

Company Registration No. 200101065H

Santak Holdings Limited and its Subsidiaries

Financial Results
For the Half Year ended 31 December 2022

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Santak Holdings Limited and its Subsidiaries

Condensed Interim Consolidated Income Statement

For the Half Year ended 31 December 2022

	Note	Group		Change %
		6 Months ended 31 Dec 2022	6 Months ended 31 Dec 2021	
		S\$'000	S\$'000	
Revenue	4.2	3,933	5,972	(34.1)
Cost of sales		(3,777)	(5,138)	(26.5)
Gross profit		156	834	(81.3)
Other operating income		36	29	24.1
Distribution and selling expenses		(421)	(608)	(30.8)
Administrative expenses		(682)	(721)	(5.4)
Other operating expenses		(130)	(1)	12900.0
Finance costs		(9)	(12)	(25.0)
Finance income		53	11	381.8
Loss before tax	5	(997)	(468)	113.0
Taxation	6	(4)	(19)	(78.9)
Loss, net of taxation		(1,001)	(487)	105.5
Loss attributable to:				
Owners of the Company				
Loss, net of taxation		(1,001)	(487)	105.5
Loss for the year attributable to owners of the Company		(1,001)	(487)	105.5
Loss per share attributable to owners of the Company (cents per share)				
Basic		(0.93)	(0.45)	
Diluted		(0.93)	(0.45)	
Loss per share (cents per share)				
Basic		(0.93)	(0.45)	
Diluted		(0.93)	(0.45)	

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

Condensed Interim Consolidated Statement of Comprehensive Income

For the Half Year ended 31 December 2022

	Group		Change
	6 Months ended 31 Dec 2022	6 Months ended 31 Dec 2021	
	S\$'000	S\$'000	%
Loss for the year	(1,001)	(487)	105.5
Other comprehensive income:			
<u>Items that may be reclassified</u>			
<u>subsequently to profit or loss:</u>			
Foreign currency translation	(117)	1	n.m
Total other comprehensive income for the period, net of taxation	(117)	1	n.m
Total comprehensive income for the period	(1,118)	(486)	130.0
Total comprehensive income attributable to:			
Owners of the Company	(1,118)	(486)	130.0
Attributable to:			
Owners of the Company			
Total comprehensive income, net of taxation	(1,118)	(486)	130.0
Total comprehensive income for the period attributable to equity owners of the Company	(1,118)	(486)	130.0

Santak Holdings Limited and its Subsidiaries

Condensed Interim Consolidated Statement of Financial Position

	Note	Group		Company	
		31 Dec 2022 S\$'000	30 Jun 2022 S\$'000	31 Dec 2022 S\$'000	30 Jun 2022 S\$'000
Non-current assets					
Property, plant and equipment	7	3,855	4,038	71	75
Right-of-use assets		314	378	-	-
Investments in subsidiary companies		-	-	8,356	8,356
Intangible assets		19	22	1	1
Deferred tax assets		7	11	7	11
Other receivables		73	74	-	-
		4,268	4,523	8,435	8,443
Current assets					
Inventories	8	2,333	1,435	-	-
Prepayments		85	54	16	10
Trade receivables	9	1,794	2,824	-	-
Other receivables		146	124	-	-
Loan to a subsidiary company		-	-	4,030	4,030
Due from subsidiary companies (non-trade)		-	-	1,886	1,937
Fixed deposits	10	5,048	5,022	-	-
Short term investment	14(b)	415	1,302	-	-
Cash and cash equivalents		1,432	2,346	45	86
		11,253	13,107	5,977	6,063
Current liabilities					
Trade payables		1,175	1,723	-	-
Other payables		624	1,002	212	348
Lease liabilities	11	138	139	-	-
Provision for taxation		4	4	*	*
		1,941	2,868	212	348
Net current assets					
		9,312	10,239	5,765	5,715
Non-current liabilities					
Lease liabilities	11	163	227	-	-
Provisions		35	35	-	-
		198	262	-	-
Net assets					
		13,382	14,500	14,200	14,158
Equity attributable to owners of the Company					
Share capital	12	12,852	12,852	12,852	12,852
Translation reserve		(279)	(162)	-	-
Retained earnings		809	1,810	1,348	1,306
Total Equity		13,382	14,500	14,200	14,158

