

Company Registration No. 200101065H

Santak Holdings Limited and its Subsidiaries

Financial Results
For the Financial Year ended 30 June 2021

Santak Holdings Limited and its Subsidiaries

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Santak Holdings Limited and its Subsidiaries

CONDENSED CONSOLIDATED INCOME STATEMENT

For the Financial Year ended 30 June 2021

	Note	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	Change %	12 months ended 30 June 2021 S\$'000	12 months ended 30 June 2020 S\$'000	Change %
Revenue	4.2	5,159	5,968	(13.6)	11,825	13,258	(10.8)
Cost of sales		(4,729)	(5,077)	(6.9)	(10,196)	(11,276)	(9.6)
Gross profit		430	891	(51.7)	1,629	1,982	(17.8)
Other operating income		136	676	(79.9)	307	794	(61.3)
Distribution and selling expenses		(631)	(674)	(6.4)	(1,313)	(1,395)	(5.9)
Administrative expenses		(766)	(1,006)	(23.9)	(1,632)	(1,785)	(8.6)
Other operating expenses		(48)	(498)	(90.4)	(414)	(554)	(25.3)
Finance costs		(14)	(24)	(41.7)	(38)	(36)	5.6
Finance income		6	*	n.m	6	1	500
Loss before tax	5	(887)	(635)	39.7	(1,455)	(993)	46.5
Taxation	6	22	51	(56.9)	(41)	162	n.m
Loss, net of taxation		(865)	(584)	48.1	(1,496)	(831)	80.0
Loss attributable to:							
Owners of the Company Loss, net of taxation		(865)	(584)	48.1	(1,496)	(831)	80.0
Loss for the year attributable to owners of the Company		(865)	(584)	48.1	(1,496)	(831)	80.0
Loss per share attributable to owners of the Company (cents per share)							
Basic		(0.80)	(0.54)		(1.39)	(0.77)	
Diluted		(0.80)	(0.54)		(1.39)	(0.77)	
Loss per share (cents per share)							
Basic		(0.80)	(0.54)		(1.39)	(0.77)	
Diluted		(0.80)	(0.54)		(1.39)	(0.77)	

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year ended 30 June 2021

The Group

	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	Change %	12 months ended 30 June 2021 S\$'000	12 months ended 30 June 2020 S\$'000	Change %
Loss for the year	(865)	(584)	48.1	(1,496)	(831)	80.0
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	(7)	-	n.m	(17)	8	n.m
Total other comprehensive income for the period, net of taxation	(7)	-	n.m	(17)	8	n.m
Total comprehensive income for the period	(872)	(584)	49.3	(1,513)	(823)	83.8
Total comprehensive income attributable to:						
Owners of the Company	(872)	(584)	49.3	(1,513)	(823)	83.8
Attributable to:						
Owners of the Company Total comprehensive income, net of taxation	(872)	(584)	49.3	(1,513)	(823)	83.8
Total comprehensive income for the period attributable to equity owners of the Company	(872)	(584)	49.3	(1,513)	(823)	83.8

Santak Holdings Limited and its Subsidiaries

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Non-current assets					
Property, plant and equipment	8	4,195	4,236	84	*
Right-of-use assets		556	772	-	55
Investments in subsidiary companies		-	-	8,356	8,113
Intangible assets		40	59	2	1
Deferred tax assets		10	44	10	9
		4,801	5,111	8,452	8,178
Current assets					
Inventories	9	1,262	1,391	-	-
Prepayments		55	72	11	29
Trade receivables	10	2,125	2,323	-	-
Other receivables		161	367	-	14
Loan to a subsidiary company		-	-	4,030	4,030
Due from subsidiary companies (non-trade)		-	-	1,822	1,936
Fixed Deposits	11	5,000	-	-	-
Short-term Investment	15(b)	1,300	-	-	-
Cash and cash equivalents		3,376	3,186	117	80
		13,279	7,339	5,980	6,089
Assets of a subsidiary classified as held for sale		-	10,480	-	-
		13,279	17,819	5,980	6,089
Current liabilities					
Trade payables		951	1,259	-	-
Other payables		1,037	1,271	366	335
Lease liabilities	12	165	189	-	31
Provision for taxation		24	42	7	12
		2,177	2,761	373	378
Liabilities of a subsidiary classified as held for sale		-	436	-	-
Net current assets		11,102	14,622	5,607	5,711
Non-current liabilities					
Lease liabilities	12	365	530	-	-
Provisions		35	35	-	-
		400	565	-	-
Net assets		15,503	19,168	14,059	13,889
Equity attributable to owners of the Company					
Share capital	13	12,852	12,852	12,852	12,852
Revaluation reserve		-	9,521	-	-
Translation reserve		(165)	(148)	-	-
Retained earnings/(accumulated losses)		2,816	(3,057)	1,207	1,037
Total Equity		15,503	19,168	14,059	13,889

