- Diesel is required for operating machinery and equipment such as forklift; and
- Electricity is required for lighting, office equipment and cooling.

We review our water and energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns. We constantly remind our employees on basic and socially responsible habits at their workplaces such as adopting greener work ethics and switching off appliances when not in use.

SUSTAINABILITY REPORT

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

Performance indicator	Unit of measurement	FY2022	FY2021
Water consumption			
Water consumption	Cu M	21,653.4	21,658.7
Water consumption intensity	Cu M/ revenue S\$'000	1.0	0.8
Energy consumption			
Diesel consumption	Litre	4,495	11,626
Diesel consumption intensity	litre/ revenue S\$'000	0.2	0.4
Electricity consumption	kWh	518,710	584,992
Electricity consumption intensity	kWh/ revenue S\$'000	23.7	22.0
GHG emissions			
Direct GHG emissions (Scope 1) ⁶	tonnes CO ₂ e	12.2	31.7
Indirect GHG emissions (Scope 2) ⁷	tonnes CO ₂ e	440.4	495.7
Total GHG emissions	tonnes CO ₂ e	452.6	527.4
GHG emissions intensity	tonnes CO ₂ e/ revenue S\$'000	0.021	0.020

The decrease in diesel and electricity consumption was due to a decrease in sales and production of wood-based products in FY2022.

Target for FY2022	Performance in FY2022	Target for FY2023
<ul style="list-style-type: none"> Maintain or reduce water consumption intensity Maintain or reduce GHG emissions intensity 	<ul style="list-style-type: none"> No material changes in water consumption intensity No material changes in GHG emission intensity 	<ul style="list-style-type: none"> Maintain or reduce water consumption intensity Maintain or reduce GHG emissions intensity

SUPPLY CHAIN MANAGEMENT AND PRODUCT RESPONSIBILITY

As a globally connected business, we recognise the importance of supply chain in managing our sustainability impact. Our supply chain is also crucial for us to deliver quality products to our customers. It is important for us to extend our management of environmental, social and economic impacts to our portfolio of approved suppliers and strategic partnerships.

Our supply chain constitutes mainly the suppliers for our timber, wood-based products, lifestyle furniture for all our global clients. We maintain a strong partnership with the suppliers for our wood-based products and lifestyle furniture businesses.

We believe in transparency in our supply chain and seek to minimise the risks and optimise the opportunities associated with climate changes. Our aim is to promote sustainable supply chain and to 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 controlling the sourcing of wood from our contract manufacturers and by our own factory. Therefore, we make sure that all our supplies are supported by verifiable documentation which identifies the source or region of harvest, including that of our suppliers within the supply chain.

In line with our commitment to forest stewardship, we ensure that 100% (FY2021: 100%) of our suppliers are certified with environmental certification of Sistem Verifikasi Legalitas Kayu ("SVLK")⁸, and some of our suppliers have additional environmental certifications such as FSC, PEFC and PEFC Controlled Sources⁹.

⁶ GHG emissions from diesel consumption (Scope 1) are calculated based on the Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines published by the NEA.

⁷ GHG emissions from electricity purchased (Scope 2) are calculated based on the emissions factors published by the relevant local authorities.

⁸ 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.

⁹ Tree-based materials are derived from PEFC certified forests or PEFC controlled sources.

SUSTAINABILITY REPORT

In 2022, Sitra was awarded with the Sustainability Leaders Recognition (“SLR”) Initiative by Singapore Furniture Industries Council (“SFIC”) for being one of the pioneer change leaders in the industry that have displayed exemplary sustainable practices.

This recognition empowers the awarded businesses in their green transition and inspires others to kick-start their sustainability journeys. The judging criteria encompass that of technology and innovation, environmentally friendly materials, the circular economy, responsible supply chain management, health and well-being, and sustainability governance.



Target for FY2022	Performance in FY2022	Target for FY2023
Maintain the percentage of suppliers certified with relevant environmental certifications and criteria	100% of our suppliers are certified with relevant environmental certifications and criteria	Maintain the percentage of suppliers certified with relevant environmental certifications and criteria

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’, we have put in place a waste management process to ensure proper disposal of waste and 100% (FY2021: 100%) recycling of our wood waste for the manufacturing of our products.

Wood waste is mainly generated as a result of leftover timber raw materials after cutting logs into different sizes, as well as defective timber raw 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 248 tonnes.



Wall panel products

In FY2022, there is zero incident of non-compliance with the relevant laws and regulations relating to air pollution caused by our operations (FY2021: zero incident).

We have implemented our Go-Green initiatives across all our operations and corporate office. The implemented initiatives aim to encourage the ‘Reuse’, ‘Recycle’ and ‘Reduce’ 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; and
- Reuse single-side printed papers for non-confidential and draft documents.

Target for FY2022	Performance in FY2022	Target for FY2023
Ensure wood waste are 100% recycled	Our wood waste is 100% recycled in the manufacturing of our products	Ensure wood waste are 100% recycled

SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH AND SAFETY

LOWRES

A safe working environment allows our employees to work safely without the fear of getting injured. This helps to build loyalty amongst our employees and support the sustainability of the Group. Accordingly, we are committed to maintaining a safety and security conscious culture amongst our employees at all levels. We attained bizSAFE Level 3 certification issued by the Workplace Safety and Health Council. This certification 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. We put in place an occupational health, safety and security policy to guide the Group in achieving high workplace health and safety standards and lead the group in adhering to the relevant Workplace Safety and Health regulations as stipulated by the Ministry of Manpower (“MOM”), Workplace Safety and Health Council (“WSHC”) and the relevant regulatory authorities of countries we operate in.

To ensure the safety of our employees and minimise the risk of transmission amongst our employees, we adhere to the guidelines and measures passed by the local COVID-19 laws and regulations.

Our emphasis on promoting workers’ health and improving occupational safety has resulted in zero fatalities, zero high-consequence work-related injuries, zero recordable work-related injuries and zero recordable work-related ill-health cases in FY2022 (FY2021: zero fatalities, zero high-consequence work-related injuries, zero recordable work-related injuries and zero recordable work-related ill health cases).

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero workplace fatalities, high-consequence work-related injuries, recordable work-related injuries and recordable work-related ill health cases	Maintained zero workplace fatalities, high-consequence work-related injuries, recordable work-related injuries and recordable work-related ill health cases	Maintain zero workplace fatalities, high-consequence work-related injuries, recordable work-related injuries and recordable work-related ill health cases

EMPLOYEE RETENTION AND DEVELOPMENT

To underscore our care and commitment towards our employees, the Group drives a human resource (“HR”) strategy focused on fair remuneration and equal opportunities, training and development, and work-life harmony. We are taking progressive steps to develop and implement policies and staff engagement programmes that aim to help employees build long-term and fulfilling careers with us.

The Group meets and complies with the relevant laws and regulations for manpower employment in the three key markets where we have direct business operations. In Singapore, the Group contributes to the Central Provident Fund Scheme and obtains medical benefits such as hospitalisation and surgical plans for all our employees. We provide maternity as well as paternity leave in accordance with the recommendations of the MOM. We also provide health insurance for all our employees 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 have implemented stringent shortlisting process in the recruitment process to recruit candidates that 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. We have in place employee share option scheme and performance share plan to incentivise our employees to achieve 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. During the Reporting Period, all (FY2021: all) employees underwent annual performance review and received periodic performance feedbacks from their reporting managers.

SUSTAINABILITY REPORT

Our business is highly dependent on senior experienced employees who have been in the wood-based products and lifestyle furniture businesses for over 20 years. Over the years of our growth, we have strengthened the retention of our pool of talented employees whose professional expertise and strong customer relationship has been critical in the sustainable success of our wood-based products and lifestyle furniture business.

Key statistics on new hires and employee turnover are as follows:

New hires

Disclosure	FY2022	FY2021
Gender		
Male	-	75%
Female	-	25%
Age		
Below 30	-	-
30 to 50	-	25%
Above 50	-	75%

Turnover

Disclosure	FY2022	FY2021
Overall	-	16.2% ¹⁰
Gender		
Male	-	100%
Female	-	-
Age		
Below 30	-	-
30 to 50	-	33%
Above 50	-	67%

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. To this end, we have 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 organisation through training and skills upgrading opportunities.

We will continue to equip our employees with training through conferences and courses related to their work areas. For new employees, we will groom them and develop their talents through mentorship and on-the-job training programmes.

Training and education

Disclosure	FY2022	FY2021
Total training hours	66	40.5
Average training hours per full-time employee	2.1	1.2

In FY2022, we observed an increase in the average training hours of our employees, which can be attributed to the less stringent protocols of the Covid-19 regulations in comparison to the previous year. The eased restrictions allowed for more training activities to be conducted, leading to an increase in the overall training hours received by our employees.

As part of our continual efforts to upgrade the knowledge of our Directors on sustainability reporting and to meet the requirement of Catalist Rule 720 (6) of SGX-ST, we confirmed that all directors have attended one of the approved sustainability training courses during the Reporting Period.

¹⁰ Figure has been restated as a correction.

SUSTAINABILITY REPORT

Target for FY2022	Performance in FY2022	Target for FY2023
<ul style="list-style-type: none"> Maintain percentage of employees who received regular performance reviews Maintain or improve employee retention rate subject to market conditions Improve average training hours per employee 	<ul style="list-style-type: none"> All employees underwent annual performance review There were no leavers in FY2022 Increase in average training hours per full-time employee 	<ul style="list-style-type: none"> Maintain percentage of employees who received regular performance reviews Maintain or improve employee retention rate subject to market conditions Improve average training hours per full-time employee

DIVERSITY AND EQUAL OPPORTUNITY

Identifying, recognising and rewarding quality employees is essential in our hiring and retention strategy. We advocate fair employment practices by ensuring equal opportunities for recruitment, fair remuneration, career progression and training opportunities. We provide fair employment opportunities to all, regardless of age, gender, race, or nationality.

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	FY2022		FY2021	
	Male	Female	Male	Female
Overall	69.7%	30.3%	74.4% ¹¹	25.6% ¹¹
Management level				
Management	83.3%	16.7%	90.0%	10.0%
Non-management	72.0%	28.0%	73.1%	26.9%
Employment type				
Full-time	74.2%	25.8%	77.8%	22.2%
Part-time	-	100.0%	33.3%	66.7%

Age diversity

Sitra maintains 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	FY2022			FY2021		
	Below 30	30 – 50	Over 50	Below 30	30 – 50	Over 50
Overall	-	48.5%	51.5%	2.6% ¹¹	48.7%	48.7%
Management level						
Management	-	-	100%	-	20%	80%
Non-management	-	64.0%	36.0%	3.8%	65.4%	30.8%
Employment type						
Full-time	-	51.6%	48.4%	2.8%	52.8%	44.4%
Part-time	-	-	100%	-	-	100%

We ensure that fair work practices are implemented, and remuneration is set based on individual's work performance. No form of discrimination is tolerated within our organisation. There is no reported incident (FY2021: zero) of unlawful discrimination against employees.

¹¹ Figure has been restated as a correction.

SUSTAINABILITY REPORT

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero reported incident of unlawful discrimination against employees	Maintained zero reported incident of unlawful discrimination against employees	Maintain zero reported incident of unlawful discrimination against employees

ONGOING COMMUNITY ENGAGEMENT

We strive not only to set a good example but also to encourage others to embrace the spirit of giving. We recognise that long-term success of the business is closely related to the health and prosperity of the communities we operate in.

Christmas is Coming, the Season of Giving with Willing Hearts

During the Reporting Period, Sitra Singapore supported the Willing Hearts movement by driving for the collection of pre-loved items such as clothes, toys, schoolbags, stationery and groceries for the needy. Beneficiaries include the elderly, the disabled, low-income families, children from single parent families or otherwise poverty-stricken families, and migrant workers in Singapore.

Target for FY2022	Performance in FY2022	Target for FY2023
Continue with existing community engagement campaign	Initiated community engagement campaign	Continue with existing community engagement campaign

DATA PRIVACY AND PROTECTION

Data privacy is of importance to us as our business is required to handle, store and manage personal information pertaining to our customers and employees.

In Singapore, we are required to abide by the Personal Data Protection Act (“PDPA”), which comprises various rules governing collection, use, disclosure and care of personal information. Our France operations are also in compliance with the General Data Protection Regulation (“RGPD”), the French equivalent of Singapore’s PDPA.

We adopt the following strategies to protect personal information:

Proactive management of personal data

In line with our commitment to data privacy, we have implemented the following measures:

- Set up internal policies and procedures requiring our employees to maintain strict confidentiality of personal information gathered in the course of our operations; and
- Selected executives are sent for external PDPA training to familiarise with the procedures to handle PDPA complaint.