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Condensed Interim Statements of Changes in Equity
For the 6 months ended 31 December 2022**

Group	Attributable to owners of the Company			
	Share capital (Note 12)	Retained earnings	Translation Reserve	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2022	12,852	1,810	(162)	14,500
Loss for the period	–	(1,001)	–	(1,001)
<u>Other comprehensive income</u>				
Foreign currency translation	–	–	(117)	(117)
Other comprehensive income for the period, net of taxation	–	–	(117)	(117)
Total comprehensive income for the period	–	(1,001)	(117)	(1,118)
At 31 December 2022	12,852	809	(279)	13,382

Santak Holdings Limited and its Subsidiaries

**Condensed Interim Statements of Changes in Equity
For the 6 months ended 31 December 2021**

Group	Share capital (Note 12) S\$'000	(Accumulated losses)/ Retained earnings S\$'000	Translation reserve S\$'000	Total equity S\$'000
At 1 July 2021	12,852	2,816	(165)	15,503
Loss for the period	–	(487)	–	(487)
<u>Other comprehensive income</u>				
Foreign currency translation	–	–	1	1
Other comprehensive income for the period, net of taxation	–	–	1	1
Total comprehensive income for the period	–	(487)	1	(486)
At 31 December 2021	12,852	2,329	(164)	15,017

Santak Holdings Limited and its Subsidiaries**Condensed Interim Statements of Changes in Equity
For the 6 months ended 31 December 2022**

Company	Attributable to owners of the Company		
	Share capital (Note 12) S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 July 2022	12,852	1,306	14,158
Profit for the period, representing total comprehensive income for the period	–	42	42
At 31 December 2022	12,852	1,348	14,200
At 1 July 2021	12,852	1,207	14,059
Profit for the period, representing total comprehensive income for the period	–	72	72
At 31 December 2021	12,852	1,279	14,131

Santak Holdings Limited and its Subsidiaries

**Condensed Interim Consolidated Statement of Cash Flow
For the 6 months ended 31 December 2022**

	The Group	
	6 months ended 31 Dec 2022 S\$'000	6 months ended 31 Dec 2021 S\$'000
Cash flows from operating activities		
Loss before tax	(997)	(468)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	94	80
Depreciation of right-of-use assets	71	81
Amortisation of intangible assets	3	10
Loss on disposal of property, plant and equipment	-	1
Gain on short term investment	(13)	(1)
Interest expense – lease liabilities	9	12
Interest income	(53)	(11)
Unrealised exchange Loss/(gain)	105	(21)
Operating cash flows before changes in working capital	(781)	(317)
<u>Changes in working capital</u>		
Decrease/(increase) in:		
Inventories	(898)	253
Trade receivables	1,030	(876)
Other receivables and prepayments	(26)	(9)
Increase/(decrease) in:		
Trade payables	(548)	420
Other payables	(378)	(63)
Total changes in working capital	(820)	(275)
Cash flows from operations	(1,601)	(592)
Interest received	*	6
Income taxes paid, net	-	(4)
Net cash flows used in operating activities	(1,601)	(590)
Cash flows from investing activities		
Purchase of property, plant and equipment	(91)	(73)
Proceeds from sale of short term investment	900	-
Proceeds from disposal of property, plant and equipment	-	2
Placement of fixed deposits	-	(11)
Net cash flows generated from/(used in) investing activities	809	(82)

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Condensed Interim Consolidated Statement of Cash Flow
For the 6 months ended 31 December 2022**

	The Group	
	6 months ended 31 Dec 2022	6 months ended 31 Dec 2021
	S\$'000	S\$'000
Cash flows from financing activities		
Interest paid	(9)	(12)
Payment of principal portion of lease liabilities	(71)	(82)
	<hr/>	
Net cash flows used in financing activities	(80)	(94)
	<hr/>	
Net decrease in cash and cash equivalents	(872)	(766)
Effect of exchange rate changes on cash and cash equivalents	(42)	24
Cash and cash equivalents at beginning of period	2,346	3,376
	<hr/>	
Cash and cash equivalents at end of period	1,432	2,634
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Santak Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the 6 months ended 31 December 2022

1. Corporate information

Santak Holdings Limited is a limited liability company, incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. These condensed Interim consolidated financial statements comprise the Company and its subsidiaries (collectively, “the Group”).