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Condensed Statements of Changes in Equity
For the 12 months ended 30 June 2021**

Attributable to owners of the Company

2021 Group	Share capital (Note 13) \$'000	(Accumulated losses)/Retained earnings \$'000	Revaluation reserve \$'000	Translation Reserve \$'000	Total Equity \$'000
At 1 July 2020	12,852	(3,057)	9,521	(148)	19,168
Loss for the year	-	(1,496)	-	-	(1,496)
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	-	(17)	(17)
Other comprehensive income for the year, net of taxation	-	-	-	(17)	(17)
Total comprehensive income for the year	-	(1,496)	-	(17)	(1,513)
Dividends on ordinary shares	-	(2,152)	-	-	(2,152)-
Transfer from revaluation reserve to (accumulated losses)/ retained earnings	-	9,521	(9,521)	-	-
At 30 June 2021	12,852	2,816	-	(165)	15,503

Santak Holdings Limited and its Subsidiaries

**Condensed Statements of Changes in Equity
For the 12 months ended 30 June 2020**

2020 Group	Attributable to owners of the Company				Total equity \$'000
	Share capital (Note 13) \$'000	Accumulated losses \$'000	Revaluation reserve \$'000	Translation reserve \$'000	
At 1 July 2019	12,852	(2,226)	9,521	(63)	20,084
Loss for the year	–	(831)	–	–	(831)
<u>Other comprehensive income</u>					
Foreign currency translation	–	–	–	8	8
Other comprehensive income for the year, net of taxation	–	–	–	8	8
Total comprehensive income for the year	–	(831)	–	8	(823)
Realisation of translation reserve on strike off of a subsidiary	–	–	–	(93)	(93)
At 30 June 2020	12,852	(3,057)	9,521	(148)	19,168

Santak Holdings Limited and its Subsidiaries**Condensed Statements of Changes in Equity
For the 12 months ended 30 June 2021**

Company	Attributable to owners of the Company		
	Share capital (Note 13) \$'000	Retained earnings \$'000	Total equity \$'000
2021			
At 1 July 2020	12,852	1,037	13,889
Profit for the year, representing total comprehensive income for the year	–	2,322	2,322
Dividends on ordinary shares	-	(2,152)	(2,152)
At 30 June 2021	12,852	1,207	14,059
2020			
At 1 July 2019	12,852	903	13,755
Profit for the year, representing total comprehensive income for the year	–	134	134
At 30 June 2020	12,852	1,037	13,889

Santak Holdings Limited and its Subsidiaries

**Condensed Consolidated Statement of Cash Flow
For the 12 months ended 30 June 2021**

	The Group	
	12 months ended 30 June 2021 \$'000	12 months ended 30 June 2020 \$'000
Cash flows from operating activities		
Loss before tax	(1,455)	(993)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	147	111
Depreciation of right-of-use assets	181	119
Amortisation of intangible assets	20	18
Realisation of translation reserve on strike off of a subsidiary	-	(93)
Gain on disposal of assets of a subsidiary classified as held for sale	(1)	-
Gain on disposal of property, plant and equipment	(2)	-
Write-off of property, plant and equipment	30	-
Loss in diminution of value of leasehold property	-	331
Impairment of right-of-use assets	64	127
Interest expense – lease liabilities	38	36
Interest income	(6)	(1)
Unrealised exchange (gain)/loss	(6)	7
Operating cash flows before changes in working capital	(990)	(338)
<u>Changes in working capital</u>		
Decrease/(increase) in:		
Inventories	129	752
Trade receivables	198	96
Other receivables and prepayments	228	(309)
Increase/(decrease) in:		
Trade payables	(308)	29
Other payables	(111)	(6)
Total changes in working capital	136	562
Cash flows from operations	(854)	224
Interest received	*	1
Income taxes (paid)/refund, net	(24)	16
Net cash flows (used in)/generated from operating activities	(878)	241
Cash flows from investing activities		
Purchase of property, plant and equipment	(148)	(314)
Purchase of intangible assets	(3)	(27)
Proceeds from disposal of property, plant and equipment	2	-
Proceeds from disposal of assets of a subsidiary classified as held for sale	9,940	-
Placement of fixed deposits	(5,000)	-
Placement of a short-term investment	(1,300)	-
Net cash flows generated from/(used in) investing activities	3,491	(341)