Implement cybersecurity measures to protect our data

To protect our proprietary platforms and safeguard personal information, our network is protected by security controls which include intrusion detection and protection measures such as antivirus software and firewalls.

During the Reporting Period, there is no reported substantiated complaints concerning breaches of data privacy and losses of personal data (FY2021: zero).

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero reported substantiated complaints concerning breaches of data privacy and losses of personal data	Maintained zero reported substantiated complaints concerning breaches of data privacy and losses of personal data	Maintain zero reported substantiated complaints concerning breaches of data privacy and losses of personal data

SUSTAINABILITY REPORT

CORPORATE GOVERNANCE AND CODE OF ETHICS

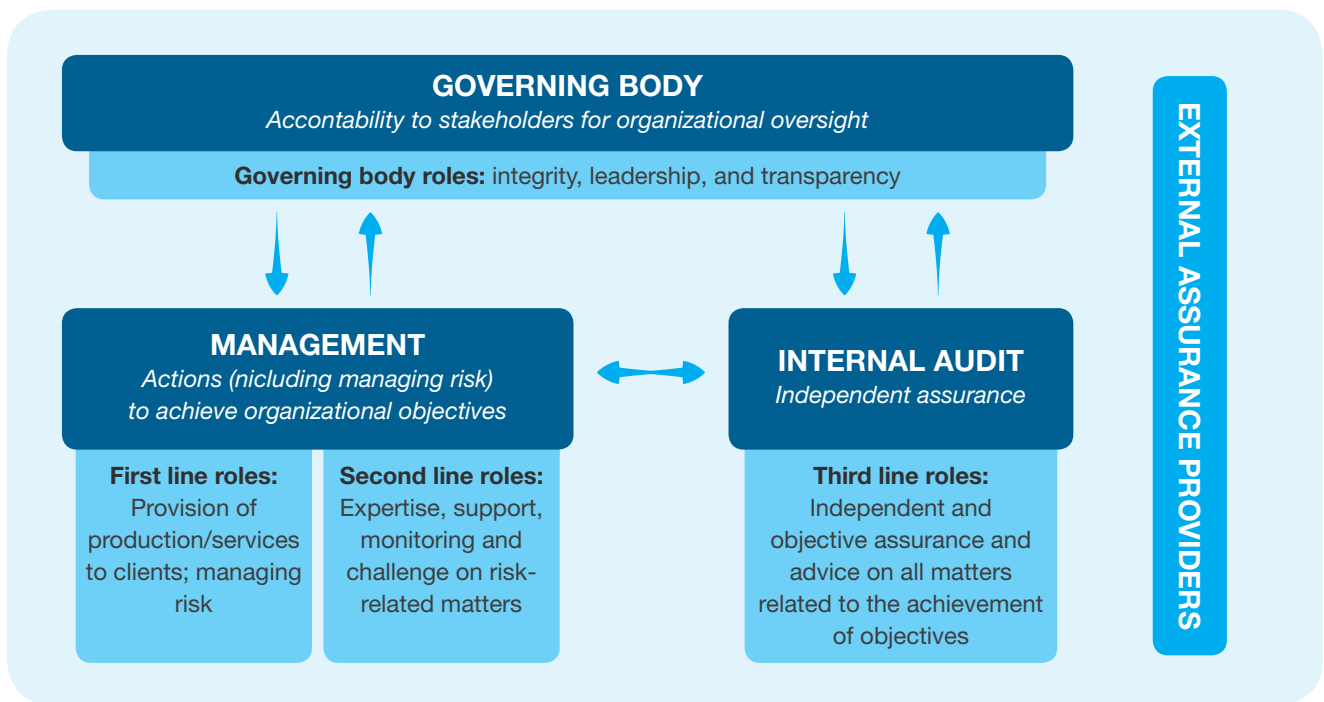
Sitra is committed to ethical and fair conduct, as well as the prohibition of corruption, including bribery and fraud. We strive to uphold these commitments by implementing the corporate best practices and adhering to the definitions and put forth guidelines.

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.

The Group is 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.

The Group has put in place 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:



KEY: ↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ↔ Alignment, communication, coordination, collaboration

Source: Three Lines Model of the IIA

SUSTAINABILITY REPORT

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 employment contract.

The 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 Sitra's business performance. We have put in place an Enterprise Risk Management Framework ("ERM Framework") which governs the risk management process in the Group. 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.

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



During the Reporting Period, zero incident of serious offence is reported through our whistle-blowing channel (FY2021: zero incident).

During the Reporting Period, we have no reported incidents of non-compliance with the relevant legal and regulatory requirements (FY2021: none).

Target for FY2022	Performance in FY2022	Target for FY2023
<ul style="list-style-type: none"> Maintain zero incident of serious offence Maintain zero non-compliance of legal and regulatory requirements 	<ul style="list-style-type: none"> Maintained zero incident of serious offence Maintained zero non-compliance of legal and regulatory requirements 	<ul style="list-style-type: none"> Maintain zero incident of serious offence Maintain zero non-compliance of legal and regulatory requirements

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, 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 have 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 Sustainability Factors are as follows:

SDG	Our effort
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p><u>Occupational health and safety</u></p> <p>We implement measures to ensure a safe and secure working environment for our employees</p>
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p><u>Employee retention and development</u></p> <p>We invest in training and development of our people to enhance our business competencies as well as overall productivity.</p>

SUSTAINABILITY REPORT

SDG		Our effort
	<p>Ensure availability and sustainable management of water and sanitation for all</p>	<p><u>Water and energy conservation and emissions reduction</u> 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.</p>
	<p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p><u>Water and energy conservation and emissions reduction</u> 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.</p>
	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><u>Sustainable business performance</u> We contribute to economic growth through creating long-term economic value for our shareholders.</p>
	<p>Reduce inequality within and among countries</p>	<p><u>Diversity and equal opportunity</u> We create a diverse and inclusive workplace that will bring new perspectives to our business and strengthen our ability to overcome new challenges.</p>
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p><u>Ongoing community engagement</u> While we strive to achieve our business goals, we also believe in giving back to the society and serving our local communities to promote social inclusion and sustainable communities.</p>
	<p>Ensure sustainable consumption and production patterns</p>	<p><u>Supply chain management and product responsibility</u> We ensure that our suppliers are certified with relevant environmental certifications and criteria such as SVLK, FSC, PEFC and PEFC Controlled Sources.</p>
		<p><u>Waste management</u> We contribute to the reduction of waste generation through recycling, reusing and reducing.</p>
	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p><u>Data privacy and protection</u> We implement measures to protect personal data in accordance with the requirements of relevant data protection legislations.</p>
		<p><u>Corporate governance and code of ethics</u> 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.</p>

SUSTAINABILITY REPORT

SUPPORTING THE TCFD

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

Key area	Our approach
Governance	<p>The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies.</p> <p>Our sustainability strategy is developed and directed by the Group's SC in consultation with the Board. The Group's SC includes representatives from key Group functions. The Group's senior management advises the SC in reviewing our sustainability progress. The responsibilities of the SC include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.</p>
Strategy	<p>The climate-related risks and opportunities identified by the Group during the climate-risk identification exercise includes the following:</p> <ul style="list-style-type: none"> • The reputational and financial risks for not meeting the demands of regulators and shareholders amidst the enhanced emissions reporting requirements. • On the other hand, such obligations raise climate awareness amongst our employees and with more defined job responsibilities and training, the Group will be in a better position to meet the rising needs and expectation of our customers on the environment. <p>We are currently looking into conducting climate-related scenario analysis consistent with the TCFD's recommendation, wherever possible, using commonly agreed sector/ subsector scenarios and time horizons, to anticipate and manage climate change impacts.</p>
Risk management	<p>The Group's climate related risks and opportunities are identified and assessed during the climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators.</p>
Metrics and targets	<p>We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management and disclose related metrics in our sustainability report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.</p> <p>To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in the sustainability report and set climate-related targets such as those related to energy, GHG emissions, water and waste management. We will continue to monitor our emissions and disclose Scope 3 GHG emissions wherever applicable and practicable.</p>

APPENDIX: GRI CONTENT INDEX

Statement of use	Sitra Holdings (International) Limited has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	Cover page, 02-03, 14-15, 68, 113-114
	2-2 Entities included in the organisation's sustainability reporting	15, 86-88
	2-3 Reporting period, frequency and contact point	15
	2-4 Restatements of information	23
	2-5 External assurance	15-16
	2-6 Activities, value chain and other business relationships	2-3, 14-15
	2-7 Employees	15, 24-25
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	7-9, 17-18
	2-10 Nomination and selection of the highest governance body	37-39
	2-11 Chair of the highest governance body	7-9, 17
	2-12 Role of the highest governance body in overseeing the management of impacts	7-9, 17
	2-13 Delegation of responsibility for managing impacts	17, 32-33
	2-14 Role of the highest governance body in sustainability reporting	17
	2-15 Conflicts of interest	32-33
	2-16 Communication of critical concerns	26-27, 44-47
	2-17 Collective knowledge of the highest governance body	22-24, 32-33
	2-18 Evaluation of the performance of the highest governance body	39-40
	2-19 Remuneration policies	40-41
	2-20 Process to determine remuneration	40-41
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	4, 12-13
	2-23 Policy commitments	26-29
	2-24 Embedding policy commitments	26-27
	2-25 Processes to remediate negative impacts	26-27, 44-47
	2-26 Mechanisms for seeking advice and raising concerns	26-27, 44-47
	2-27 Compliance with laws and regulations	24-27
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	16
	2-30 Collective bargaining agreements	None
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	19-27
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	19, 62-64

APPENDIX: GRI CONTENT INDEX

GRI Standard	Disclosure	Location
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	26-27
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	19-20
	302-3 Energy intensity	19-20
GRI 303: Water and Effluents 2018	303-5 Water consumption	19-20
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	19-20
	305-2 Energy indirect (Scope 2) GHG emissions	19-20
	305-4 GHG emissions intensity	19-20
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	21
	306-3 Waste generated	21
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	20-21
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	22-24
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	22-24
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	22
	403-10 Work-related ill health	22
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	22-24
	404-2 Programs for upgrading employee skills and transition assistance programs	22-24
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	24-25
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	24-25
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	25
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	25

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 2022 (“**FY2022**”), the Company has complied with the core principles of corporate governance laid down by the Code. The Company has also largely complied with the provisions that reinforce the principles of the Code and in areas where there are variations from the provisions of the Code (namely, variations from Provisions 2.2, 2.4, 8.1, 11.4 and 12.2), appropriate explanation and the reasons for variations has been provided within this report. The Board considers that the alternative corporate governance practices adopted are consistent with the intent of the relevant principle of the Code.

BOARD MATTERS

The Board’s Conduct of its Affairs

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

Provisions Corporate Governance Practices of the Company

1.1 **Directors’ 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 FY2022 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 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.

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 attended the mandated training on sustainability matters as prescribed by SGX-ST in FY2022.

1.3 **Matters requiring Board’s approval**

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

1.4 **Board Committees**

The Board is supported by the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”), each of whose members are drawn from members of the Board (together “**Board Committees**” and each a “**Board Committee**”). Each Board Committee has its own written terms of reference and whose actions are reported to and monitored by the Board. Minutes of the Board Committee meetings are available to all Board members. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Further information on the activities of the AC, the NC and the RC during FY2022 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 FY2022, 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. The Board has separate and independent access to the Group’s senior management and the Company Secretary at all times. Requests for information from the Board, 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 seeks independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The Directors, whether as a group or individually, may seek and obtain legal and other independent professional advice, at the Company’s expense, concerning any aspect of the Group’s operations or undertakings in order to fulfill their roles and responsibilities as Directors.

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

BOARD COMPOSITION AND GUIDANCE

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

Provisions Corporate Governance Practices of the Company

2.1 **Director Independence**

The Board comprises six (6) Directors, of whom two (2) are Non-Independent Non-Executive Directors (“NEDs”); three (3) are Non-Executive Independent Directors (“NEIDs”) 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. In this regard, while Independent Directors do not make up a majority of the Board, more than one-third of the Board is made up of Independent Directors. There is only one Executive Director and the Chairman of the Board is not an Executive Director. The Directors consider that the Board’s present size of six (6) members is of the appropriate size and accordingly, no additional Independent Directors are proposed to be appointed in order for Independent Directors to make up a majority of the Board. In addition, the Board is of the view that the Independent Directors have demonstrated high commitment in their role as directors and have ensured that there is a good balance of power and authority. In addition, Mr. Sim Guan Seng is appointed as the Lead Independent Director of the Company and the Board Committees are chaired by the NEID. Although currently Independent Directors do not make up a majority of the Board, with the retirement of one non-executive director (refer to provision 4.3) at this forthcoming Annual General Meeting, Independent Directors will make up majority of the Board.

