

Company Registration No. 200101065H

Santak Holdings Limited and its Subsidiaries

Financial Results
For the Half Year ended 31 December 2023

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Santak Holdings Limited and its Subsidiaries

CONDENSED CONSOLIDATED INCOME STATEMENT

For the Half Year ended 31 December 2023

	Note	Group		Change %
		6 Months ended 31 Dec 2023	6 Months ended 31 Dec 2022	
		S\$'000	S\$'000	
Revenue	4.2	4,774	3,933	21.4
Cost of sales		(5,078)	(3,777)	34.4
Gross profit		(304)	156	n.m
Other income		12	36	(66.7)
Distribution and selling expenses		(420)	(421)	(0.2)
Administrative expenses		(754)	(682)	10.6
Other expenses		(80)	(130)	(38.5)
Finance costs		(12)	(9)	33.3
Finance income		97	53	83.0
Loss before tax	5	(1,461)	(997)	46.5
Taxation	6	*	(4)	n.m
Loss, net of taxation		(1,461)	(1,001)	46.0
Loss attributable to:				
Owners of the Company				
Loss, net of taxation		(1,461)	(1,001)	46.0
Loss for the year attributable to owners of the Company		(1,461)	(1,001)	46.0
Loss per share attributable to owners of the Company (cents per share)				
Basic		(1.36)	(0.93)	
Diluted		(1.36)	(0.93)	
Loss per share (cents per share)				
Basic		(1.36)	(0.93)	
Diluted		(1.36)	(0.93)	

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half Year ended 31 December 2023

	Group		
	6 Months ended 31 Dec 2023	6 Months ended 31 Dec 2022	Change
	S\$'000	S\$'000	%
Loss for the period	(1,461)	(1,001)	46.0
Other comprehensive loss:			
<u>Items that may be reclassified</u>			
<u>subsequently to profit or loss:</u>			
Foreign currency translation	(26)	(117)	(77.8)
Total other comprehensive loss for the period, net of taxation	(26)	(117)	(77.8)
Total comprehensive loss for the period	(1,487)	(1,118)	33.0
Total comprehensive loss attributable to:			
Owners of the Company	(1,487)	(1,118)	33.0
Attributable to:			
Owners of the Company			
Total comprehensive loss, net of taxation	(1,487)	(1,118)	33.0
Total comprehensive loss for the period attributable to equity owners of the Company	(1,487)	(1,118)	33.0

Santak Holdings Limited and its Subsidiaries

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group		Company	
		31 Dec 2023 S\$'000	30 Jun 2023 S\$'000	31 Dec 2023 S\$'000	30 Jun 2023 S\$'000
Non-current assets					
Property, plant and equipment	7	3,582	3,712	60	66
Right-of-use assets		427	492	-	-
Investments in subsidiary companies		-	-	8,356	8,356
Intangible assets		13	16	*	1
Deferred tax assets		7	7	7	7
Other receivables		74	72	-	-
		4,103	4,299	8,423	8,430
Current assets					
Inventories	8	833	1,736	-	-
Trade receivables	9	2,303	2,021	-	-
Other receivables		187	204	-	-
Prepayments		79	80	15	9
Loan to a subsidiary company		-	-	4,030	4,030
Due from subsidiary companies (non-trade)		-	-	1,930	1,950
Cash and cash equivalents	10	5,848	6,478	40	90
		9,250	10,519	6,015	6,079
Current liabilities					
Trade payables		1,217	1,064	-	-
Other payables		709	781	274	311
Lease liabilities	11	134	131	-	-
		2,060	1,976	274	311
Net current assets					
		7,190	8,543	5,741	5,768
Non-current liabilities					
Lease liabilities	11	314	376	-	-
Provisions		35	35	-	-
		349	411	-	-
Net assets					
		10,944	12,431	14,164	14,198
Equity attributable to owners of the Company					
Share capital	12	12,852	12,852	12,852	12,852
Translation reserve		(211)	(185)	-	-
(Accumulated losses) / retained earnings		(1,697)	(236)	1,312	1,346
Total Equity		10,944	12,431	14,164	14,198