Santak Holdings Limited and its Subsidiaries

Condensed Consolidated Statement of Cash Flow For the 12 months ended 30 June 2021

	The Group	
	12 months ended 30 June 2021 \$'000	12 months ended 30 June 2020 \$'000
Cash flows from financing activities		
Interest paid	(38)	(36)
Payment of principal portion of lease liabilities	(252)	(243)
Dividend paid	(2,152)	-
	<hr/>	<hr/>
Net cash flows used in financing activities	(2,442)	(279)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	171	(379)
Effect of exchange rate changes on cash and cash equivalents	19	14
Cash and cash equivalents at beginning of year	3,186	3,551
	<hr/>	<hr/>
Cash and cash equivalents at end of year	3,376	3,186
	<hr/>	<hr/>

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

Notes to the Condensed Consolidated Financial Statements For the 12 months ended 30 June 2021

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 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 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 30 June 2021 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 31 December 2020.

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 “\$”), 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 2020. The Group has adopted all the new standards and amendments effective for the financial periods beginning on or after 1 July 2020, but the adoption of these new standards and amendments do not have any material impact on the interim condensed financial statements of the Group.

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 2020.

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 Consolidated Financial Statements For the 12 months ended 30 June 2021

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 Jan 2021 to 30 June 2021	Precision engineering \$'000	Trading and distribution \$'000	Investment and management services \$'000	Adjustments and eliminations \$'000	Total \$'000
Revenue					
Sales to external customers	3,119	2,040	-	-	5,159
Inter-segment sales	-	-	584	(584)	-
Total revenue	3,119	2,040	584	(584)	5,159
Results					
Interest income	6	-	-	-	6
Interest expense - lease liabilities	(14)	-	-	-	(14)
Depreciation of plant and equipment	(71)	(1)	(4)	-	(76)
Depreciation of right-of-use assets	(81)	-	(5)	-	(86)
Amortisation of intangible assets	(9)	-	*	-	(9)
Other non-cash expenses	(9)	-	-	-	(9)
Taxation	28	(3)	(3)	-	22
Segment (loss)/profit	(973)	62	289	(243)	(865)
Group Assets					
Additions to non-current assets	32	-	49	-	81
Segment assets	16,485	1,685	14,432	(14,522)	18,080
Liabilities					
Segment liabilities	7,137	1,233	372	(6,165)	2,577

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2021**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

1 Jan 2020 to 30 June 2020	Precision engineering \$'000	Trading and distribution \$'000	Investment and management services \$'000	Adjustments and eliminations \$'000	Total \$'000
Revenue					
Sales to external customers	4,060	1,908	-	-	5,968
Inter-segment sales	-	-	572	(572)	-
Total revenue	4,060	1,908	572	(572)	5,968
Results					
Interest income	*	*	-	-	*
Interest expense - lease liabilities	(23)	*	(1)	-	(24)
Depreciation of plant and equipment	(63)	(1)	*	-	(64)
Depreciation of right-of-use assets	(8)	-	(14)	-	(22)
Amortisation of intangible assets	(10)	-	*	-	(10)
Other non-cash expenses	(496)	-	-	-	(496)
Taxation	52	(3)	2	-	51
Segment (loss)/profit	(716)	66	67	(1)	(584)
Group Assets					
Additions to non-current assets	277	-	1	-	278
Segment assets	21,314	1,801	14,268	(14,453)	22,930
Liabilities					
Segment liabilities	8,329	1,394	378	(6,339)	3,762

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2021**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