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.

Provisions **Corporate Governance Practices of the Company**

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 groupthink, 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.

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 FY2022 are as follows:

- Directors’ professional area of expertise:

Business	3
Accountancy, Finance	2
Legal	1

- Board Independence

Non-Executive Independent Directors	3
Executive Director	1
Non-Executive Non-Independent Directors	2

- Directors’ age group

50s	2
60s	4

Provisions Corporate Governance Practices of the Company

- 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	–	2	–
Served six (6) years and up to nine (9) years	–	–	–
Served more than nine (9) years	–	–	1

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 further annual reports.

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

The NEIDs aim to assist in the development of proposals on strategy by constructively challenging management. The NEIDs would also review the performance of management in meeting. Where warranted, the NEIDs meet without the presence of management or Executive Directors to review any matters that should be raised privately. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

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.

Provisions **Corporate Governance Practices of the Company**

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, CEO or other management executive have failed to provide satisfactory resolution or when such contact is inappropriate or inadequate.

BOARD MEMBERSHIP

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

Provisions **Corporate Governance Practices of the Company**

4.1 **Role of Nominating Committee**

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

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

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

Summary of NC's activities in FY2022

- 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.

Provisions Corporate Governance Practices of the Company

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**.

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 Article 97 of the Company's Constitution. The retiring directors are eligible to offer themselves for re-election. Mr. Chew Hua Seng will retire in accordance with Article 91 of the Company's Constitution at the forthcoming AGM and have been re-nominated for re-election. Mr Guo Shaozeng who retires in accordance with Article 91 of the Company's Constitution will not be seeking re-election at this Annual General Meeting.

The NC has recommended the nomination of the director retiring under Article 91 of the Company's Constitution for re-election at the forthcoming AGM. The Board has accepted the NC's recommendation and accordingly, Mr. Chew Hua Seng being eligible, will be offering himself 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 does not appoint any alternate Directors.

Provisions **Corporate Governance Practices of the Company**

4.4 **Circumstances affecting Director's independence**

The NC determines the independence of each director annually, and as and when circumstances require, based on the definitions and guidelines of independence as set forth in Provision 2.1 above. The Board, after taking into consideration the views of the NC, is of the view that Mr. Sim Guan Seng, Mr. Chan Hock Keng and Mr. Lim Kian Thong are independent and is satisfied that there is no relationship set forth in the Catalyst 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. No alternate Director has been appointed to the Board. Further information on the directorships and principal commitments of each director are disclosed in **Table C**.

BOARD PERFORMANCE

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

Provisions **Corporate Governance Practices of the Company**

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

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

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

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

Provisions Corporate Governance Practices of the Company

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

Based on the NC and Board's assessment and review for FY2022, 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 FY2022.

REMUNERATION MATTERS

Procedures for developing remuneration policies

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

Provisions Corporate Governance Practices of the Company

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

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

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

6.2 **Composition of RC**

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

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

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

6.4 **Expert advice on remuneration**

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

Provisions **Corporate Governance Practices of the Company**

Summary of RC's activities in FY2022

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

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

In reviewing the recommendation for independent Non-Executive Directors' remuneration for FY2022, 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.

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

DISCLOSURE OF REMUNERATION

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

Provisions Corporate Governance Practices of the Company

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

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

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

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

Table D and Table D1 set out the breakdown of the remuneration of the Directors and the top five key management personnel (who are not Directors or the CEO), respectively, for FY2022.

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, step-child, brother, sister and parent) of a director, the CEO or a substantial shareholder, in the employment of the Company whose annual remuneration exceeded S\$100,000 during FY2022.

8.3 **Details of Employee share schemes**

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

No share options or share awards were granted under the Scheme or Plan for FY2022.

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

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Provisions Corporate Governance Practices of the Company

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

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

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

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

Based on the framework established, the work carried out by the internal and external auditors, the discussion with the auditors and management including the assurance received from the 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 at the reporting date. Additionally, the Board is satisfied that it has a risk management system in place to address the Group's key risks including information technology risk.

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

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

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

AUDIT COMMITTEE

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

Provisions Corporate Governance Practices of the Company

10.1 **Duties of AC**

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

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

Provisions Corporate Governance Practices of the Company

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.

Catalist Rules 1204(6)(a) The total audit fees paid to the external auditors are stated on page 81 of this Annual Report. There were no non-audit fees payable to the external auditors in FY2022 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 harassment or victimization. The complainant's identity shall also be kept confidential to the extent reasonably practical within the limits of the law. The AC is the custodian of the policy and responsible for the overall oversight and monitoring of the policy and its implementation. The policy sets out the procedures and processes by which the AC assesses and reviews (in consultation with the Board of Directors and/or Management where appropriate or necessary) the nature of the complaint, the appropriate independent investigation to be conducted, the outcome of such investigation and the followed-up action to be taken. There was no reported incident pertaining to the whistleblowing policy in FY2022.

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 FY2022

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 REPORT

Provisions Corporate Governance Practices of the Company

Financial reporting and significant financial judgement

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

Key audit matters involving significant judgement and estimates	Matters considered	Conclusion by AC
<p>Valuation of property, plant and equipment</p> <p><i>Refer to Note 3.1 and Note 18 to the financial statements</i></p>	<p>As at 31 December 2022, the Group has leasehold land and building classified under property, plant and equipment of S\$9.65 million representing 63% of the Group’s total assets.</p> <p>Leasehold land and building are initially recognised at cost and are subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses.</p> <p>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.</p> <p>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</p>	<p>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 \$9.65 million as at 31 December 2022.</p>

Catalist Rules 1204(6)(b), 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 17 “Investment in subsidiary corporations” of the Notes to the Financial Statements for the subsidiaries audited by different auditors. In appointing the audit firms for the Company, its subsidiaries and significant associated companies, the Audit Committee and the Board are satisfied that the Group has complied with 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 staffed with suitably qualified and experienced professionals with the relevant experience

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

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

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

The FY2022 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 FY2022 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 FY2023 to be subjected to internal audit review.

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

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Provisions Corporate Governance Practices of the Company

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

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

In accordance with Catalyst 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.

To keep physical interactions and COVID-19 transmission risk to a minimum, the Company will continue to adopt alternative arrangements and practices in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and guidelines or directives issued by government agencies or regulatory authorities relating to the conduct of meetings ("**COVID-19 Guidelines**"). The Annual Report, Notice of AGM and Proxy form will be made available to shareholders solely by electronic means via publication on SGXNET. Shareholders may submit questions in advance of or live at the AGM; and conduct live voting by themselves or their duly appointed proxy (ies) or alternatively appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM.

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

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

11.3 **All Directors attend general meetings**

All directors will be in attendance at the Company's AGM to address shareholders' questions relating to the work of the Board and Board Committees. The external auditors have also been invited to attend the AGM and will be available to assist the directors in addressing any shareholders' queries relating to the conduct of audit and the preparation and content of the auditors' report. Due to Covid pandemic, the Company is holding its AGM via electronic means in accordance to the COVID-19 Guidelines. Directors will address the shareholders' queries prior to and during the AGM if required.

All directors attended the Company's AGM duly held on 29 April 2022 via electronic means. A record of the directors' attendance at AGM is set out in **Table A**.

Provisions **Corporate Governance Practices of the Company**

11.4 **Company's Constitution on absentia voting of shareholders**

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

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

Questions, comments received from shareholders and responses from the Board and Management were recorded in the minutes of general meetings or separately announced. The Company's AGM that was held on 29 April 2022 ("2022 AGM") was held by way of electronic means in accordance with the COVID-19 Guidelines. Shareholders participated in the 2022 AGM via live audio-visual webcast or live audio-only stream and appointed the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2022 AGM. Shareholders were invited to submit questions related to the resolutions to be tabled for approval at the 2022 AGM to the Chairman of the meeting, in advance of the 2022 AGM. The Company had made available the documents for the 2022 AGM (comprising the Annual Report, Notice of AGM and Proxy Form) via SGXNET. The same arrangement was adopted for the extraordinary meeting of the Company that was held on 30 September 2022 ("2022 EGM"). Shareholders were also allowed to deposit their proxy forms and submit the questions in advance by post and by electronic mail. All Directors, as well as the external auditors and professionals, also attended the 2022 AGM and 2022 EGM respectively by way of a live audio-visual webcast. The minutes of 2022 AGM and 2022 EGM were published on the Company's corporate website and SGXNET within one (1) month after the date of the 2022 AGM and 2022 EGM.

In view of the existing COVID-19 Guidelines, the Company will also publish the minutes of its upcoming AGM on SGXNet within one (1) month after the date of the meeting.

11.6 **Dividend Policy**

The Company does not have a dividend policy based on payout ratio. As the Company had accumulated losses as at 31 December 2022 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 proposed for FY2022 for reasons set out in the Company's full year results that were announced on SGXNET on 24 February 2023.

ENGAGEMENT WITH SHAREHOLDERS

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

Provisions **Corporate Governance Practices of the Company**

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

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

Provisions **Corporate Governance Practices of the Company**

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.

12.3 The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the Catalist Rules and the CA, 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 16 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 FY2022, 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 FY2022 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 FY2022.

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 FY2022 is included on page 12 to 31 of this Annual Report.

TABLE A – DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS AND OTHER MEETINGS FOR FY2022

Directors	Board of Directors		Nominating Committee		Audit Committee		Remuneration Committee		AGM	EGM	Attendance	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Attended		Total	%
Chew Hua Seng	4	4	1	1	2	2	1	1	1	1	10/10	100%
Guo Shao Zeng	4	3	1	1	2	2	1	1	1	1	9/10	90%
Chew Chiew Siang, Steven	4	4	1	1	2	2	1	1	1	1	10/10	100%
Sim Guan Seng	4	4	1	1	2	2	1	1	1	1	10/10	100%
Chan Hock Keng	4	4	1	1	2	2	1	1	1	1	10/10	100%
Lim Kian Thong	4	4	1	1	2	2	1	1	1	1	10/10	100%

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

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

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

Name of Director	Age	Date of initial appointment	Date of last re-election	Present directorships in listed companies	Past (preceding 5 years) directorships in listed companies	Principal Commitments *
Chew Hua Seng	69	21/10/2019	05/06/2020	<ul style="list-style-type: none"> Raffles Education Corporation Limited Oriental University City Holdings (H.K.) Limited Sitra Holdings (International) Limited 	–	Full time employment with Raffles Education Corporation Limited and its subsidiaries.
Guo Shaozeng	60	21/10/2019	05/06/2020	<ul style="list-style-type: none"> Oriental University City Holdings (H.K.) Limited Sitra Holdings (International) Limited China Fortune Foundation Co., Ltd 	China Fortune Land Development Co., Ltd	<ul style="list-style-type: none"> Chairman of Partner Committee of Poplar Capital Group Vice Chairman of the Bank of Langfang
Chew Chiew Siang, Steven	52	20/09/2006	29/04/2022	<ul style="list-style-type: none"> Sitra Holdings (International) Limited 	–	Full time employment with the Group
Sim Guan Seng	64	01/06/2021	29/04/2022	<ul style="list-style-type: none"> Sitra Holdings (International) Limited Darco Water Technologies Limited 	–	Managing Director Cohen Assurance PAC
Chan Hock Keng	55	01/07/2021	29/04/2022	<ul style="list-style-type: none"> Sitra Holdings (International) Limited 	–	WongPartnership - Partner
Lim Kian Thong	61	02/08/2021	29/04/2022	<ul style="list-style-type: none"> Sitra Holdings (International) Limited 	<ul style="list-style-type: none"> United Global Limited Capital World 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.

TABLE D – REMUNERATION OF DIRECTORS

The breakdown of the total remuneration of the directors of the Company for the year ended 31 December 2022 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	–	93.7%	6.3%	100%	\$200,001 - \$300,000
Chew Hua Seng	NENI	–	–	–	–	Nil
Guo Shaozeng	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	\$213,226	\$14,355	\$327,581	
		30.5%	65.1%	4.4%	100.0%	

Notes

ED: Executive director

NEID: Non-executive independent director

NENI: Non-executive non-independent director

- (1) The director's fees are subject to shareholders' approval at the Annual General Meeting.
- (2) Salary comprises basic salary, bonus and the Company's contribution towards the Singapore Central Provident Fund where applicable.
- (3) Other short-term benefits include transport allowance, 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 2022 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	97.4%	2.6%	100%	\$200,001 - \$300,000
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		\$460,801	\$5,734	\$466,535	
		98.8%	1.2%	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 include transport allowance, motor vehicles running expenses and club subscription fees.