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Condensed Statements of Changes in Equity
For the 6 months ended 31 December 2023**

Group	Attributable to owners of the Company			
	Share capital (Note 12) \$'000	Accumulated losses \$'000	Translation reserve \$'000	Total equity \$'000
At 1 July 2023	12,852	(236)	(185)	12,431
Loss for the period	–	(1,461)	–	(1,461)
<u>Other comprehensive loss</u>				
Foreign currency translation	–	–	(26)	(26)
Other comprehensive loss for the period, net of taxation	–	–	(26)	(26)
Total comprehensive loss for the period	–	(1,461)	(26)	(1,487)
At 31 December 2023	12,852	(1,697)	(211)	10,944

Santak Holdings Limited and its Subsidiaries

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

Attributable to owners of the Company

Group	Share capital (Note 12) \$'000	Retained earnings /(accumulated losses) \$'000	Translation reserve \$'000	Total equity \$'000
At 1 July 2022	12,852	1,810	(162)	14,500
Loss for the period	–	(1,001)	–	(1,001)
<u>Other comprehensive loss</u>				
Foreign currency translation	–	–	(117)	(117)
Other comprehensive loss for the period, net of taxation	–	–	(117)	(117)
Total comprehensive loss 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 Consolidated Statement of Cash Flows
For the 6 months ended 31 December 2023**

	The Group	
	6 months ended 31 Dec 2023 \$'000	6 months ended 31 Dec 2022 \$'000
Cash flows from operating activities		
Loss before tax	(1,461)	(997)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	97	94
Depreciation of right-of-use assets	70	71
Amortisation of intangible assets	3	3
Gain on short term investment	-	(13)
Write-off of property, plant and equipment	*	-
Interest expense – lease liabilities	12	9
Interest income	(97)	(53)
Write down of inventories (net)	27	96
Unrealised exchange loss	-	105
Operating cash flows before changes in working capital	(1,349)	(685)
<u>Changes in working capital</u>		
Decrease/(increase) in:		
Inventories	873	(994)
Trade receivables	(317)	1,030
Other receivables and prepayments	8	(26)
Increase/(decrease) in:		
Trade payables	180	(548)
Other payables	(33)	(378)
Total changes in working capital	711	(916)
Cash flows from operations	(638)	(1,601)
Interest received	98	*
Net cash flows used in operating activities	(540)	(1,601)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3)	(91)
Proceeds from sale of short term investment	-	900
Net cash flows (used in)/generated from investing activities	(3)	809

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Condensed Consolidated Statement of Cash Flow
For the 6 months ended 31 December 2023**

		The Group	
	Note	6 months ended 31 Dec 2023 \$'000	6 months ended 31 Dec 2022 \$'000
Cash flows from financing activities			
Interest paid		(12)	(9)
Payment of principal portion of lease liabilities		(65)	(71)
Net cash flows used in financing activities		(77)	(80)
Net decrease in cash and cash equivalents		(620)	(872)
Effect of exchange rate changes on cash and cash equivalents		(10)	(42)
Cash and cash equivalents at beginning of period	10	6,478	2,346
Cash and cash equivalents at end of period	10	5,848	1,432

Santak Holdings Limited and its Subsidiaries

Notes to the Condensed Consolidated Financial Statements For the 6 months ended 31 December 2023

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 statement of financial position 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 2023 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 2023.

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 2023. The Group has adopted all the new standards and amendments effective for the financial periods beginning on or after 1 July 2023, but 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 2023.

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 2023.