The registered office and principal place of business of the Company is located at 4 Clementi Loop #01-01, Singapore 129810.

The principal activities of the Company are those of investment holding and providing managerial, administrative, supervisory and consultancy services to any company in which the Company has an interest. The principal activities of the Group are:

- a) Manufacture of precision machined components and
- b) Trading and distribution of electronic, electrical and mechanical components/ products.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Interim consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “S\$”), except where otherwise indicated.

2. Summary of significant accounting policies

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards effective as of 1 July 2022. The Group has adopted all the new standards and amendments which are relevant to the Group and are effective for the financial periods beginning on or after 1 July 2022. The adoption of these new standards and amendments do not have any material impact on the interim condensed financial statements of the Group for the six months ended 31 December 2022.

2.3 *Significant accounting judgement and estimates*

The preparation of the Group's condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 6 months ended 31 December 2022**

4. Segment information

For management purposes, the Group is organized into three main operating divisions, namely Precision engineering, Trading and distribution and Investment and management services:

Precision engineering:	Manufacture of precision machined components.
Trading and distribution:	Trading and distribution of electronic, electrical and mechanical components/products.
Investment and management services:	Investments holding, provision of management, administrative, supervisory and consultancy services to Group entities.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

4.1 Reportable Segments

1 July 2022 to 31 December 2022	Precision engineering S\$'000	Trading and distribution S\$'000	Investment and management services S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
Revenue					
Sales to external customers	1,251	2,682	–	–	3,933
Inter-segment sales	–	–	524	(524)	–
Total revenue	1,251	2,682	524	(524)	3,933
Results					
Interest income	53	–	–	–	53
Interest expense - lease liabilities	(9)	–	–	–	(9)
Depreciation of property, plant and equipment	(87)	(1)	(6)	–	(94)
Depreciation of right-of-use assets	(71)	–	–	–	(71)
Amortisation of intangible assets	(3)	–	*	–	(3)
Other non-cash expenses	(83)	–	–	–	(83)
Taxation	–	–	(4)	–	(4)
Segment (loss)/profit	(1,184)	141	42	*	(1,001)
Group Assets					
Additions to non-current assets	95	1	2	–	98
Segment assets	13,497	1,933	14,412	(14,321)	15,521
Liabilities					
Segment liabilities	6,783	1,109	212	(5,965)	2,139

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 6 months ended 31 December 2022**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

1 July 2021 to 31 December 2021	Precision engineering S\$'000	Trading and distribution S\$'000	Investment and management services S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
Revenue					
Sales to external customers	3,347	2,625	–	–	5,972
Inter-segment sales	–	–	584	(584)	–
Total revenue	3,347	2,625	584	(584)	5,972
Results					
Interest income	11	–	–	–	11
Interest expense - lease liabilities	(12)	–	–	–	(12)
Depreciation of property, plant and equipment	(74)	(1)	(5)	–	(80)
Depreciation of right-of-use assets	(81)	–	–	–	(81)
Amortisation of intangible assets	(10)	–	*	–	(10)
Other non-cash expenses	(13)	–	–	–	(13)
Taxation	–	(10)	(9)	–	(19)
Segment (loss)/profit	(651)	93	72	(1)	(487)
Group Assets					
Additions to non-current assets	71	–	2	–	73
Segment assets	15,866	2,128	14,423	(14,532)	17,885
Liabilities					
Segment liabilities	7,171	1,581	292	(6,176)	2,868

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 6 months ended 31 December 2022**

4. Segment information (Cont'd)

4.2 Disaggregation of revenue

	The Group 6 months ended 31 December					
	Precision engineering		Trading and distribution		Total revenue	
	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Types of goods or services:						
Sales of goods	1,251	3,347	2,682	2,625	3,933	5,972
Primary geographical markets						
Singapore	137	73	–	–	137	73
Asean (excluding Singapore)	897	2,718	32	22	929	2,740
America and Europe	215	539	2,621	2,566	2,836	3,105
North Asia	2	4	29	37	31	41
Others	-	13	–	–	-	13
	1,251	3,347	2,682	2,625	3,933	5,972
Timing of transfer of goods or services						
At a point in time	1,251	3,347	2,682	2,625	3,933	5,972