The directors present their statement to the members together with the audited consolidated financial statements of Sitra Holdings (International) Limited and its subsidiary corporations (the "Group") for the financial year ended 31 December 2022 and the statement of financial position of Sitra Holdings (International) Limited (the "Company") as at 31 December 2022.

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 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

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

Chew Hua Seng
 Guo Shaozeng
 Chew Chiew Siang, Steven
 Sim Guan Seng
 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 1.1.2022	At 31.12.2022	At 21.01.2023
The Company			
<i>(No. of ordinary shares)</i>			
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
Guo Shaozeng	400,000,000	440,000,000	440,000,000

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

4 Share Options

Sitra Holdings Employee Share Option Scheme

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

Other information regarding the Scheme is set out below:

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

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

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

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

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

Share Sale cum Subscription and Option Agreement

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

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

5 Sitra Holdings Performance Share Plan

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

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

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

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

6 Audit Committee

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

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

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

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

- the audit plan of the Company’s independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the compliance with legal and other regulatory requirements;
- the appointment of the independent auditor and review of the audit and non-audit fees;
- the assistance given by the Company’s management to the independent auditor;
- the consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2022 before their submission to the Board of Directors, as well as the independent auditor’s report on the consolidated financial statements of the Group and the statement of financial position of the Company;
- the scope and the results of internal audit procedures with the internal auditor;
- interested person transactions as defined under Chapter 9 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual to ensure that they are on normal commercial terms and not prejudicial to the interest of the Company or its shareholders; and
- the independence and objectivity of the independent 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.

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

12 April 2023

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 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of property, plant and equipment</p> <p>(Refer to Note 3.1 and Note 18 to the financial statements)</p> <p>As at 31 December 2022, the Group has leasehold land and building classified under property, plant and equipment of S\$9.65 million, representing 63% of the Group’s total assets.</p> <p>Leasehold land and building are initially recognised at cost and are subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses.</p> <p>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.</p> <p>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.</p>	<p>Our response</p> <p>We performed the following key procedures, amongst others:</p> <ul style="list-style-type: none"> • 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 18 to the financial statements. <p>Our findings</p> <p>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.</p>

INDEPENDENT AUDITOR'S REPORT

To the members of Sitra Holdings (International) Limited

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.

INDEPENDENT AUDITOR'S REPORT

61

To the members of Sitra Holdings (International) Limited

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore

12 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	2022 S\$	2021 S\$
Revenue	4	21,872,920	26,621,182
Cost of sales		(20,132,867)	(24,036,740)
Gross profit		1,740,053	2,584,442
Other income	7	123,974	123,800
Other (losses)/gains - net	8	(1,269,533)	158,687
Expenses			
- Selling and marketing		(603,784)	(595,323)
- Administrative		(2,775,861)	(2,262,774)
- Finance	9	(38,818)	(46,321)
Loss before income tax		(2,823,969)	(37,489)
Income tax	10	(101,945)	(121,502)
Loss for the year		(2,925,914)	(158,991)
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation	25(b)	173,467	(143,061)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Revaluation gain on property, plant and equipment - net	25(b)	368,520	-
Other comprehensive income/(loss), net of tax		541,987	(143,061)
Total comprehensive loss for the year		(2,383,927)	(302,052)
Loss for the year attributable to:			
Equity holders of the Company		(3,050,411)	(245,633)
Non-controlling interests		124,497	86,642
		(2,925,914)	(158,991)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		(2,467,621)	(355,950)
Non-controlling interests		83,694	53,898
		(2,383,927)	(302,052)
Loss per share attributable to equity holders of the Company (cents per share)			
- Basic and diluted	11	(0.21)	(0.02)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

63

As at 31 December 2022

	Note	2022 S\$	2021 S\$
ASSETS			
Current assets			
Cash and bank balances	12	1,746,456	724,924
Financial assets at fair value through profit or loss	13	–	1,850,000
Trade and other receivables	14	774,266	2,316,261
Inventories	15	2,619,703	2,939,060
Other current assets	16	230,662	150,961
		<u>5,371,087</u>	<u>7,981,206</u>
Non-current assets			
Property, plant and equipment	18	9,851,207	11,020,373
Deferred tax assets	23	24,128	26,463
		<u>9,875,335</u>	<u>11,046,836</u>
Total assets		<u>15,246,422</u>	<u>19,028,042</u>
LIABILITIES			
Current liabilities			
Trade and other payables	20	1,974,600	2,843,575
Borrowings	21	73,831	442,144
		<u>2,048,431</u>	<u>3,285,719</u>
Non-current liabilities			
Other financial liability	22	1,677,446	–
Borrowings	21	18,806	382,823
Deferred tax liabilities	23	377,000	195,000
		<u>2,073,252</u>	<u>577,823</u>
Total liabilities		<u>4,121,683</u>	<u>3,863,542</u>
Net assets		<u>11,124,739</u>	<u>15,164,500</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	25,793,130	25,793,130
Other reserves	25	2,510,565	471,602
Accumulated losses		(17,868,351)	(14,817,940)
		<u>10,435,344</u>	<u>11,446,792</u>
Non-controlling interests	17	689,395	3,717,708
Total equity		<u>11,124,739</u>	<u>15,164,500</u>

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 S\$	2021 S\$
ASSETS			
Current assets			
Cash and bank balances	12	1,051,897	221,634
Trade and other receivables	14	2,675,649	3,609,883
Other current assets	16	1,410	1,410
		<u>3,728,956</u>	<u>3,832,927</u>
Non-current assets			
Investments in subsidiary corporations	17	5,216,036	3,560,202
Property, plant and equipment	18	25,986	30,673
		<u>5,242,022</u>	<u>3,590,875</u>
Total assets		<u>8,970,978</u>	<u>7,423,802</u>
LIABILITIES			
Current liabilities			
Trade and other payables	20	3,885,279	2,284,239
Non-current liability			
Other financial liability	22	1,677,446	–
Total liabilities		<u>5,562,725</u>	<u>2,284,239</u>
Net assets		<u>3,408,253</u>	<u>5,139,563</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	25,793,130	25,793,130
Other reserves	25	14,393	14,393
Accumulated losses		<u>(22,399,270)</u>	<u>(20,667,960)</u>
Total equity		<u>3,408,253</u>	<u>5,139,563</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

65

For the financial year ended 31 December 2022

← Attributable to equity holders of the Company →

Note	Share capital	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity	
	S\$	S\$	S\$	S\$	S\$	S\$	
Balance at 1 January 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	17	-	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	
Balance at 1 January 2021	22,992,180	581,919	(14,572,307)	9,001,792	3,663,810	12,665,602	
Loss for the year	-	-	(245,633)	(245,633)	86,642	(158,991)	
Other comprehensive loss	-	(110,317)	-	(110,317)	(32,744)	(143,061)	
Total comprehensive loss for the year	-	(110,317)	(245,633)	(355,950)	53,898	(302,052)	
Issuance of new shares	24	2,805,000	-	2,805,000	-	2,805,000	
Share issue expenses	24	(4,050)	-	(4,050)	-	(4,050)	
Balance at 31 December 2021	25,793,130	471,602	(14,817,940)	11,446,792	3,717,708	15,164,500	

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	2022 S\$	2021 S\$
Cash Flows from Operating Activities			
Loss for the year		(2,925,914)	(158,991)
Adjustments for:			
- Depreciation of property, plant and equipment	5	792,167	142,361
- Gain on disposal of property, plant and equipment		(2,768)	-
- Amortisation of notional interest		27,612	-
- Write-down of advances to suppliers		37,218	-
- Provision for slow-moving inventory		84,728	-
- Unrealised currency translation loss/(gains)		1,118,658	(145,237)
- Interest income	7	(133)	(153)
- Interest expense	9	11,206	46,321
- Income tax expense	10	101,945	121,502
		(755,281)	5,803
Change in working capital:			
- Trade and other receivables		1,504,777	(597,084)
- Inventories		234,629	(920,244)
- Other current assets		(79,701)	40,457
- Trade and other payables		(865,151)	352,323
Cash generated from/(used in) operations		39,273	(1,118,745)
Interest received		133	153
Interest paid		(7,311)	(6,563)
Income tax paid		(105,769)	(23,462)
Net cash used in operating activities		(73,674)	(1,148,617)
Cash Flows from Investing Activities			
Proceeds from disposal of financial assets at fair value through profit or loss		1,850,000	1,850,000
Additions of property, plant and equipment	18	(15,337)	(25,999)
Proceeds from disposal of property, plant and equipment		2,768	-
Net cash generated from investing activities		1,837,431	1,824,001
Cash Flows from Financing Activities			
Principal payment of lease liabilities		(73,002)	(73,398)
Repayment of term loan		(387,024)	(1,112,976)
Proceeds from director loan		-	803,460
Share issue expenses		-	(4,050)
Interest paid		(3,895)	(39,758)
Acquisition of non-controlling interests		(6,000)	-
Net cash used in financing activities		(469,921)	(426,722)
Net increase in cash and cash equivalents		1,293,836	248,662
Cash and cash equivalents at 1 January		452,620	203,958
Cash and cash equivalents at 31 December	12	1,746,456	452,620

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

CONSOLIDATED STATEMENT OF CASH FLOWS

67

For the financial year ended 31 December 2022

Reconciliation of liabilities arising from financing activities:

	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	-

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1 General Information

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

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

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 Significant Accounting Policies

2.1 Basis of Preparation

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

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

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

On 1 January 2022, 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.

2 Significant Accounting Policies (cont'd)

2.1 Basis of Preparation (cont'd)

SFRS(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 and SFRS(I) Practice Statement 2 <i>Presentation of Financial Statements and Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16 <i>Leases: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

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

2.2 Revenue Recognition

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

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

(a) Sale of goods

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant Accounting Policies (cont'd)

2.3 Government Grants

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

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

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

2.4 Group Accounting

(a) *Subsidiary corporations*

(i) Consolidation

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

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

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

(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.

2 Significant Accounting Policies (cont'd)

2.4 Group Accounting (cont'd)

(a) *Subsidiary corporations* (cont'd)

(ii) Acquisitions (cont'd)

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.

2.5 Property, Plant and Equipment

(a) *Measurement*

(i) Land and buildings

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

Leasehold land and buildings are revalued by independent professional valuers on a 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant Accounting Policies (cont'd)

2.5 Property, Plant and Equipment

(a) *Measurement*

(ii) Other property, plant and equipment

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

(iii) Components of costs

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

(b) *Depreciation*

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

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

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

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

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

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

2 Significant Accounting Policies (cont'd)

2.6 Borrowing Costs

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

2.7 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.

2.8 Impairment of Non-Financial Assets

Property, plant and equipment

Right-of-use assets

Investments in subsidiary corporations

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

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

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant Accounting Policies (cont'd)

2.9 Financial Assets (cont'd)

(a) Classification and measurement (cont'd)

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

(ii) At subsequent measurement

Debt instruments

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

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

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

Equity investments

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

2 Significant Accounting Policies (cont'd)

2.9 Financial Assets (cont'd)

(b) *Impairment*

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

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

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

(c) *Recognition and derecognition*

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

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

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

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

2.10 Offsetting of Financial Instruments

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

2.11 Financial Guarantee

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant Accounting Policies (cont'd)

2.12 Borrowings

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

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

2.13 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.

2.14 Leases

(a) *When the Group is the lessee:*

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

- Right-of-use assets

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

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

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

- Lease liabilities

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

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

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

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

2 Significant Accounting Policies (cont'd)

2.14 Leases (cont'd)

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

- Lease liabilities (cont'd)

Lease liability shall be remeasured when:

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

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

- Short term and low value leases

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

(b) *When the Group is the lessor:*

- Lessor - Operating leases

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

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

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

2.15 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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant Accounting Policies (cont'd)

2.16 Income Taxes (cont'd)

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.

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.

2.17 Provisions for Other Liabilities and Charges

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

2.18 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 Significant Accounting Policies (cont'd)

2.19 Currency Translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

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

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

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

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

(c) *Translation of Group entities' financial statements*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant Accounting Policies (cont'd)

2.20 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.

