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UEN No: S99SS0111B  
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**Issuer:** Sitra Holdings (International) Ltd

**Stock code:** 5LE

**Meeting details:**

Date: 28 April 2023

Time: 10.30 a.m.

Venue: <<live webcast>>

**Q1.** For FY2022, the group achieved a gross profit margin of 8.0%. This was lower than the 9.7% achieved in 2021 due to “low demand across all [the group’s] key markets”.

- (i) **Has the board evaluated the group’s cost structure and efficiency? What targets has the board set for management with regard to gross profit margin? What are management’s plans to achieve the target gross profit margin?**
- (ii) **Aside from the executive director, can the non-executive directors, including the independent directors, elaborate on how they contribute to the furniture business and provide entrepreneurial leadership that leads to long-term value creation for shareholders?**
- (iii) **What is the breakdown in revenue from Comcia, deckING and Pacific?**
- (iv) **How well-received is the new range of products certified under the Programme for the Endorsement of Forest Certification (“PEFC”) due diligence system?**

**Q2.** On 10 October 2022, the company completed the acquisition of the remaining 46% of the issued shares of Mapur Rocky Resort Limited for a cash consideration of \$2.6 million on a “willing-buyer-willing-seller basis after arm’s length negotiations between the company and Madam Doris Chung Gim Lian, the vendor.

- (i) **Can the independent directors clarify their roles in the acquisition of the remaining 46% of the issued shares of Mapur Rocky Resort Limited to help shareholders better understand the process?**
- (ii) **How was the arm’s length negotiation conducted? Who was involved in the negotiation with the vendor and what role did the chairman play?**
- (iii) **What is the group’s competitive advantage in real estate development in Bintan?**
- (iv) **How has the acquisition created value for shareholders, particularly minority shareholders?**

**Q3.** In 2014, the group sold its property at 18 Sungei Kadut. Following the disposal, the accumulated losses improved from \$(19.2) million in 2013 to \$(5.8) million in 2014. Management noted that its priority was to achieve long-term capital growth for the benefit of shareholders. However, between 2015 and 2022, the group's accumulated losses increased, with a further \$(3.05) million loss in 2022 alone.

As at 31 December 2022, total accumulated losses amounted to \$(17.9) million. Net asset value per share has decreased from 2.07 cents to 0.7 cents in 2022.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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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\$
<b>Balance at 1 January 2022</b>	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)
<b>Balance at 31 December 2022</b>	<b>25,793,130</b>	<b>2,510,565</b>	<b>(17,868,351)</b>	<b>10,435,344</b>	<b>689,395</b>	<b>11,124,739</b>

- (i) Has the board evaluated the group's track record? If so, is it satisfied with management's long-term performance in creating value for shareholders?**
- (ii) Would it be timely to conduct a review to consider strategic options for the furniture business, in order to safeguard shareholders' interests? (Also see Q2 (iii) above)**

**Q4.** At the annual general meeting scheduled to be held on 28 April 2023, the company is proposing to re-elect Mr Chew Hua Seng who will retire in accordance with article 91 of the company's constitution.

The director's biography is found on page 7 and additional information on director(s) seeking re-election can be found on pages 123 to 126. The director has declared the following:

<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> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>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</p> <p>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</p> <p>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> <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>
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(Source: company annual report)

In the corporate governance report, the board has stated the following on page 38:

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.

The same was repeated by the company in the section on additional information on director(s) seeking re-election which is required pursuant to Rule 720(5).

- (i) **Can the nominating committee (NC) provide shareholders with more details on its justification for recommending the re-election of Mr Chew Hua Seng?**
- (ii) **How did the NC evaluate the disclosure made by the director in item (j)(i) above?**
- (iii) **What advice has the sponsor provided to the board, particularly to the NC, with regard to reviewing the suitability of directors and nominating them for re-election?**



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*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*

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