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 6 months ended 31 December 2023**

4. Segment information

For management purposes, the Group is organised 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 2023 to 31 December 2023	Precision engineering \$'000	Trading and distribution \$'000	Investment and management services \$'000	Adjustments and eliminations \$'000	Total \$'000
Revenue					
Sales to external customers	2,204	2,570	-	-	4,774
Inter-segment sales	-	-	524	(524)	-
Total revenue	2,204	2,570	524	(524)	4,774
Results					
Interest income	97	-	-	-	97
Interest expense - lease liabilities	(12)	-	-	-	(12)
Depreciation of plant and equipment	(91)	(1)	(5)	-	(97)
Depreciation of right-of-use assets	(70)	-	-	-	(70)
Amortisation of intangible assets	(3)	-	*	-	(3)
Other non-cash expense	(27)	-	-	-	(27)
Taxation	*	-	-	-	*
Segment (loss)/profit	(1,504)	78	(34)	(1)	(1,461)
Group Assets					
Additions to non-current assets	3	-	-	-	3
Segment assets	11,684	1,836	14,439	(14,606)	13,353
Liabilities					
Segment liabilities	7,511	873	274	(6,249)	2,409

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 6 months ended 31 December 2023**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

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 Consolidated Financial Statements
For the 6 months ended 31 December 2023**

4. Segment information (Cont'd)

4.2 Disaggregation of revenue

	The Group 6 months ended 31 December					
	Precision engineering		Trading and distribution		Total revenue	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Types of goods or services:						
Sales of goods	2,204	1,251	2,570	2,682	4,774	3,933
Primary geographical markets						
Singapore	100	137	-	-	100	137
United States of America	-	1	2,505	2,601	2,505	2,602
Thailand	1,694	864	-	-	1,694	864
Ireland	371	215	-	-	371	215
Malaysia	39	27	49	32	88	59
Others	-	7	16	49	16	56
	2,204	1,251	2,570	2,682	4,774	3,933
Timing of transfer of goods or services						
At a point in time	2,204	1,251	2,570	2,682	4,774	3,933

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 6 months ended 31 December 2023**

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 2023 S\$'000	6 months Ended 31 Dec 2022 S\$'000
Income		
Other income	12	36
Interest income	97	53
Gain on short term investment	-	13
Expenses		
Interest expense – lease liabilities	(12)	(9)
Depreciation of property, plant and equipment	(97)	(94)
Depreciation of right-of-use assets	(70)	(71)
Amortisation of intangible assets	(3)	(3)
Allowance for stocks obsolescence (net)	(27)	(96)
Write-off of property, plant and equipment	*	-
Foreign exchange loss	(79)	(130)
Management personnel compensation (including directors)	(559)	(560)

5.2 Related party transactions

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

6. Taxation

	GROUP	
	6 months ended 31 Dec 2023 S\$'000	6 months ended 31 Dec 2022 S\$'000
Deferred Tax		
- Origination and reversal of temporary differences	*	4
Income tax expense recognised in profit or loss	*	4

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries**Notes to the Condensed Consolidated Financial Statements
For the 6 months ended 31 December 2023****7. Property, plant and equipment**

During the six months ended 31 December 2023, the Group acquired assets amounting to \$3,000 (31 December 2022: \$91,000) and disposed of assets amounting to \$Nil (31 December 2022: \$Nil).

8. Inventories

	Group	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
Raw materials	160	200
Work-in-progress	116	439
Finished goods	557	1,097
Total inventories at lower of cost and net realisable value	833	1,736

The allowance for obsolete inventories as at 31 December 2023 amounted to \$111,000 (30 June 2023: \$84,000).

9. Trade receivables

	Group	
	31 Dec 2023	30 June 2023
	\$'000	\$'000
Trade receivables	2,303	2,021
Less: Allowance for expected credit losses	-	-
Total trade receivables	2,303	2,021

10. Cash and cash equivalents

	Group		Company	
	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
	\$	\$	\$	\$
Short-term fixed deposits (cash equivalent)	4,794	4,947	-	-
Cash at bank and on hand	1,054	1,531	40	90
Total cash and cash equivalents	5,848	6,478	40	90

Short-term fixed deposits held with a bank in Singapore for 1 to 3 months terms (30 June 2023: 1 to 3 months) earns interest at the bank's prevailing fixed short-term deposits rates. Cash at banks earns interest at floating rates based on daily bank deposit rates

Santak Holdings Limited and its Subsidiaries**Notes to the Condensed Consolidated Financial Statements
For the 6 months ended 31 December 2023****11. Borrowings****Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 31/12/2023		As at 30/06/2023	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
1,000	133,000	1,000	130,000

Amount repayable after one year

As at 31/12/2023		As at 30/06/2023	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
2,000	312,000	2,000	374,000

Details of any collateral

Secured lease liabilities are secured over copier machines. The unsecured lease liabilities relate to right-of-use assets of the Group.