1 July 2020 to 30 June 2021	Precision engineering	Trading and distribution	Investment and management services	Adjustments and eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	7,891	3,934	-	-	11,825
Inter-segment sales	-	-	3,168	(3,168)	-
Total revenue	7,891	3,934	3,168	(3,168)	11,825
Results					
Interest income	6	*	-	-	6
Interest expense - lease liabilities	(37)	-	(1)	-	(38)
Depreciation of plant and equipment	(142)	(1)	(4)	-	(147)
Depreciation of right-of-use assets	(162)	-	(19)	-	(181)
Amortisation of intangible assets	(19)	-	(1)	-	(20)
Other non-cash expenses	(169)	-	-	-	(169)
Taxation	(35)	*	(6)	-	(41)
Segment (loss)/profit	(1,636)	60	2,322	(2,242)	(1,496)
Group Assets					
Additions to non-current Segment assets	93	4	54	-	151
	16,485	1,685	14,432	(14,522)	18,080
Liabilities					
Segment liabilities	7,137	1,233	372	(6,165)	2,577

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2021**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

1 July 2019 to 30 June 2020	Precision engineering \$'000	Trading and distribution \$'000	Investment and management services \$'000	Adjustments and eliminations \$'000	Total \$'000
Revenue					
Sales to external customers	8,992	4,266	-	-	13,258
Inter-segment sales	-	-	1,168	(1,168)	-
Total revenue	8,992	4,266	1,168	(1,168)	13,258
Results					
Interest income	1	-	-	-	1
Interest expense - lease liabilities	(34)	-	(2)	-	(36)
Depreciation of plant and equipment	(110)	(1)	-	-	(111)
Depreciation of right-of-use assets	(91)	-	(28)	--	(119)
Amortisation of intangible assets	(18)	-	(*)	-	(18)
Other non-cash expenses	(503)	-	-	-	(503)
Taxation	155	(1)	8	-	162
Segment (loss)/profit	(1,198)	235	134	(2)	(831)
Group Assets					
Additions to non-current assets	340	-	1	-	341
Segment assets	21,314	1,801	14,268	(14,453)	22,930
Liabilities					
Segment liabilities	8,329	1,394	378	(6,339)	3,762

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2021**

4. Segment information (Cont'd)

4.2 Disaggregation of revenue

The Group 6 months ended 30 June

	Precision engineering		Trading and distribution		Total revenue	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Types of goods or services:						
Sales of goods	3,119	4,060	2,040	1,908	5,159	5,968
Primary geographical markets						
Singapore	118	101	–	–	118	101
Asean (excluding Singapore)	2,231	3,126	18	7	2,249	3,133
America and Europe	762	799	1,993	1,898	2,755	2,697
North Asia	8	20	29	3	37	23
Others	-	14	–	–	-	14
	3,119	4,060	2,040	1,908	5,159	5,968
Timing of transfer of goods or services						
At a point in time	3,119	4,060	2,040	1,908	5,159	5,968

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2021**

4. Segment information (Cont'd)

4.2 Disaggregation of revenue

The Group 12 months ended 30 June

	Precision engineering		Trading and distribution		Total revenue	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Types of goods or services:						
Sales of goods*	7,891	8,992	3,934	4,266	11,825	13,258
Primary geographical markets						
Singapore	169	192	–	–	169	192
Asean (excluding Singapore)	6,236	6,891	33	22	6,269	6,913
America and Europe	1,464	1,825	3,852	4,231	5,316	6,056
North Asia	11	57	49	13	60	70
Others	11	27	–	–	11	27
	7,891	8,992	3,934	4,266	11,825	13,258
Timing of transfer of goods or services						
At a point in time	7,891	8,992	3,934	4,266	11,825	13,258

***A breakdown of sales:**

	Group		% Change
	S\$'000		
	30 June 2021	30 June 2020	
Sales reported for first half year	6,666	7,290	(8.6)
Loss attributable to owners of the Company reported for first half year	(631)	(247)	155.5
Sales reported for second half year	5,159	5,968	(13.6)
Loss attributable to owners of the Company reported for second half year	(865)	(584)	48.1

Santak Holdings Limited and its Subsidiaries

Notes to the Condensed Consolidated Financial Statements For the 12 months ended 30 June 2021