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 6 months ended 31 December 2022**

5. Loss before tax

5.1 The following significant items were credited/(charged) to arrive at the loss before tax:

	6 months ended 31 Dec 2022 S\$'000	6 months Ended 31 Dec 2021 S\$'000
Income		
Other income	36	29
Interest income	53	11
Gain on short term investment	13	1
Expenses		
Interest expense – lease liabilities	(9)	(12)
Depreciation of property, plant and equipment	(94)	(80)
Depreciation of right-of-use assets	(71)	(81)
Amortisation of intangible assets	(3)	(10)
Allowance for stocks obsolescence (net)	(96)	(12)
Loss on disposal of property, plant and equipment	-	(1)
Foreign exchange (loss)/gain	(130)	4
Management personnel compensation (including directors)	(560)	(656)

5.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 6 months ended 31 December 2022**

6. Taxation

	GROUP	
	6 months ended 31 Dec 2022	6 months ended 31 Dec 2021
	S\$'000	S\$'000
Current income tax		
- Current income taxation	-	16
- Under provision in respect of previous years	-	4
Deferred Tax		
- Origination and reversal of temporary differences	4	(1)
Income tax expense recognised in profit or loss	4	19

7. Property, plant and equipment

During the six months ended 31 December 2022, the Group acquired assets amounting to S\$91,000 (31 December 2021: S\$73,000) and disposed of assets amounting to S\$Nil (31 December 2021: S\$3,000).

8. Inventories

	Group	
	31 Dec 2022	30 June 2022
	S\$'000	S\$'000
Balance sheet:		
Raw materials	254	213
Work-in-progress	178	218
Finished goods	1,901	1,004
Total inventories at lower of cost and net realisable value	2,333	1,435

The allowance for obsolete inventories as at 31 December 2022 amounted to S\$214,000 (30 June 2022: S\$118,000).

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 6 months ended 31 December 2022**

9. Trade receivables

	Group	
	31 Dec 2022 S\$'000	30 June 2022 S\$'000
Trade receivables	1,794	2,824
Less: Allowance for impairment of trade receivables	–	–
Total trade receivables	1,794	2,824

10. Fixed deposits

The fixed deposits were placed with a bank in Singapore for 1 to 6 months term and earns interests at the bank's prevailing fixed deposit rates.

11. Borrowings

Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2022		As at 30/06/2022	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
3,000	135,000	10,000	129,000

Amount repayable after one year

As at 31/12/2022		As at 30/06/2022	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
2,000	161,000	3,000	224,000

Details of any collateral

Secured lease liabilities are secured over the motor vehicles as well as corporate guarantees from the Company. The unsecured lease liabilities relate to right-of-use assets of the Group.

Santak Holdings Limited and its Subsidiaries**Notes to the Condensed Interim Consolidated Financial Statements
For the 6 months ended 31 December 2022****12. Share capital**

	Group and Company			
	31 December 2022		30 June 2022	
	No. of shares	S\$'000	No. of shares	S\$'000
Issued and fully paid ordinary shares				
At beginning and end of period	107,580,980	12,852	107,580,980	12,852

There were no treasury shares as at 31 December 2022 (30 June 2022: Nil).

There were no shares held as treasury shares as at 31 December 2022 (30 June 2022: Nil).

There were no share options and no convertibles as at 31 December 2022 (30 June 2022: Nil).

The Company did not have any subsidiary holdings during and at the end of the current financial period reported on.

13. Net asset value

	Group		Company	
	31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022
Net asset value per ordinary share based on issued share capital at the end of the financial period (in cents):	12.44	13.48	13.20	13.16

14. Fair value of assets and liabilities**(a) Fair value hierarchy**

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

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 6 months ended 31 December 2022**

14. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	S\$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value				
Financial assets				
At 31 Dec 2022				
Short term investment #	415	-	-	415
At 30 June 2022				
Short term investment #	1,302	-	-	1,302

Short term investment relates to SGD Money Market Fund placed with a bank in Singapore and classified as fair value through profit or loss (FVTPL).