2.21 Cash and Cash Equivalents

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

2.22 Share Capital

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

2.23 Dividends to Company's Shareholders

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

3 Critical Accounting Estimates, Assumptions and Judgements

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

3.1 Critical accounting estimates and assumptions

Valuation of leasehold land and buildings

Leasehold land and buildings under property, plant and equipment are initially recognised at cost and are subsequently carried at the revalued amount less accumulated depreciation and impairment losses. The fair values are determined by a professional independent valuer using valuation techniques including the depreciated replacement cost method for building and direct comparison method for leasehold land. The key assumption and estimation inputs for depreciation replacement cost method are unit price of material and wages while inputs for direct comparison method are location, size area and date of transaction of comparable properties. The information about the valuation techniques and unobservable inputs used in determining the fair value of leasehold land and buildings is disclosed in Note 18(b) to the financial statements.

Useful lives of property, plant and equipment

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 18 to the financial statements.

3.2 Critical judgements in applying the Group's accounting policies

Determination of functional currency

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

NOTES TO THE FINANCIAL STATEMENTS

81

For the financial year ended 31 December 2022

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	
	2022	2021
	S\$	S\$
Sale of goods		
- Australia/New Zealand	6,384,906	10,063,045
- Europe	15,023,477	16,001,280
- Asia	264,037	298,649
	<u>21,672,420</u>	<u>26,362,974</u>
Rendering of services		
- Asia	200,500	258,208
	<u>21,872,920</u>	<u>26,621,182</u>

5 Expenses by Nature

	Group	
	2022	2021
	S\$	S\$
Bank charges	75,216	81,644
Changes in inventories	319,357	(920,244)
Commission expense	81,665	96,630
Depreciation of property, plant and equipment (Note 18)	792,167	142,361
Directors' fees	100,000	121,666
Employee compensation (Note 6)	1,459,885	1,582,353
Freight and other costs	3,429,689	3,332,335
Fees on audit services paid/payable to:		
- Auditor of the Company	83,000	83,000
- Under-provision in the previous year	4,000	3,435
- Other auditors	11,850	6,524
- Internal auditors	18,000	9,000
Insurance	63,628	48,684
Legal and professional fees	262,287	242,754
Purchases of inventories	16,267,868	21,511,572
Rental expense on operating leases	17,910	18,041
Water and electricity	71,385	67,635
Others	454,605	467,447
Total cost of sales, selling and marketing and administrative expenses	<u>23,512,512</u>	<u>26,894,837</u>

There are no non-audit fees paid/payable to the external auditors of the Company during the financial years ended 31 December 2022 and 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6 Employee Compensation

	Group	
	2022	2021
	S\$	S\$
Wages and salaries	1,360,018	1,467,748
Employer contribution to defined contribution plans including Central Provident Fund	79,778	98,152
Other short-term benefits	20,089	16,453
	1,459,885	1,582,353

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

7 Other Income

	Group	
	2022	2021
	S\$	S\$
Commission income	14,842	10,497
Interest income from bank deposits	133	153
Government grants ⁽¹⁾	7,077	110,972
Rental income	36,202	-
Gain on disposal of property, plant and equipment	2,768	-
Others	62,952	2,178
	123,974	123,800

⁽¹⁾ In 2021, government grants included the Jobs Support Scheme (the "JSS"). The JSS was a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

8 Other (Losses)/Gains - Net

	Group	
	2022	2021
	S\$	S\$
Foreign currency translation (loss)/gain - net	(1,232,315)	158,687
Write-down of advances to suppliers	(37,218)	-
	(1,269,533)	158,687

9 Finance Expenses

	Group	
	2022	2021
	S\$	S\$
Interest expense:		
- Bank overdrafts	7,311	6,563
- Term loan	1,297	35,971
- Lease liabilities (Note 19)	2,598	3,787
- Amortisation of notional interest	27,612	-
	38,818	46,321

NOTES TO THE FINANCIAL STATEMENTS

83

For the financial year ended 31 December 2022

10 Income Tax

	Group	
	2022	2021
	S\$	S\$
Tax expense attributable to loss is made up of:		
- Current income tax	101,945	121,502

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	
	2022	2021
	S\$	S\$
Loss before income tax	(2,823,969)	(37,489)
Tax calculated at a tax rate of 17% (2021: 17%)	(480,075)	(6,373)
Effects of:		
- Different tax rates in other countries	(13,607)	51,779
- Expenses not deductible for tax purposes	547,668	150,814
- Income not subject to tax	(31)	(12,056)
- Deferred tax assets not recognised	62,764	-
- Utilisation of previous unrecognised tax loss	(14,774)	(62,662)
	101,945	121,502

11 Loss Per Share

(a) Basic loss per share

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

(b) Diluted loss per share

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

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

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

	Group	
	2022	2021
Loss for the year attributable to equity holders of the Company (S\$)	(3,050,411)	(245,633)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	1,483,300	1,295,368
Basic and diluted loss per share (S\$ cents per share)	(0.21)	(0.02)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12 Cash and Bank Balances

	Group		Company	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Cash at banks	745,714	722,604	51,897	221,634
Cash on hand	742	2,320	–	–
Short-term bank deposit	1,000,000	–	1,000,000	–
	<u>1,746,456</u>	<u>724,924</u>	<u>1,051,897</u>	<u>221,634</u>

Short-term bank deposit is for a tenure of three months and earns interest at a rate of 2.50% per annum.

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

	Group	
	2022	2021
	S\$	S\$
Cash and bank balances (as above)	1,746,456	724,924
Less: Bank overdrafts (Note 21)	–	(272,304)
Cash and cash equivalents per consolidated statement of cash flows	<u>1,746,456</u>	<u>452,620</u>

13 Financial Assets at Fair Value Through Profit or Loss

	Group	
	2022	2021
	S\$	S\$
At the beginning of the financial year	1,850,000	3,700,000
Disposal	(1,850,000)	(1,850,000)
At the end of the financial year	<u>–</u>	<u>1,850,000</u>

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

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

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

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

During the current financial year ended 31 December 2022, the Group received the balance of S\$1,850,000 and transferred the remaining 5% equity interest in WFH to the promoter. Accordingly, the disposal of financial assets at fair value through profit or loss is fully satisfied and completed.

NOTES TO THE FINANCIAL STATEMENTS

85

For the financial year ended 31 December 2022

14 Trade and Other Receivables

	Group		Company	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Trade receivables - non-related parties	726,490	2,136,596	-	-
Less: Loss allowance (Note 26(b)(ii))	(99,173)	(108,769)	-	-
Trade receivables - net	627,317	2,027,827	-	-
Other receivables:				
- Advances to suppliers ⁽¹⁾	48,521	52,200	-	-
- Non-related parties	58	62	-	-
- GST receivables	98,370	236,172	5,414	4,274
- Subsidiary corporations	-	-	12,235,235	13,170,609
Less: Loss allowance (Note 26(b)(ii))	-	-	(9,565,000)	(9,565,000)
	-	-	2,670,235	3,605,609
Other receivables - net	146,949	288,434	2,675,649	3,609,883
	774,266	2,316,261	2,675,649	3,609,883

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

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

15 Inventories

	Group	
	2022	2021
	S\$	S\$
Work-in-progress	56,855	65,342
Finished goods	2,605,147	2,873,718
Goods in transit	42,429	-
	2,704,431	2,939,060
Less: Provision for slow-moving inventory	(84,728)	-
	2,619,703	2,939,060

The cost of inventories recognised as an expense and included in "Cost of sales" amounted to S\$16,587,225 (2021: S\$20,591,328). The cost of inventories recognised as an expense includes S\$84,728 (2021: Nil) in respect of a provision for slow-moving inventory.

16 Other Current Assets

	Group		Company	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Deposits	163,180	133,233	1,410	1,410
Prepayments	67,482	17,728	-	-
	230,662	150,961	1,410	1,410

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17 Investments in Subsidiary Corporations

	Company	
	2022 S\$	2021 S\$
<u>Equity investments, at cost</u>		
At the beginning of the financial year	3,922,476	3,922,476
Additions	1,655,834	–
At the end of the financial year	5,578,310	3,922,476
<u>Less: Allowance for impairment</u>		
At the beginning and end of the financial year	(362,274)	(362,274)
	<u>5,216,036</u>	<u>3,560,202</u>

- 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 22).

The Group has the following subsidiary corporations as at 31 December 2022 and 2021.

Name of companies	Principal activities	Country of business/corporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares directly held by the Group		Proportion of shareholding held by non-controlling interests	
			2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
<i>Held by the Company</i>								
Sitra Global Pte. Ltd. ^(a)	Importer, exporter of wood-based and other related products	Singapore	100	100	100	100	–	–
Sitra Agencies Pte. Ltd. ^(a)	Importer, exporter of wood-based and other related products	Singapore	100	100	100	100	–	–
Berakit Development Pte. Ltd. ^(a)	Property development	Singapore	100	100	100	100	–	–
Mapur Rocky Resort Limited ^(c)	Investment holding	British Virgin Islands	100	54	100	54	–	46
<i>Held by Sitra Global Pte. Ltd.</i>								
PT Jaya Raya Trasindo ^(c)	Manufacturing, supplying and distribution of wood-based and other related products	Indonesia	–	–	100	100	–	–
Societe 3A ^(b)	Importing, exporting, trading and brokering of all origins and all kinds of wood	France	–	–	51	51	49	49
<i>Held by Mapur Rocky Resort Limited</i>								
PT East Bintan Resort ^(c)	Property development	Indonesia	–	–	100	54	–	46

(a) Audited by Moore Stephens LLP, Singapore

(b) Audited by Talenz Groupe-Fidorg, France (2021: Malandain & Associés, France)

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

NOTES TO THE FINANCIAL STATEMENTS

87

For the financial year ended 31 December 2022

17 Investments in Subsidiary Corporations (cont'd)

Carrying value of non-controlling interests

	Group	
	2022	2021
	S\$	S\$
Societe 3A	689,395	621,641
PT East Bintan Resort	–	3,150,478
Mapur Rocky Resort Limited	–	(54,411)
	<u>689,395</u>	<u>3,717,708</u>

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

Summarised statement of financial position as at 31 December

	Societe 3A		PT East Bintan Resort	Mapur Rocky Resort Limited
	2022	2021	2021	2021
	S\$	S\$	S\$	S\$
Current:				
- Assets	2,608,374	2,549,845	18,258	91,455
- Liabilities	(1,211,886)	(1,366,845)	(184,744)	(209,611)
Total current net assets/(liabilities)	<u>1,396,488</u>	<u>1,183,000</u>	<u>(166,486)</u>	<u>(118,156)</u>
Non-current:				
- Assets	10,441	16,138	7,007,914	-*
Net assets	<u>1,406,929</u>	<u>1,199,138</u>	<u>6,841,428</u>	<u>(118,156)</u>

* Excluded cost of investment in PT East Bintan Resort

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

	Societe 3A		PT East Bintan Resort	Mapur Rocky Resort Limited
	2022	2021	2021	2021
	S\$	S\$	S\$	S\$
Revenue	6,923,119	6,553,824	–	–
Profit/(loss) before income tax	390,188	466,949	(66,910)	(112,518)
Income tax	(101,945)	(121,502)	–	–
Profit/(loss) for the year	<u>288,243</u>	<u>345,447</u>	<u>(66,910)</u>	<u>(112,518)</u>
Other comprehensive (loss)/gain	(80,452)	(67,708)	940	–
Total comprehensive income/(loss) for the year	<u>207,791</u>	<u>277,739</u>	<u>(65,970)</u>	<u>(112,518)</u>
Total comprehensive income/(loss) for the year allocated to non-controlling interests	<u>101,818</u>	<u>136,092</u>	<u>(30,379)</u>	<u>(51,815)</u>
Dividends paid to non-controlling interests	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17 Investments in Subsidiary Corporations (cont'd)

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

	Societe 3A		PT East Bintan Resort	Mapur Rocky Resort Limited
	2022 S\$	2021 S\$	2021 S\$	2021 S\$
Net cash generated from/ (used in) operating activities	328,098	(258,144)	(66,279)	(2,501)
Net cash used in investing activity	(1,222)	(12,014)	-	-
Net cash generated from financing activities	-	-	67,069	2,501
Net increase/(decrease) in cash and cash equivalents	326,876	(270,158)	790	-
Cash and cash equivalents, net of bank overdrafts, at 1 January	(267,016)	3,142	3,703	-
Effects of currency translation	-	-	(1,291)	-
Cash and cash equivalents, net of bank overdrafts, at 31 December	59,860	(267,016)	3,202	-

Acquisition of non-controlling interests

During the 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 is 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 22)	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

89

For the financial year ended 31 December 2022

18 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\$
<u>At cost or valuation</u>							
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	11,930,173
<u>Accumulated depreciation and impairment losses</u>							
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
<u>Net book value</u>							
At 31 December 2022	9,741,031	10,172	71,816	-	-	28,188	9,851,207