5. Loss before Tax

5.1 The following significant items were credited/(charged) to arrive at the Loss Before Tax

	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	12 months ended 30 June 2021 S\$'000	12 months ended 30 June 2020 S\$'000
Income				
Other income	136	676	307	794
Interest income	6	*	6	1
Expenses				
Interest expense – lease liabilities	(14)	(24)	(38)	(36)
Depreciation of property, plant and equipment	(76)	(64)	(147)	(111)
Depreciation of right-of-use assets	(86)	(22)	(181)	(119)
Amortisation of intangible assets	(9)	(10)	(20)	(18)
Allowance for stocks obsolescence (net)	(9)	(33)	2	(35)
Foreign exchange (loss)/gain	(47)	105	(237)	99
Loss in diminution of value of leasehold property	-	(331)	-	(331)
Management personnel compensation (including directors)	(693)	(723)	(1,347)	(1,376)

* Denotes less than S\$1,000

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 Consolidated Financial Statements
For the 12 months ended 30 June 2021**

6. Taxation

	GROUP			
	6 months ended 30 June 2021	6 months ended 30 June 2020	12 months ended 30 June 2021	12 months ended 30 June 2020
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- Current income taxation	(47)	11	11	26
- Overprovision in respect of previous years	-	(5)	(4)	(223)
Deferred Tax				
- Origination and reversal of temporary differences	25	(65)	35	(5)
- (Over)/under provision in respect of previous years	-	8	(1)	40
Income tax (credit)/expense recognised in profit or loss	(22)	(51)	41	(162)

7. Dividend

	Group and Company	
	12 months ended 30 June 2021	12 months ended 30 June 2020
	\$'000	\$'000
Special interim exempt (one-tier) dividend for 2021 of 2.0 cents (2020: nil) per share	2,152	-
	<u>2,152</u>	<u>-</u>
Dividend per share (net of tax)	2.0 cents	

8. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$78,000 (30 June 2020: \$260,000) and disposed of assets amounting to \$Nil (30 June 2020: \$Nil)

9. Inventories

	Group	
	30 June 2021	30 June 2020
	\$'000	\$'000
Balance sheet:		
Raw materials	237	252
Work-in-progress	317	288
Finished goods	708	851
Total inventories at lower of cost and net realisable value	<u>1,262</u>	<u>1,391</u>

The allowance for obsolete inventories as at 30 June 2021 amounted to \$71,000 (2020: \$707,000).

Santak Holdings Limited and its Subsidiaries**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2021****10. Trade receivables**

	Group	
	30 June 2021	30 June 2020
	\$'000	\$'000
Trade receivables	2,125	2,323
Less: Allowance for impairment of trade receivables	-	-
Total trade receivables	2,125	2,323

11. Fixed deposits

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

12. Borrowings**Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 30/06/2021		As at 30/06/2020	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
42,000	123,000	72,000	117,000

Amount repayable after one year

As at 30/06/2021		As at 30/06/2020	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
11,000	354,000	53,000	477,000

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 Consolidated Financial Statements For the 12 months ended 30 June 2021

13. Share capital

	Group and Company			
	2021		2020	
Issued and fully paid ordinary shares	No. of shares	\$'000	No. of shares	\$'000
At 1 July and 30 June	107,580,980	12,852	107,580,980	12,852

There were no treasury shares as at 30 June 2021.

There were no shares held as treasury shares as at 30 June 2021 (30 June 2020: Nil).

There were no share options and no convertibles as at 30 June 2021 (30 June 2020: Nil).

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

14. Net asset value

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	14.41	17.82	13.07	12.91

15. 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 Consolidated Financial Statements
For the 12 months ended 30 June 2021**

15. 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
2021				
Assets measured at fair value				
Financial assets				
Short term investment #	1,300	-	-	1,300
2020				
Assets measured at fair value				
Non-financial assets:				
Assets of subsidiary classified as held for sale				
<i>Leasehold property</i>	-	-	10,500	10,500

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).

Santak Holdings Limited and its Subsidiaries

Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2021

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

(c) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value S\$'000	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements				
As at 30 June 2021				
Assets of subsidiary classified as held for sale				
<i>Leasehold property</i>	-	N/A	N/A	N/A
As at 30 June 2020				
Assets of subsidiary classified as held for sale				
<i>Leasehold property</i>	10,500	Arm's length transaction price [^]	N/A	N/A

[^] The arm's length transaction price is based on the sale consideration that was agreed with an independent third-party purchaser.