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalist Rules For the 6 months ended 31 December 2022

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

The figures have not been audited nor reviewed by the auditors.

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

Not applicable.

3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

4. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Income Statement

Revenue decreased by 34.1% from S\$5.97 million in the half year ended 31 December 2021 ("HY2022") to S\$3.93 million in the half year ended 31 December 2022 ("HY2023"). The substantial decrease was mainly due to significantly lower sales derived from the Group's Precision Engineering Division's ("PE") at S\$1.25 million, a decrease of S\$2.1 million or 62.6% compared to HY2022. The decrease in sales in PE compared to prior corresponding period was primarily due to significantly weaker demand from the data storage sector amidst a slowing computers / servers market. On the other hand, the above decrease was offset by the Group's Trading & Distribution Division's ("T&D") slightly higher revenue at S\$2.68 million in HY2023, an increase of 2.2% compared to HY2022. The increase in sales in T&D compared to the prior corresponding period was mainly due to the higher sales arising from stronger demand from its security/access control systems business.

The Group's gross profit was also significantly lower at approximately S\$0.16 million in HY2023 compared to approximately S\$0.83 million in HY2022 resulting in lower gross profit margin of approximately 4.0% in HY2023 compared to approximately 14.0% in HY2022. This was mainly due to substantially lower economies of scale recorded as a result of the significantly lower turnover registered in HY2023. The slight increase in depreciation expense by approximately S\$4,000 in HY2023 was mainly due to increase in depreciation charge by approximately S\$14,000 mainly on renovation, electrical installation and motor vehicle which was partially offset by lower depreciation expense of right-of-use assets by around S\$10,000.

Other operating expenses increased by S\$0.13 million or 12,900% from around S\$1,000 in HY2022 to S\$0.13 million in HY2023. This was due to a foreign exchange loss of S\$0.13 million in HY2023 mainly arising from the weakening of USD and RM as at 31 December 2022 vs 30 June 2022. On the other hand, there was an exchange gain of approximately S\$4,000 in HY2022. Other operating income increased by approximately S\$0.01 million from S\$0.03 million in HY2022 to approximately S\$0.04 million in HY2023 mainly due to increase in gain on short term investment of approximately S\$0.01 million compared to HY2022.

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalist Rules For the 6 months ended 31 December 2022

The decrease in distribution and selling expenses by S\$0.19 million or 30.8% to S\$0.42 million was mainly due to decrease in freight cost, lower payroll expenses as well as lower sales commission in HY2023 compared to HY2022 in line with the lower turnover. The Group's administrative expenses decreased by S\$0.04 million or 5.4% to approximately S\$0.68 million in HY2023 compared to HY2022 was mainly due to lower payroll related cost and decrease in depreciation expense in HY2023 compared to HY2022.

The increase in finance income by approximately S\$0.04 million in HY2023 was the results of increase in interest income from the fixed deposits placed with a bank in Singapore. The decrease in financial costs by approximately S\$4,000 in HY2023 was mainly due to lower interest expense on lease liabilities compared to HY2022.

Loss before tax of S\$1.00 million was recorded for HY2023 compared to the loss before tax of S\$0.47 million in the prior corresponding period. The lower tax expense of in HY2023 was mainly due to the use of group relief to offset any current income tax. The loss after tax for HY2023 was approximately S\$1.00 million compared to the loss after tax of S\$0.49 million for HY2022. The Group's basic and diluted loss per share were both 0.93 cents for HY2023 versus the prior corresponding period basic and diluted loss per share of 0.45 cents.

Review of Financial Position

The decrease in property, plant and equipment ("PPE") and right-of-use assets by approximately S\$0.18 million and S\$0.06 million respectively as at 31 December 2022 was mainly due to the depreciation of PPE and right-of-use assets respectively as well as translation loss due to weakening of RM during HY2023. The decrease in intangible assets by approximately S\$3,000 as at 31 December 2022 arose from the amortisation of intangible assets during HY2023.