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18 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\$
<u>At cost or valuation</u>							
At 1 January 2021	11,030,682	195,940	648,721	103,816	670,960	175,960	12,826,079
Currency translation differences	8,586	(863)	3,760	639	1,768	(2,596)	11,294
Additions	146,942	2,634	1,030	-	-	22,335	172,941
Write off	-	(22,705)	-	-	-	(88,525)	(111,230)
At 31 December 2021	11,186,210	175,006	653,511	104,455	672,728	107,174	12,899,084
Representing:							
- Cost	370,762	175,006	653,511	104,455	672,728	107,174	2,083,636
- Valuation	10,815,448	-	-	-	-	-	10,815,448
	11,186,210	175,006	653,511	104,455	672,728	107,174	12,899,084
<u>Accumulated depreciation and impairment losses</u>							
At 1 January 2021	221,566	183,650	504,636	103,691	665,020	164,002	1,842,565
Currency translation differences	1,910	(865)	3,328	639	1,768	(1,765)	5,015
Depreciation charge (Note 5)	91,390	3,410	33,795	123	5,940	7,703	142,361
Write off	-	(22,705)	-	-	-	(88,525)	(111,230)
At 31 December 2021	314,866	163,490	541,759	104,453	672,728	81,415	1,878,711
<u>Net book value</u>							
At 31 December 2021	10,871,344	11,516	111,752	2	-	25,759	11,020,373

NOTES TO THE FINANCIAL STATEMENTS

91

For the financial year ended 31 December 2022

18 Property, Plant and Equipment (cont'd)

Company	Furniture, fixtures and office equipment	Plant and equipment	Motor vehicles	Computers	Total
	S\$	S\$	S\$	S\$	S\$
<u>At cost</u>					
At 1 January 2022	95,726	37,800	383,618	54,327	571,471
Additions	–	–	–	2,950	2,950
At 1 December 2022	95,726	37,800	383,618	57,277	574,421
<u>Accumulated depreciation</u>					
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 1 December 2022	88,130	23,856	383,618	52,831	548,435
<u>Net book value</u>					
At 31 December 2022	7,596	13,944	–	4,446	25,986
<u>At cost</u>					
At 1 January 2021	118,431	37,800	383,618	133,656	673,505
Additions	–	–	–	5,962	5,962
Write off	(22,705)	–	–	(85,291)	(107,996)
At 1 December 2021	95,726	37,800	383,618	54,327	571,471
<u>Accumulated depreciation</u>					
At 1 January 2021	106,141	16,296	377,678	133,656	633,771
Depreciation charge	3,316	3,780	5,940	1,987	15,023
Write off	(22,705)	–	–	(85,291)	(107,996)
At 1 December 2021	86,752	20,076	383,618	50,352	540,798
<u>Net book value</u>					
At 31 December 2021	8,974	17,724	–	3,975	30,673

- (a) Right-of-use asset acquired under the leasing arrangement is presented together with the owned assets of the same class. Details of such leased asset are disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18 Property, Plant and Equipment (cont'd)

- (b) The leasehold properties of the Group were valued by a professional independent valuer based on the properties' highest-and-best-use using the direct market comparison method and depreciated replacement cost method in financial years ended 31 December 2022 and 2021. These are regarded as level 2 and level 3 fair values.

Fair value hierarchy

Group Description	Fair value measurements at 31 December using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	S\$	S\$	S\$
2022			
Recurring fair value measurements			
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
2021			
Recurring fair value measurements			
Leasehold land and buildings:			
- Land and buildings in Indonesia	-	2,070,783	1,683,245
- Vacant land in Indonesia	-	7,061,420	-
	-	9,132,203	1,683,245

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\$106 (2021: S\$121). A significant increase (decrease) in material cost per square metre would result in a significantly higher (lower) fair value measurement.

Valuation processes of the Group

The Group 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 triennial basis and whenever their carrying amounts are likely to differ from their revalued amounts due to any objective evidence or indication, these assets may be impaired. The fair values of the properties have been determined by KJPP Rinaldi Alberth Baroto & Partners as at 31 December 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

93

For the financial year ended 31 December 2022

18 Property, Plant and Equipment (cont'd)

- (c) If the leasehold land and buildings stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be S\$7,519,297 (2021: S\$7,637,837).
- (d) As at 31 December 2022 and 2021, 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	
			2022	2021
Jalan H. Abdul Salam Teluk Merbau, Berakit, Teluk Sebong, Bintan, Indonesia.	Commercial	123,534	100%	54%

The Group has not commenced the construction of the development project and the leasehold land above remains vacant as at 31 December 2022 and 2021.

19 Leases - The Group as a Lessee

Nature of the Group's leasing activities

Leasehold building

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

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

	Group	
	2022	2021
	S\$	S\$
Leasehold building	92,637	164,159

- (b) Depreciation charge during the financial year

	Group	
	2022	2021
	S\$	S\$
Leasehold building	71,522	68,867

- (c) Interest expense

	Group	
	2022	2021
	S\$	S\$
Interest expense on lease liabilities (Note 9)	2,598	3,787

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

(d) Lease expenses not capitalised in lease liabilities

	Group	
	2022	2021
	S\$	S\$
Lease expenses - short-term leases	17,910	18,041

(e) Total cash outflow for all leases in 2022 was S\$93,510 (2021: S\$95,226).

(f) There were no additions to right-of-use asset during the financial year ended 31 December 2022 (2021: addition of S\$146,942).

20 Trade and Other Payables

	Group		Company	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Trade payables:				
- Non-related parties	974,356	1,686,428	-	-
Other payables:				
- Subsidiary corporations	-	-	3,760,630	2,154,555
- Non-related parties	233,474	694,173	30,491	18,502
	233,474	694,173	3,791,121	2,173,057
Accruals for operating expenses	361,906	386,865	87,462	104,486
Advances received from customers	392,797	64,752	-	-
Deposit received	12,067	11,357	6,696	6,696
	1,974,600	2,843,575	3,885,279	2,284,239

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

21 Borrowings

	Group	
	2022	2021
	S\$	S\$
Current:		
- Bank overdrafts (Note 12)	-	272,304
- Lease liabilities	73,831	60,374
- Term loan	-	109,466
	73,831	442,144
Non-current:		
- Lease liabilities	18,806	105,265
- Term loan	-	277,558
	18,806	382,823
Total borrowings	92,637	824,967

NOTES TO THE FINANCIAL STATEMENTS

95

For the financial year ended 31 December 2022

21 Borrowings (cont'd)

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

	Group	
	2022	2021
	S\$	S\$
6 months or less	–	272,304

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

Security granted

The term loan was secured by a corporate guarantee issued by the Company. The Group has been fully repaid the term loan during the financial year. Upon the repayment of the term loan, the Company has been released as a corporate guarantor in respect of the term loan.

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

22 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	
	2022	2021
	S\$	S\$
Gross amount	2,600,000	–
Less: Notional interest	(950,166)	–
Present value	1,649,834	–
Add: Amortisation of notional interest	27,612	–
Carrying amount	1,677,446	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

23 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	
	2022	2021
	S\$	S\$
Deferred tax assets (to be recovered after one year)		
- Unutilised tax losses	(24,128)	(26,463)
Deferred tax liabilities (to be settled after one year)		
- Asset revaluation	377,000	195,000
	<u>352,872</u>	<u>168,537</u>

Movement in deferred tax account is as follows:

	Group	
	2022	2021
	S\$	S\$
At the beginning of the financial year	168,537	164,434
Currency translation differences	2,335	4,103
Tax charged to other comprehensive income:		
- Revaluation gain on property, plant and equipment - net	182,000	-
At the end of the financial year	<u>352,872</u>	<u>168,537</u>

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\$9,165,000 (2021: S\$8,882,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The unrecognised tax losses have no expiry date.

24 Share Capital

Group and Company	No. of ordinary shares	Amount S\$
<u>2022</u>		
At 1 January and 31 December	1,483,300,000	25,793,130
<u>2021</u>		
At 1 January	1,228,300,000	22,992,180
Shares issued	255,000,000	2,805,000
Share issue expense	-	(4,050)
At 31 December	<u>1,483,300,000</u>	<u>25,793,130</u>

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

NOTES TO THE FINANCIAL STATEMENTS

97

For the financial year ended 31 December 2022

24 Share Capital (cont'd)

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

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

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

25 Other Reserves

(a) Composition:

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Capital reserve	14,393	14,393	14,393	14,393
Currency translation reserve	762,254	547,984	-	-
General reserve	423,530	(1,032,643)	-	-
Asset revaluation reserve	1,310,388	941,868	-	-
	2,510,565	471,602	14,393	14,393

(b) Movements:

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
<u>Capital reserve</u>				
At the beginning and end of the financial year	14,393	14,393	14,393	14,393
<u>Currency translation reserve</u>				
At the beginning of the financial year	547,984	658,301	-	-
Net currency translation differences of financial statements of:				
- Foreign subsidiary corporations	173,467	(143,061)	-	-
- Attributable to non-controlling interests	40,803	32,744	-	-
	214,270	(110,317)	-	-
At the end of the financial year	762,254	547,984	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 Other Reserves (cont'd)

(b) Movements: (cont'd)

	Group		Company	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$
<u>General reserve</u>				
At the beginning of the financial year	(1,032,643)	(1,032,643)	-	-
Acquisition of non-controlling interests (Note 17)	1,456,173	-	-	-
At the end of the financial year	<u>423,530</u>	<u>(1,032,643)</u>	-	-
<u>Asset revaluation reserve</u>				
At the beginning of the financial year	941,868	941,868	-	-
Revaluation gain - net (Note 18)	550,520	-	-	-
Tax on revaluation gain	(182,000)	-	-	-
	368,520	-	-	-
At the end of the financial year	<u>1,310,388</u>	<u>941,868</u>	-	-

Other reserves are non-distributable.

26 Financial Risk Management

Financial risk factors

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

(a) Market risk

(i) Currency risk

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

NOTES TO THE FINANCIAL STATEMENTS

99

For the financial year ended 31 December 2022

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

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

	31 December 2022					Total S\$
	SGD S\$	USD S\$	EUR S\$	IDR S\$	Others S\$	
<u>Financial assets</u>						
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
<u>Financial liabilities</u>						
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

	31 December 2021					Total S\$
	SGD S\$	USD S\$	EUR S\$	IDR S\$	Others S\$	
Financial assets						
Cash and bank balances	612,668	88,928	928	6,186	16,214	724,924
Financial assets at fair value through profit or loss	1,850,000	-	-	-	-	1,850,000
Trade and other receivables	129	1,313,983	28,922	7,196	677,659	2,027,889
Other current assets	15,220	-	118,013	-	-	133,233
Intra-group receivables	3,662,190	1,857,467	-	12,691,998	-	18,211,655
	6,140,207	3,260,378	147,863	12,705,380	693,873	22,947,701
Financial liabilities						
Trade and other payables	(210,160)	(1,375,232)	(854,216)	(310,800)	(28,415)	(2,778,823)
Borrowings	(552,663)	-	(272,304)	-	-	(824,967)
Intra-group payables	(3,664,032)	(1,858,510)	-	(12,691,998)	-	(18,214,540)
	(4,426,855)	(3,233,742)	(1,126,520)	(13,002,798)	(28,415)	(21,818,330)
Net financial assets/ (liabilities)	1,713,352	26,636	(978,657)	(297,418)	665,458	1,129,371
Less: financial (assets)/ liabilities denominated in the respective entities' functional currencies	(1,891,413)	-	979,585	12,995,108	-	12,083,280
Currency exposure of financial (liabilities)/ assets net of those denominated in the respective entities' functional currencies	(178,061)	26,636	928	12,697,690	665,458	13,212,651

NOTES TO THE FINANCIAL STATEMENTS

101

For the financial year ended 31 December 2022

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

	31 December 2022			Total S\$
	SGD S\$	USD S\$	IDR S\$	
<u>Financial assets</u>				
Cash and bank balances	1,049,792	1,957	148	1,051,897
Trade and 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
<u>Financial liabilities</u>				
Trade and 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

	31 December 2021			Total
	SGD	USD	IDR	
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
Cash and bank balances	219,243	2,128	263	221,634
Trade and other receivables	474,556	4,055	12,691,998	13,170,609
Other current assets	1,410	–	–	1,410
	695,209	6,183	12,692,261	13,393,653
<u>Financial liabilities</u>				
Trade and other payables	(2,277,341)	(6,898)	–	(2,284,239)
Net financial (liabilities)/assets	(1,582,132)	(715)	12,692,261	11,109,414
Less: financial liabilities denominated in the Company's functional currency	1,582,132	–	–	1,582,132
Currency exposure of financial (liabilities)/assets net of those denominated in the Company's functional currency	–	(715)	12,692,261	12,691,546

26 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 10% (2021: 1%) with all other variables including tax rate being held constant, the effects arising from the net financial (liabilities)/assets position will be as follows:

	31 December 2022		31 December 2021	
	← Increase / (decrease) →			
	Net Loss	Equity	Net Loss	Equity
	S\$	S\$	S\$	S\$
Group				
IDR against SGD				
- Strengthened	(960,509)	960,509	(105,391)	105,391
- Weakened	960,509	(960,509)	105,391	(105,391)
<hr style="border: 1px solid black;"/>				
Company				
IDR against SGD				
- Strengthened	(960,161)	960,161	(105,346)	105,346
- Weakened	960,161	(960,161)	105,346	(105,346)
<hr style="border: 1px solid black;"/>				

(ii) Price risk

As at 31 December 2022, the Group has no exposure to equity securities price risk.