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Group 2021 S\$	
	Fair value measurements using significant unobservable inputs (Level 3)	
	Leasehold property S\$'000	Total S\$'000
Opening balance as at 1 July 2020*	10,500	10,500
Disposal	(10,500)	(10,500)
Closing balance as at 30 June 2021 *	-	-

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2021**

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

(c) Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets measured at fair value (cont'd)

	Group 2020 S\$	
	Fair value measurements using significant unobservable inputs (Level 3)	
	Leasehold property S\$'000	Total S\$'000
Opening balance as at 1 July 2019*	10,500	10,500
Total gains or loss for the period included in profit or loss	-	-
Closing balance as at 30 June 2020*	10,500	10,500

(iii) Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy

	Group S\$	
	Fair value measurements using significant unobservable inputs (Level 3)	
	Leasehold property S\$'000	Total S\$'000
As at 1 July 2019 and 1 July 2020	10,500	10,500
Disposal	(10,500)	(10,500)
As at 30 June 2021	-	-

* The Group measured the assets of a subsidiary held for sale – leasehold property at the lower of its carrying amount or fair value less cost of disposal at the end of the respective reporting periods. The carrying amount of the leasehold property held for sale as at 30 June 2021 was S\$ nil (30 June 2020: 10,043,759).

16. Subsequent events

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

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalist Rules For the 12 months ended 30 June 2021

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 10.8% from S\$13.26 million in FY2020 to S\$11.83 million in FY2021. The decrease was mainly due to lower sales derived from the Group's Precision Engineering Division's ("PE") at S\$7.89 million, a decrease of S\$1.10 million or 12.2% compared to FY2020. The decrease in sales in PE compared to prior year was primarily due to the lower sales arising from weaker demand from its data storage, oil & gas, fibre optics connectors and medical equipment sectors which was partially offset by the stronger demand from the sensor equipment sector. The Group's Trading & Distribution Division ("T&D") also recorded a lower revenue at S\$3.94 million in FY2021, a decrease of S\$0.33 million or 7.7% compared to S\$4.27 million in FY2020. This decrease was mainly due to lower demand from the security/access control systems business. Similarly, revenue in the half year ended 30 June 2021 ("2HY2021") at S\$5.16 million was lower by S\$0.81 million or 13.6% when compared to sales of S\$5.97 million in the preceding corresponding half year ended 30 June 2020 ("2HY2020"). The Group's gross profit was lower at approximately S\$1.63 million in FY2021 compared to approximately S\$1.98 million in FY2020 resulting in lower gross profit margin of approximately 13.8% in FY2021 compared to approximately 14.9% in FY2020. This was mainly due to lower economies of scale recorded as a result of the lower turnover recorded in FY2021. Following the completion of the relocation of all of the Group's main machines and equipment from Singapore to the Johor factory in December 2020, the Johor factory production ramped up but constrained by manpower shortages and delays in some machines set up mainly due to the Covid-19 pandemic restrictions. The increase in depreciation expense by approximately S\$0.10 million in FY2021 was mainly due to increase in depreciation charge on renovation and electrical installation in the Johor factory as well as higher depreciation expense of right-of-use assets.

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalyst Rules For the 12 months ended 30 June 2021

Other operating income was approximately S\$0.31 million in FY2021, a decrease of approximately S\$0.49 million mainly due to a decrease of S\$0.31 million to S\$0.24 million in governments' grants in both Singapore and Malaysia for COVID-19 pandemic supports in FY2021 compared to S\$0.55 million in FY2020. In addition, there was a foreign exchange gain of approximately S\$0.10 million during FY2020 compared to a foreign exchange loss in FY2021 as well as the reclassification from the translation reserve of approximately S\$0.09 million to the income statement as a dormant wholly-owned subsidiary of the Company, Santak Electronics Pte. Ltd. was struck off from the Register of Companies pursuant to Section 344 of the Companies Act, Chapter 50 of Singapore in FY2020 which was absent in FY2021.

Other operating expenses decreased by S\$0.14 million or 25.3% to S\$0.41 million in FY2021 compared to previous year mainly due to the loss in diminution of value of the Property of S\$0.33 million in FY2020 in connection with disposal of the Property (as announced on 23 June 2020) which was absent in FY2021. In addition, impairment of right-of-use assets was lower by approximately S\$0.06 million in FY2021 compared to prior year. The above decrease was partially offset by foreign exchange loss of S\$0.24 million mainly arising from the weakening of USD during FY2021 versus foreign exchange gain registered in FY2020 as disclosed earlier.