The increase in inventories by S\$0.90 million to S\$2.33 million as at 31 December 2022 compared to S\$1.44 million as at 30 June 2022 was mainly due to lower PE sales in HY2023. The decrease in both trade receivables and trade payables by approximately S\$1.03 million and S\$0.55 million as at 31 December 2022 versus 30 June 2022 were mainly in line with the lower sales recorded especially in the last quarter October-December 2022 in HY2023 versus the last quarter October-December 2021 in HY2022 as well as the settlements of both trade receivables and payables during HY2023.

Other receivables increased by approximately S\$0.02 million as at 31 December 2022 mainly due to higher accrued fixed deposit interest receivable compared to 30 June 2022. The higher prepayment by S\$0.03 million was mainly due to prepayment for renovation work and government levy. The increase in fixed deposits by S\$0.03 million as at 31 December 2022 was the results of the interest income received. The decrease in short term investment by S\$0.89 million was due to the liquidation of the short term investment during HY2023. The decrease in cash and cash equivalents by S\$0.91 million from S\$2.35 million as at 30 June 2022 to S\$1.43 million as at 31 December 2022 is explained in the cash flow explanation in the following section below.

The decrease in other payables by S\$0.38 million to S\$0.63 million as at 31 December 2022 was mainly due to lower accruals of labor and payroll related cost, sales commission and electricity cost as well as lower provision for directors' fee and audit fee as at half year ended 31 December 2022 versus the full year provision as at 30 June 2022. The decrease in lease liabilities by approximately S\$0.06 million to S\$0.30 million as at 31 December 2022 was mainly due to the payment of lease liabilities during HY2022.

The Group's net asset value per share was 12.44 cents as at 31 December 2022 versus 13.48 cents as at 30 June 2022.

Review of Cash Flow

The higher net cash flows used in operating activities of approximately S\$1.60 million in HY2023 compared to S\$0.59 million in HY2022 was primarily due to a higher loss before tax and cash outflow arising from working capital changes (which mainly arose from an increase in inventories and an decrease in trade and other payables which was partially offset by a decrease in trade receivables).

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalyst Rules For the 6 months ended 31 December 2022

Net cash generated from investing activities was S\$0.81 million in HY2023 was from the sale of short term investment of S\$0.90 million partially offset by the purchase of property, plant and equipment of S\$0.09 million. This is compared to net cash used in investing activities of \$0.08 million in the prior corresponding period.

Net cash used in financing activities decreased by approximately S\$0.01 million during HY2023 to S\$0.08 million primarily due to lower payment of lease liabilities and interest.

Overall, cash and cash equivalents decreased by approximately S\$0.92 million during HY2023 to S\$1.43 million as at 31 December 2022 compared to the balance of S\$2.35 million as at 30 June 2022.

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

The results for HY2023 is in line with the profit warning announcement released on 3 February 2023.

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

The market in which the Group operates remains competitive and demanding going forward in the current financial year ending 30 June 2023 ("FY2023"). In addition, challenges remain in terms of pricing and costs as well as foreign exchange volatility as in prior years.

The Group expects weakness in demands for its Precision Engineering Division's products to continue in the second half of FY2023, particularly products for the data storage sector in the midst of the slowing computers / servers market and the uncertain and challenging economic environment currently. The Group will continue its marketing and cost optimization efforts of the Group's operations.

The Board and the Management will continue to seek opportunities which offer potential growth for the Group and enhancement of value for the Shareholders as and when appropriate.

7. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) If Corresponding Period of the Immediately Preceding Year

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

None

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

Santak Holdings Limited and its Subsidiaries

**Other information Required by Appendix 7C of the Catalist Rules
For the 6 months ended 31 December 2022**

8. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend had been declared or recommended for the 6 months ended 31 December 2022. This is to conserve cash for working capital and capital expenditure purposes.

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

The Group has not obtained any general mandate for Interested Person Transactions and there were no Interested Person Transactions for half year ended 31 December 2022.

10. Confirmation Pursuant to Rule 720(1) of the Catalist Rules

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7(H) under Rule 720(1) of the Catalist Rules.

11. Negative confirmation by the Board pursuant to Rule 705(5)

We, Lee Keen Whye and Ng Weng Wei, being two Directors of Santak Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year financial results ended 31 December 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Keen Whye
Chairman

Ng Weng Wei
Director

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
10 February 2023

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange 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 contact person for the Sponsor is Ms Foo Quee Yin, at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271