12. Share capital

	Group and Company			
	31 December 2023		30 June 2023	
	No. of shares	\$'000	No. of shares	\$'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 2023 (30 June 2023 : Nil).

There were no shares held as treasury shares as at 31 December 2023 (30 June 2023 : Nil).

There were no share options and no convertibles as at 31 December 2023 (30 June 2023 : Nil).

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

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 6 months ended 31 December 2023**

13. Net asset value

	Group		Company	
	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
Net asset value per ordinary share based on issued share capital at the end of the financial period (in cents):	10.17	11.55	13.17	13.20

14. 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 6 months ended 31 December 2023

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 increased by 21.4% from S\$3.93 million in the half year ended 31 December 2022 ("1HY2023") to S\$4.77 million in the half year ended 31 December 2023 ("1HY2024"). The increase was mainly due to higher sales derived from the Group's Precision Engineering Division's ("PE") at S\$2.20 million, an increase of S\$0.95 million or 76.2% compared to 1HY2023. The increase in sales in PE compared to prior corresponding period was primarily due to higher demand from the computer/server data storage sector. On the other hand, the above increase was slightly offset by the Group's Trading & Distribution Division's ("T&D") slightly weaker revenue at S\$2.57 million in 1HY2024, a decrease of 4.2% compared to 1HY2023. The decrease in sales in T&D compared to the prior corresponding period was mainly due to the lower demand from its security/access control systems business.

However, the Group registered a gross loss of approximately S\$0.30 million in 1HY2024 versus a gross profit of S\$0.16 million in 1HY2023 resulting in a negative gross margin 6.4% in 1HY2024 compared to a gross profit margin of 4.0% in the prior corresponding period. This was mainly due to the substantially lower production activities level and machines utilization rate in 1HY2024 arising from significantly lower forward sale orders received at the end of 1HY2024 for the second half of FY2024 ending 30 June 2024 ("2HY2024") from the Group's major customer (approximately 35% of Group sale in 1HY2024) which had deferred delivery of its remaining purchase order to the first half of FY2025 ("1HY2025").

Other expenses decreased by S\$0.05 million or 38.5% from approximately S\$0.13 million in 1HY2023 to S\$0.08 million in 1HY2024. This was due to a lower foreign exchange loss of S\$0.08 million in 1HY2024 compared to S\$0.13 million in 1HY2023 mainly arising from the lower depreciation of both US\$ and RM against S\$ in 1HY2024 versus 1HY2023. Other income was higher in the previous corresponding period mainly due to the gain on short-term investment of S\$0.01 million as well as higher sale of scrap material in 1HY2023.

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalist Rules For the 6 months ended 31 December 2023

The Group's administrative expenses increased by S\$0.07 million or 10.6% to approximately S\$0.75 million in 1HY2024 compared to 1HY2023 mainly due to higher payroll related cost and increase in professional fee expense in 1HY2024 compared to 1HY2023. The distribution and selling expenses remained stable in 1HY2024 versus 1HY2023.

The increase in finance income by approximately S\$0.04 million or 83.0% to approximately S\$0.10 million in 1HY2024 was the results of an increase in interest income from the fixed deposits placed with a bank in Singapore arising from higher interest rates during 1HY2024 compared to previous corresponding period. The increase in finance costs by approximately S\$3,000 in 1HY2024 was mainly due to higher interest expense on lease liabilities compared to 1HY2023.

Loss before tax of S\$1.46 million was recorded for 1HY2024 compared to the loss before tax of S\$1.00 million in the prior corresponding period. The tax expense of approximately S\$4,000 in 1HY2023 was mainly due to the partial derecognition of prior year deferred tax assets brought forward which was absence in 1HY2024. The loss after tax for 1HY2024 was approximately S\$1.46 million compared to the loss after tax of S\$1.00 million for 1HY2023. The Group's basic and diluted loss per share were both 1.36 cents for 1HY2024 versus the prior corresponding period basic and diluted loss per share of 0.93 cents.