The slight decrease in distribution and selling expenses by S\$0.08 million or 5.9% to S\$1.31 million was mainly due to lower payroll and sales commission expenses in FY2021 in line with the lower turnover. The administrative expenses decreased by S\$0.15 million or 8.6% to approximately S\$1.63 million in FY2021 compared to S\$1.79 million in FY2020 mainly due to the reclassification of manufacturing overhead incurred during CB in Singapore and MCO in Malaysia from cost of sales to administrative expenses of S\$0.14 million in FY2020 decreased by S\$0.13 million to S\$0.01 million in FY2021.

The increase in financial income in FY2021 arose from interest income from the fixed deposits of S\$5 million placed during FY2021. Loss before tax of approximately S\$1.46 million was recorded for FY2021 compared to the loss before tax of S\$0.99 million in the previous year. The tax expense of S\$0.04 million in FY2021 was mainly due to the derecognition of prior year deferred tax assets. The loss after tax for FY2021 was approximately S\$1.50 million compared to the loss after tax of S\$0.83 million for FY2020. The Group's basic and diluted loss per share were both 1.39 cents for FY2021 versus the prior year basic and diluted loss per share of 0.77 cents.

Review of Financial Position

The decrease of the right-of-use assets by approximately S\$0.22 million as at 30 June 2021 was mainly due to depreciation of right-of-use assets during FY2021. The decrease in deferred tax assets was mainly due to derecognition of deferred tax assets of a subsidiary brought forward from prior years. The decrease of intangible assets by approximately S\$0.02 million as at 30 June 2021 mainly arose from amortization of intangible assets during FY2021.

The slight decrease in inventories by S\$0.13 million to S\$1.26 million as at 30 June 2021 compared to S\$1.39 million as at 30 June 2020 as well as the decrease in trade receivables by approximately S\$0.20 million as at 30 June 2021 versus 30 June 2020 were mainly in line with the lower sales in FY2021.

Other receivables decreased by approximately S\$0.21 million as at 30 June 2021 mainly due to receivables of S\$0.16 million in governments' grants for the COVID-19 pandemic supports as at 30 June 2020 which was absent as at 30 June 2021 as well as a decrease in deposits by approximately S\$0.04 million which primarily comprises deposit for a banker guarantee issued to Malaysian custom authority. The decrease in prepayment by S\$0.02 million in FY2021 was mainly due to lower prepayment for professional fees as at 30 June 2021.

The fixed deposits of S\$5.00 million and short term investment in an SGD Money Market Fund of S\$1.30 million as at 30 June 2021 was placed out of the net proceeds of S\$9.94 million (S\$10.66 million proceeds received less GST and professional fee payment of S\$0.72 million) received from the Completion of Disposal during FY2021. In addition, as a result of the Completion of Disposal, the assets of a subsidiary classified as held for sale of S\$10.48 million and the liabilities of a subsidiary classified as held for sale of S\$0.44 million as at 30 June 2020 were no longer on the balance sheet as at 30 June 2021. The increase in cash and cash equivalents by S\$0.19 million

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Other information Required by Appendix 7C of the Catalyst Rules For the 12 months ended 30 June 2021

from S\$3.19 million to S\$3.38 million is explained in the cash flow explanation in the following section below.

The decrease in trade payables by approximately S\$0.31 million as at 30 June 2021 compared to 30 June 2020 were mainly in line with the lower sales in FY2021. The decrease in other payables of S\$0.23 million to S\$1.04 million as at 30 June 2021 was mainly due to the realization of the 1% Option Money of S\$105,000 arising from the Completion of the Disposal during FY2021. In addition, there was lower payable to subcontract labor, transport and security service suppliers as well as lower sales commission accruals as at 30 June 2021 compared to 30 June 2020. The decrease in lease liabilities by approximately S\$0.19 million to S\$0.53 million as at 30 June 2021 was mainly due to the payment of lease liabilities during FY2021.

The Group's net asset value per share was 14.41 cents as at 30 June 2021 versus 17.82 cents as at 30 June 2020.

Review of Cash Flow

The Group's operations registered a net cash flows used in operating activities of S\$0.88 million in FY2021 compared to net cash flows generated from operating activities of approximately S\$0.24 million in the previous financial year. This was mainly attributable to a higher loss before tax recorded in FY2021 as well as lower cash inflow arising from working capital changes (which was mainly due to decline in trade and other payables that was partially offset by decrease in inventory, trade and other receivables as well as prepayments).