(iii) Cash flow and fair value interest rate risks

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

As at 31 December 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk

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

	Company	
	2022	2021
	S\$	S\$
Corporate guarantee provided to a bank on subsidiary corporation's borrowing	–	387,024

The trade receivables of the Group comprise 6 debtors (2021: 7 debtors) that individually represented more than 5% of trade receivables.

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

	Group	
	2022	2021
	S\$	S\$
<u>By geographical areas</u>		
Australia/New Zealand	21,097	1,225,183
Europe	594,005	795,319
Asia/Others	12,273	7,387
	<u>627,375</u>	<u>2,027,889</u>
<u>By types of customers</u>		
Non-related parties:		
- Corporate	627,375	2,027,889

	Company	
	2022	2021
	S\$	S\$
<u>By geographical areas</u>		
Asia/Others	2,670,235	3,605,609
<u>By types of customers</u>		
Subsidiary corporations	<u>2,670,235</u>	<u>3,605,609</u>

(i) Credit rating

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

The 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.

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

(i) Credit rating (cont'd)

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

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

(ii) Impairment of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

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

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.

Trade receivables

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2022 and 2021 is set out in the provision matrix as follows:

Group	← Past due →					Total
	Current	Within 30 days	30 to 60 days	60 to 90 days	More than 90 days	
	S\$	S\$	S\$	S\$	S\$	S\$
2022						
<u>Sale of goods</u>						
Expected loss rate	0%	0%	0%	0%	0%	
Trade receivables	589,564	21,097	–	–	4,469	615,130
Loss allowance	–	–	–	–	–	–
<u>Rendering of services</u>						
Expected loss rate	0%	0%	0%	0%	99%	
Trade receivables	11,155	899	–	–	99,306	111,360
Loss allowance	–	–	–	–	(99,173)	(99,173)
2021						
<u>Sale of goods</u>						
Expected loss rate	0%	0%	0%	0%	0%	
Trade receivables	1,653,304	28,238	336,315	–	9,970	2,027,827
Loss allowance	–	–	–	–	–	–
<u>Rendering of services</u>						
Expected loss rate	0%	0%	0%	0%	100%	
Trade receivables	–	–	–	–	108,769	108,769
Loss allowance	–	–	–	–	(108,769)	(108,769)

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(b) Credit risk (cont'd)

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

Trade receivables (cont'd)

The Company has no credit risk exposure in the relation to trade receivable as at 31 December 2022 and 2021.

The movements in loss allowance are as follows:

	Group	
	2022	2021
	S\$	S\$
At the beginning of the financial year	108,769	108,105
Currency translation differences	9,596	664
At the end of the financial year (Note 14)	99,173	108,769

Other receivables

As at 31 December 2022 and 2021, there are no credit risk exposures in relation to the Group's other receivables. Management has assessed the application of the expected credit loss model and no addition loss allowances are recognised for these financial assets.

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

The Company has other receivables due from its subsidiary corporations of S\$12,235,235 (2021: S\$13,170,609) for the purpose of capital funding. The Company has made loss allowances amounting to S\$9,565,000 (2021: S\$9,565,000) as the amount has no indication of full recovery.

The movement in loss allowance is as follows:

	Company	
	2022	2021
	S\$	S\$
At the beginning and end of the financial year (Note 14)	9,565,000	9,565,000

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(c) Liquidity risk

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

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

	Group				
	Less than 1 year	Between 1 and 5 years	After 5 years	Total	Carrying amount
	S\$	S\$	S\$	S\$	S\$
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
2021					
Trade and other payables	2,778,823	–	–	2,778,823	2,778,823
Borrowings (excluding lease liabilities)	391,629	278,487	–	670,116	659,328
Lease liabilities	63,000	107,100	–	170,100	165,639
	3,233,452	385,587	–	3,619,039	3,603,790
	Company				
	Less than 1 year	Between 1 and 5 years	After 5 years	Total	Carrying amount
	S\$	S\$	S\$	S\$	S\$
2022					
Trade and 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
2021					
Trade and other payables	2,284,239	–	–	2,284,239	2,284,239
Financial guarantee contracts	387,024	–	–	387,024	387,024
	2,671,263	–	–	2,671,263	2,671,263

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(d) Capital management

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

Management monitors capital based on a gearing ratio. As at 31 December 2022, the Group's and the Company's gearing ratio was 15% and 57% (2021: 16% and 29%) 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	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Net debt	1,998,227	2,943,618	4,510,828	2,062,605
Total equity	11,124,739	15,164,500	3,408,253	5,139,563
Total capital	13,122,966	18,108,118	7,919,081	7,202,168
Gearing ratio	15%	16%	57%	29%

The Group and the Company are not exposed to any externally imposed capital requirements for the financial years ended 31 December 2022 and 2021.

(e) Fair value measurements

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

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

Fair value measurement disclosure of assets that are recognised or measured at fair value, can be found at Note 18.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26 Financial Risk Management (cont'd)

Financial risk factors (cont'd)

(e) Fair value measurements (cont'd)

	<u>Group</u> <u>Level 2</u> <u>S\$</u>
<u>Financial assets at fair value through profit or loss</u>	
- 2022	-
- 2021	<u>1,850,000</u>

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

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

(f) Financial instruments by category

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

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Financial assets at fair value through profit or loss	-	1,850,000	-	-
Financial assets, at amortised costs	2,537,011	2,886,046	3,723,542	3,828,653
Financial liabilities, at amortised cost	<u>3,351,886</u>	<u>3,603,790</u>	<u>5,562,725</u>	<u>2,284,239</u>

27 Related Party Transactions

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

(a) Transactions with related parties

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	<u>S\$</u>	<u>S\$</u>
Acquisition of non-controlling interests of subsidiaries from a related party	<u>2,606,000</u>	-

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

NOTES TO THE FINANCIAL STATEMENTS

111

For the financial year ended 31 December 2022

27 Related Party Transactions (cont'd)

- (b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2022	2021
	S\$	S\$
Directors' fees	100,000	121,666
Salaries	629,292	791,892
Employer's contribution to defined contribution plans, including Central Provident Fund	44,735	62,098
Other short-term benefits	20,089	10,307
	<u>794,116</u>	<u>985,963</u>

Included in the above is total compensation to directors of the Company amounting to S\$327,581 (2021: S\$367,683).

28 Segment Information

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

- (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, assets, and liabilities 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28 Segment Information (cont'd)

(a) Revenue from major products

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

Group	2022 Revenue		2021 Revenue	
	S\$	%	S\$	%
Wood-based products	21,511,350	98.35	26,118,406	98.11
Outdoor lifestyle furniture	142,956	0.65	270,618	1.02
Others	218,614	1.00	232,158	0.87
Total	21,872,920	100.00	26,621,182	100.00

Revenues of S\$2,785,681 (2021: Nil) are derived from a single external customer. These revenues are attributable to the sale of wood-based products in Australia/New Zealand.

(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	2022 Revenue		2021 Revenue	
	S\$	%	S\$	%
Europe	15,023,477	68.69	16,001,280	60.11
Australia/New Zealand	6,384,906	29.19	10,063,045	37.80
Asia/Others	464,537	2.12	556,857	2.09
Total	21,872,920	100.00	26,621,182	100.00

Group	2022 Non-current assets		2021 Non-current assets	
	S\$	%	S\$	%
Europe	10,442	0.11	16,138	0.15
Asia/Others	9,864,893	99.89	11,030,698	99.85
Total	9,875,335	100.00	11,046,836	100.00

As at 16 March 2023

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 16 March 2023.

*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 16 MARCH 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.97	90	0.00
100 - 1,000	26	5.04	16,900	0.00
1,001 - 10,000	59	11.43	422,600	0.03
10,001 - 1,000,000	383	74.23	75,123,501	5.06
1,000,001 and above	43	8.33	1,407,736,909	94.91
Total	516	100.00	1,483,300,000	100.00

TWENTY LARGEST SHAREHOLDERS

As at 16 March 2023

	SHAREHOLDER'S NAME	NO OF SHARES	%
1	CHEW HUA SENG	654,033,520	44.09
2	CITIBANK NOMINEES SINGAPORE PTE LTD	440,600,000	29.70
3	CHEW AH BA	120,949,081	8.15
4	TAN TERESA	46,029,318	3.10
5	CHEW CHIEW SIANG STEVEN	24,393,900	1.64
6	PHILLIP SECURITIES PTE LTD	12,632,680	0.85
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	TAN LYE SENG	4,882,900	0.33
13	NG BOON HUAN DANIELS	4,120,000	0.28
14	EW WEI MIN (YU WEIMING)	3,816,000	0.26
15	KARUPPIAH PALANIAPPAN	3,300,000	0.22
16	SATPAL KAUR	3,300,000	0.22
17	PRIMALANI CHANDRU GULABRAI	3,168,000	0.21
18	KWA LECK TIEW	3,121,000	0.21
19	ASHNAV PTE LTD	2,689,000	0.18
20	RAFFLES NOMINEES (PTE) LIMITED	2,406,700	0.16
	Total	1,369,484,209	92.29

STATISTICS OF SHAREHOLDINGS

As at 16 March 2023

SUBSTANTIAL SHAREHOLDERS

As at 16 March 2023 as shown in the Company's Register of Substantial Shareholders

Name of Substantial Shareholder	Direct / Beneficial Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Chew Ah Ba, George	120,949,081	8.15	46,029,318 ⁽¹⁾	3.10	206,978,399	16.85
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 16 March 2023, approximately 13.34% 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 IN 2023

115

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders (“**Shareholders**”) of Sitra Holdings (International) Limited (the “**Company**”) will be held by way of electronic means on Friday, 28 April 2023 at 10.30 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 2022, the Directors’ Statement and the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr Chew Hua Seng who retires by rotation in accordance with Article 91 of the Company’s Constitution and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 2)**

[See Explanatory Note (a)]
3. To note the retirement of Mr Guo Shaozeng as a Director of the Company who retires in accordance with Article 91 of the Company’s Constitution and will not be seeking re-election at this Annual General Meeting.
4. To approve the payment of Directors’ fees of S\$100,000 for the financial year ending 31 December 2023, payable quarterly in arrears (2022: S\$100,000). **(Resolution 3)**

[See Explanatory Note (b)]
5. To re-appoint Moore Stephens LLP as external auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**
6. 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:-

7. 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 Catalyst, 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,

NOTICE OF ANNUAL GENERAL MEETING IN 2023

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 5)**

8. 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 6)**

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

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

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

provided that the aggregate number of Shares for which an award may be granted under the Plan on any date, when added to the number of Shares issued and/or issuable or transferred and/or transferable in respect of all awards granted under the Plan, all options granted under the Scheme and all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that date.” **(Resolution 7)**

By Order of the Board

Joanna Lim Lan Sim
Company Secretary

Singapore, 13 April 2023

Explanatory Notes

- (a) In relation to Resolution 2 proposed under item 2 above, the detailed information on Mr. Chew Hua Seng is 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 2022 Annual Report.

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

- (b) In relation to Resolution 3 proposed in item 4 above, the Board of Directors proposes the payment of directors’ fees to all Independent Non-Executive Directors be approved by shareholders in advance at the Annual General Meeting. Upon approval, the directors’ fees would then be paid in arrears on a quarterly basis by the Company.

Statement Pursuant to Article 54 of the Company’s Constitution

Ordinary Resolution 5

Ordinary Resolution 5 proposed in item 7 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 100% of the issued shares in the capital of the Company excluding treasury shares and subsidiary holdings, of which up to 50% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution 9 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution 5 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Ordinary Resolution 6

Ordinary Resolution 6 proposed in item 8 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.