Review of Financial Position

The decrease in property, plant and equipment ("PPE") and right-of-use assets by approximately S\$0.13 million and S\$0.06 million respectively as at 31 December 2023 versus 30 June 2023 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 1HY2024. The decrease in intangible assets by approximately S\$3,000 as at 31 December 2023 arose from the amortization of intangible assets during 1HY2024.

The decrease in inventories by S\$0.90 million to S\$0.83 million as at 31 December 2023 compared to S\$1.73 million as at 30 June 2023 was mainly due to lower production and machines utilization rate in 1HY2024 arising from significantly lower forward sale orders received at the end of 1HY2024 for 2HY2024. The increase in both trade receivables and trade payables by approximately S\$0.28 million and S\$0.15 million respectively as at 31 December 2023 versus 30 June 2023 were mainly in line with the higher turnover recorded in 1HY2024 especially in the last quarter of October-December 2023 in 1HY2024 compared to previous corresponding quarter in 1HY2023.

The decrease in other receivables by approximately S\$0.02 million was mainly due to lower GST receivable as at 31 December 2023 versus 30 June 2023. The cash and cash equivalents of S\$5.85 million as at 31 December 2023 comprised of short term fixed deposits of S\$4.79 million for 1 to 3 months terms and cash at bank of S\$1.06 million. The decrease in cash and cash equivalents by S\$0.63 million from S\$6.48 million as at 30 June 2023 to S\$5.85 million as at 31 December 2023 is explained in the cash flow explanation in the following section below.

The decrease in other payables by S\$0.07 million to S\$0.71 million as at 31 December 2023 was mainly due to lower provision for directors' fee and audit fee for half year ended 31 December 2023 versus the full year provision as at 30 June 2023 as well as lower accruals of electricity cost and sales commission. The decrease in lease liabilities by approximately S\$0.06 million to S\$0.45 million as at 31 December 2023 was mainly due to the payment of lease liabilities during 1HY2024.

The Group's net asset value per share was 10.17 cents as at 31 December 2023 versus 11.55 cents as at 30 June 2023.

Review of Cash Flow

The lower net cash flows used in operating activities of approximately S\$0.54 million in 1HY2024 compared to S\$1.60 million in 1HY2023 was primarily due to cash inflow arising from working capital changes (which mainly arose from a decrease in inventories and an increase in trade payables which was partially offset by an increase in trade receivables and drop in other payables) versus cash outflow arising from working capital changes in the previous corresponding period.

Net cash used in investing activities was for the purchase of property, plant and equipment of approximately S\$3,000 in 1HY2024. This is compared to net cash generated from investing activities

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalyst Rules For the 6 months ended 31 December 2023

of S\$0.81 million in 1HY2023 which was resulted 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 in the prior corresponding period.

Net cash used in financing activities of approximately S\$0.08 million during both periods were primarily for the payment of lease liabilities and interest.

Overall, cash and cash equivalents decreased by approximately S\$0.63 million during 1HY2024 to S\$5.85 million as at 31 December 2023 compared to the balance of S\$6.48 million as at 30 June 2023.

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 1HY2024 is in line with the profit warning announcement released on 2 February 2024.

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 remaining period of the current financial year ending 30 June 2024 ("FY2024"). The Group expects significant weakness in demands for its Precision Engineering Division's products arising from the significantly lower forward sale orders received at the end of 1HY2024 for the second half of FY2024 ("2HY2024") from the Group's major customer (approximately 35% of Group sale in 1HY2024) which had deferred delivery of its remaining purchase order to the first half of FY2025 ("1HY2025"). The Group will intensify its marketing efforts as well as continue with 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.

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For the 6 months ended 31 December 2023**

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

No interim dividend has been declared or recommended for the half year ended 31 December 2023. 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 the half year ended 31 December 2023.

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 2023 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
8 February 2024

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