Net cash generated from investing activities was S\$3.49 million in FY2021 was primarily due to the net proceeds of S\$9.94 million from disposal of the assets of a subsidiary classified as held for sale following the Completion of the Disposal. This is partially offset by the placements of fixed deposits and short term investment in an SGD Money Market Fund of S\$5.00 million and S\$1.30 million respectively as well as purchase of property, plant and equipment which mainly comprises payment for renovation, air conditioners, electrical installation, motor vehicle, computer and office equipment. This is compared to net cash used in investing activities of \$0.34 million in prior financial year which mainly comprises renovation payment for a leased premise in Singapore and software implementation cost as well as purchase of computer and office equipment.

Net cash used in financing activities increased by approximately S\$2.16 million during FY2021 to S\$2.44 million mainly arising from the payment of a special interim dividend of S\$2.15 million in FY2021. There were no dividend payment in the prior financial year.

Overall, cash and cash equivalents increased by S\$0.19 million during FY2021 to S\$3.38 million as at 30 June 2021 compared to S\$3.19 million as at 30 June 2020.

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 FY2021 is in line with the profit guidance announcement released on 23 August 2021.

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 2022 ("FY2022"), particularly in the midst of the current uncertain and challenging economic and COVID-19 pandemic environment. In addition, challenges remain in terms of pricing and costs as well as foreign exchange volatility as in prior years.

The Group has on 31 December 2020 announced the Completion of the Disposal of its Property in Singapore. In addition, the shift of all of the Group's main machines and equipment from the Singapore Property to our factory in Johor has been completed as at 31 December 2020. Following that, the Johor factory production is ramping up but constrained by manpower shortages

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalyst Rules For the 12 months ended 30 June 2021

and delays in some machines set up mainly due to the Covid-19 pandemic restrictions. Going forward, the Group's precision engineering production facilities in Johor will continue its recruitment and trainings to further scale up its mass production. The Group will also continue its efforts for cost optimization and streamlining 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?

No final dividend is proposed.

A special interim one-tier tax exempt dividend of 2.0 Singapore cents per share ("Dividend") was declared on 8 February 2021. The Dividend was paid on 26 February 2021 out of the proceeds from the Completion of Disposal of the Property (as announced on 31 December 2020).

(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.

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

No final dividend has been declared or recommended for the financial year ended 30 June 2021. This is to conserve cash for working capital and capital expenditure purposes.

A special interim one-tier tax exempt dividend of 2.0 Singapore cents per share ("Dividend") was declared on 8 February 2021. The Dividend was paid on 26 February 2021 out of the proceeds from the Completion of Disposal of the Property (as announced on 31 December 2020).

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 FY2021.

Santak Holdings Limited and its Subsidiaries

**Other information Required by Appendix 7C of the Catalist Rules
For the 12 months ended 30 June 2021**

10. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr Tan Sin Hock	60	Brother of Mr Tan Chee Hawaii (Group Managing Director and Substantial Shareholder) and Mr Tan Ah Wo (Substantial Shareholder). Brother-in-law of Ms Heng Kheng Hwai (Non-Executive Director and Substantial Shareholder).	Executive Director since year 2001. He is currently responsible for equipment upgrading and plant maintenance.	Nil
Ms Heng Kheng Hwai	63	Sister-in-law of Mr Tan Sin Hock (Executive Director and Substantial Shareholder) and Mr Tan Ah Wo (Substantial Shareholder). Spouse of Mr Tan Chee Hawaii (Group Managing Director and Substantial Shareholder).	Non-Executive Director since year 2001. Member of the Audit Committee.	Nil
Mr Tan Chee Hawaii	71	Brother of Mr Tan Sin Hock (Executive Director and Substantial Shareholder) and Mr Tan Ah Wo (Substantial Shareholder). Spouse of Ms Heng Kheng Hwai (Non-Executive Director and Substantial Shareholder).	Group Managing Director since year 2012. Mr Tan's main duties include overseeing the planning and review of corporate strategies and policies as well as coordinating overall management functions of the Group.	Nil

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Other information Required by Appendix 7C of the Catalist Rules For the 12 months ended 30 June 2021

11. 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.

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
26 August 2021

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