NOTICE OF ANNUAL GENERAL MEETING IN 2023

Ordinary Resolution 7

Ordinary Resolution 7 proposed in item 9 above, if passed, will authorise the Directors of the Company to grant awards and to allot and issue from time to time such number of fully paid-up Shares pursuant to the Plan, provided that the aggregate number of Shares over which an award may be granted under the Plan on any date, when added to the number of Shares issued and/or issuable or transferred and/or transferable in respect of all awards granted under the Plan, all options granted under the Scheme and all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the date preceding that date.

Notes:

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

PERSONAL DATA PRIVACY

By submitting an instrument appointing 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.

NOTICE OF ANNUAL GENERAL MEETING IN 2023

119

ADDITIONAL INFORMATION ON THE ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY 28 APRIL 2023 (“AGM”) AT 10.30 A.M. BY ELECTRONIC MEANS

- 1) **Background.** Sitra Holdings (International) Limited (“**Sitra**” or the “**Company**”) refers to:
 - a. the COVID-19 (Temporary Measures) Act 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to convene, hold or conduct general meetings;
 - b. the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”) which sets out the alternative arrangements in respect of, inter alia, general meetings of companies; and
 - c. the joint statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation of 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020, 1 October 2020 and 4 February 2022), read together with the FAQs on “The Holding of General Meetings” dated 23 May 2022 issued by Singapore Exchange Regulation, which provides guidance on the conduct of general meetings amid the evolving COVID-19 situation.

2) **No Despatch of Printed Copies of Notice of AGM and Proxy Form**

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

3) **No Physical Attendance at AGM**

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

4) **Alternative Arrangements**

To keep physical interactions and COVID-19 transmission risk to a minimum, alternative arrangements have been put in place to allow Shareholders to participate at the AGM by:

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

5) **Pre-Registration to Observe and/or Listen to the AGM Proceedings**

Shareholders must pre-register themselves, or, where applicable, their appointed proxy(ies) (other than the Chairman of the AGM), at the pre-registration website at URL: <https://globalmeeting.bigbangdesign.co/sitra2023> from now till Wednesday, 26 April 2023 at 10.30 a.m. (“**Registration Deadline**”) to enable the Company to verify their status as Shareholders.

Following the verification, authenticated Shareholders will receive an email by 5.00 p.m. on 27 April 2023. The email will contain login credentials and instructions to access the live audio-visual webcast or audio-only of the AGM proceedings. Shareholders who do not receive an email by 5.00 p.m. on 27 April 2023, but have registered by 10.30 a.m. on 26 April 2023, should contact our webcast service provider at webcast@bigbangdesign.co for assistance.

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

NOTICE OF ANNUAL GENERAL MEETING IN 2023

6) Submitting Questions in Advance of, or Live at, the AGM

(i) Submission of questions in advance of the AGM

Shareholders may submit substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM. Such questions must be received by the Company no later than **10.30 a.m. on 21 April 2023**, and can be submitted in either of the following manner:

- Via the pre-registration website at <https://globalmeeting.bigbangdesign.co/sitra2023>.
- Via email to sg.is.proxy@sg.tricorglobal.com;
- By post to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898.

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

For verification purpose, when submitting any questions via email or by post, Shareholders MUST provide the Company with following details:

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

(ii) Submission of questions live at the AGM

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

The Company will endeavour to address the substantial queries from members prior to the AGM by publishing its responses to such questions on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> by 24 April 2023, or at the AGM and upload the Company's responses on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. The minutes of the AGM, which including responses to substantial queries from the Members which are addressed during the AGM (if any), shall thereafter be published on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> within one (1) month from the conclusion of the AGM.

7) Vote Live, or Appoint Proxy(ies) to Vote, at the AGM

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

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

Vote Live at the AGM

Shareholders, who wish to vote live via electronic means at the AGM must first pre-register themselves at the pre-registration website at <https://globalmeeting.bigbangdesign.co/sitra2023>. “Live” voting will be conducted during the AGM. It is important for Shareholders and proxies to have their own web-browser enabled devices ready for voting during the AGM. Examples of web-browser enabled devices include mobile smartphones, laptops, tablets or desktop computers with internet capabilities.

Shareholders, or where applicable, their appointed proxy(ies) must access the AGM proceedings via the “live” webcast in order to vote live at the AGM and will not be able to do so via the “live” audio feed of the AGM proceedings.

Appointment of Proxy(ies)

- (i) Shareholders who wish to appoint proxies (other than the Chairman of the AGM) to attend the AGM and vote “live” at the AGM on their behalf must do both of the following:
 - (A) complete and submit the Proxy Form in accordance with the instructions below; and
 - (B) pre-register the proxy(ies) at the pre-registration website by the Registration Deadline at <https://globalmeeting.bigbangdesign.co/sitra2023> by 26 April 2023 at 10.30 a.m.
- (ii) As an alternative to “live” voting, Shareholders may also vote at the AGM by appointing the Chairman as proxy to vote on their behalf in respect of all the Shares held by them.

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

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

in either case, by **10.30 a.m. on 26 April 2023** (being 48 hours before the time fixed for holding of the AGM). Shareholders may download the Proxy Form from SGXNET at the URL <http://www.sgx.com/securities/company-announcements>.

A Shareholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and submitting it by email to the email address provided above. **Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

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

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

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

NOTICE OF ANNUAL GENERAL MEETING IN 2023

A Shareholder, who is a Relevant Intermediary is entitled to appoint more than two proxies to attend 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 Shareholder. Where such Shareholder appoints two or more proxies, the appointments shall be invalid unless such Shareholder specifies the number of Shares to be represented by each proxy.

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

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

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

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

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

8) Voting Results

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

The Company would like to thank all shareholders for their patience and co-operation in enabling the Company to continue to hold its AGM by way of electronic means to keep physical interactions and COVID-19 transmission risk to a minimum.

For and on behalf of
Sitra Holdings (International) Limited

13 April 2023

This notice has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (“Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

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

The details of the contact person for the Sponsor are:

*Name: Mr. Khong Choun Mun, Registered Professional
Address: 36 Robinson Road, #10-06 City House, Singapore 068877
Email: sponsor@rhtgoc.com*

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr Chew Hua Seng is the Director seeking re-election at the forthcoming Annual General Meeting (“AGM”) to be convened and held by way of electronic means on 28 April 2023 at 10.30 am (the “Retiring Director”).

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“Catalist Rules”), the information relating to the Retiring Director as set out in Appendix 7F of the Catalist Rules, is as set out below:

Appendix 7F Disclosure	Chew Hua Seng
Date of Initial Appointment	21 October 2019
Date of last re-appointment	5 June 2020
Age	69
Country of principal residence	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Chew Hua Seng (“Mr Chew”) as the Non-Executive Director and Non-Executive Chairman was recommended by the Nominating Committee (“NC”) and the Board has accepted the recommendation after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director, Non-Executive Chairman and Nominating Committee member.
Professional qualifications	Bachelor’s Degree of Business Administration
Working experience and occupation(s) during the past 10 years	<p>Currently, Founder, Chairman and CEO of Raffles Education Limited (“RafflesEducation”).</p> <p>Under his astute leadership, RafflesEducation has grown to become the premier private education provider.</p> <p>He has led RafflesEducation to achieve an excellent track record of growth since founding the Group in 1990. The Group listed on the Singapore Exchange in 2002 and was ranked amongst the Top 200 Asia-Pacific companies on Forbes Asia’s “Best Under a Billion” list for four consecutive years, from 2006 to 2009.</p> <p>Mr Chew was awarded the National University of Singapore Business School Eminent Business Alumni Award in November 2010 for his outstanding achievements.</p>
Shareholding interest in the listed issuer and its subsidiaries	654,033,520 shares
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.	<p>Sibling of Mr. Chew Ah Ba, George, substantial shareholder of the Company.</p> <p>Uncle of Mr. Chew Chiew Siang, Steven, Executive Director.</p>
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Appendix 7F Disclosure	Chew Hua Seng
Other Principal Commitments* Including Directorships#	
Past (for the last 5 years)	<ol style="list-style-type: none"> 1. Value Vantage Pte Ltd 2. 2W2Q Harmony Limited
Present	<ol style="list-style-type: none"> 1. Raffles Education Limited 2. Oriental University City Holdings (H.K.) Limited 3. Sitra Holdings (International) Limited 4. 2W2Q Capital Limited (f.k.a Mapur Island Holdings Pte Ltd) 5. Resort Corporation of Asia Pte Ltd 6. Page 8 Consulting Pte Ltd 7. Path Education Corporation Pte Ltd
<p>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.</p>	
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c) Whether there is any unsatisfied judgment against him?	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Appendix 7F Disclosure	Chew Hua Seng
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust.	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or 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 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 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 <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>Yes, for item (j)(i). No, for item (j) (ii) to (iv).</p> <p>Mr Chew Hua Seng (“Mr Chew”) is presently the Chairman, CEO and a director of Raffles Education Limited (“RE”), a listed company in Singapore. On 19 October 2021, RE announced that it received an order jointly issued by the Monetary Authority of Singapore and the Commercial Affairs Department collectively, (the “Authorities”) in relation to an investigation into a potential offence under the Securities and Futures Act (“SFA”) (“Investigations”).</p> <p>In connection with the ongoing Investigations, Mr Chew and certain current directors responsible for managing RE (the “Relevant Individuals”) had been notified by the Authorities that (a) there were reasonable grounds to believe an offence has been committed under section 203 of the SFA and (b) as part of the usual procedure, Mr Chew and the Relevant Individuals had to surrender their passports to the Authorities. No further conditions or restrictions were imposed on Mr Chew and the Relevant Individuals and none of them, including Mr Chew, have been charged for any offence.</p> <p>There has not been any further development from the Authorities since then.</p>

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Appendix 7F Disclosure	Chew Hua Seng
<p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>Yes. Refer to item (j)(i) above</p>
<p>Disclosure is 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).</p>	<p>N.A.</p>

SITRA HOLDINGS (INTERNATIONAL) LIMITED

(Incorporated in Singapore)
Company Reg No : 197901237E

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT:

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

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

This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m. on 18 April 2023.

PERSONAL DATA PRIVACY: By submitting this Proxy Form, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2023.

I*/We _____ (NRIC/Passport no./C0.Reg No) _____

of _____

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

Name	Address	NRIC/ Passport No.	Proportion of Shareholding(s) (%)

and/or (delete as appropriate)

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or failing him/her, the Chairman of the Annual General Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting ("AGM") of the Company to be held by way of electronic means on Friday, April 28, 2023 at 10.30 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 or in the event of any item arising not summarized below, the proxy/proxies will vote or abstain from voting at his/their discretion:-

No.	Ordinary Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2022, the Directors' Statement and the Reports of Auditors thereon.			
2.	To re-elect Mr. Chew Hua Seng as a Director (Retiring under Article 91).			
3.	To approve the payment of Directors' fees of S\$100,000 for the financial year ending 31 December 2023, payable quarterly in arrears. (2022: S\$100,000).			
4.	To re-appoint Messrs Moore Stephens LLP as the Company's external auditors and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
5.	To authorise the Directors to allot and issue shares pursuant to the Share Issue Mandate.			
6.	To authorise the Directors to offer and grant options and to allot and issue shares under the Sitra Holdings Employee Share Option Scheme..			
7.	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 _____ 2023

Total Number of Shares held	
CDP Register	
Register of Members	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the register of members of the Company (the "Register of Members"), 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 entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. To keep physical interactions and COVID-19 transmission risk to a minimum, the Company is not providing for physical attendance by members at the AGM. Instead, alternative arrangements relating to members' participation at the AGM are:
 - (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/her/its behalf; or
 - (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.Where a Shareholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM. Relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1953 of Singapore (the "CPF Act"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM by 10.30 a.m. on 18 April 2023.

A Shareholder can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.
4. The proxy need not be a Shareholder of the Company.

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Affix
Postage
Stamp
Here

The Share Registrar
Tricor Barbinder Share Registration Services
80 Robinson Road #11-02 Singapore 068898;

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5. A Shareholder of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his stead at the AGM.
6. The Proxy Form can be submitted in the following manner by 10.30 a.m. on 26 April 2023, being at least 48 hours before the time for holding the AGM:
 - a. if submitted by post, be deposited at the at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898; or
 - b. if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.comA Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before scanning and sending it by email to the email address provided above, or submitting it by post to the address provided above. Shareholders are strongly encouraged to submit completed proxy forms electronically via email.
7. The instrument appointing a proxy(ies) must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorized.
8. Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:
 - (a) by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
9. The Company shall be entitled to reject the Proxy Form if it is incomplete or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
10. Shareholders should take note that once this proxy form is submitted electronically via email to sg.is.proxy@sg.tricorglobal.com; or posted/deposited to office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898; they cannot change their vote as indicated in the box provided above.

