

Company Registration No. 199804461D

Hai Leck Holdings Limited And Subsidiary Companies

Condensed Interim Financial Statements
For the Fourth Quarter and Full Year ended 30 June 2024

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated income statement

	Note	Group					
		3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	Change %	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000	Change %
Revenue	4	10,652	19,701	(45.9)	53,791	68,617	(21.6)
Cost of sales		(5,153)	(8,632)	(40.3)	(23,975)	(31,059)	(22.8)
Gross profit		5,499	11,069	(50.3)	29,816	37,558	(20.6)
Other income	5	911	1,037	(12.2)	2,756	3,183	(13.4)
Distribution and selling expenses		(2,200)	(2,710)	(18.8)	(9,338)	(14,683)	(36.4)
Administrative expenses		(3,349)	(5,256)	(36.3)	(17,139)	(18,181)	(5.7)
Other expenses		(1,379)	(1,603)	(14.0)	(5,608)	(5,665)	(1.0)
Interest expense		(46)	(46)	—	(149)	(148)	0.7
Share of results of joint venture		(1,883)	798	n.m.	(218)	2,035	n.m.
(Loss)/profit before taxation	6	(2,447)	3,289	n.m.	120	4,099	(97.1)
Taxation	7	(90)	282	n.m.	(322)	190	n.m.
(Loss)/profit for the year		(2,537)	3,571	n.m.	(202)	4,289	n.m.
Attributable to:							
Equity holders of the Company		(2,537)	3,571	n.m.	(202)	4,289	n.m.
Earnings per share							
Basic (cents)	8	(1.1)	1.6		(0.1)	1.9	
Fully diluted (cents)	8	(1.1)	1.6		(0.1)	1.9	

n.m. denotes not meaningful

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated statement of comprehensive income

	Group			
	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
(Loss)/profit net of tax	(2,537)	3,571	(202)	4,289
Other comprehensive income, net of tax:				
<u>Items that may be reclassified to profit and loss</u>				
Foreign currency translation	–	(136)	(348)	(180)
Realisation of foreign currency translation reserve on liquidation of a subsidiary company	–	–	16	–
Total comprehensive income for the year	(2,537)	3,435	(534)	4,109
Total comprehensive income attributable to:				
Equity holders of the Company	(2,537)	3,435	(534)	4,109

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim balance sheets

	Note	Group		Company	
		30 June	30 June	30 June	30 June
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	9	28,485	32,390	187	289
Right-of-use assets		3,004	3,610	–	–
Investments in subsidiary companies	15	–	–	49,674	41,754
Investment in joint venture	16	8,943	9,506	817	817
Intangible assets		240	376	52	92
Other receivables and deposits		16	209	–	–
Deferred tax assets		168	250	–	–
		40,856	46,341	50,730	42,952
Current assets					
Inventories		1,819	1,564	–	–
Trade receivables		10,924	17,312	–	–
Other receivables and deposits		813	885	265	2,891
Prepayments and advances to suppliers		698	834	44	62
Customer retention monies		24	168	–	–
Amount due from a subsidiary company (trade)		–	–	222	433
Contract assets		1,349	3,211	–	–
Fixed deposits pledged		–	–	–	–
Cash and cash equivalents		67,928	63,592	39,988	41,764
		83,555	87,566	40,519	45,150

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim balance sheets

	Note	Group		Company	
		30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Current liabilities					
Trade and other payables		7,924	11,265	322	932
Amounts due to subsidiary companies (trade)		–	–	–	43
Amount due to a subsidiary company (non-trade)		–	–	11,961	12,706
Contract liabilities		–	134	–	–
Provisions, current		469	646	–	–
Lease liabilities, current		490	652	–	–
Income tax payable		117	109	249	116
		9,000	12,806	12,532	13,797
Net current assets		74,555	74,760	27,987	31,353
Non-current liabilities					
Provisions, non-current		1,919	1,946	–	–
Lease liabilities, non-current		2,831	3,401	–	–
Deferred tax liabilities		622	656	108	139
		5,372	6,003	108	139
Net assets		110,039	115,098	78,609	74,166
Equity attributable to equity holders of the Company					
Share capital	10(a)	65,403	65,403	65,403	65,403
Treasury shares	10(b)	(160)	(160)	(160)	(160)
Accumulated profits		45,739	50,466	13,366	8,923
Foreign currency translation reserve		(943)	(611)	–	–
Total equity		110,039	115,098	78,609	74,166

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim statements of changes in equity

Group	Attributable to equity holders of the Company				
	Share capital	Treasury shares	Accumulated profits	Foreign currency translation reserve	Total equity
	(Note 10(a)) \$'000	(Note 10(b)) \$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	65,403	(160)	50,466	(611)	115,098
Loss for the year	–	–	(202)	–	(202)
Other comprehensive income for the year	–	–	–	(348)	(348)
Total comprehensive income for the year	–	–	(202)	(348)	(550)
Realisation of foreign currency translation reserve on liquidation of a subsidiary company	–	–	–	16	16
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares (Note 11)	–	–	(4,525)	–	(4,525)
Balance at 30 June 2024	65,403	(160)	45,739	(943)	110,039
Balance at 1 July 2022	65,403	(160)	50,702	(431)	115,514
Profit for the year	–	–	4,289	–	4,289
Other comprehensive income for the year	–	–	–	(180)	(180)
Total comprehensive income for the year	–	–	4,289	(180)	4,109
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares (Note 11)	–	–	(4,525)	–	(4,525)
Balance at 30 June 2023	65,403	(160)	50,466	(611)	115,098

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim statements of changes in equity

Company	Attributable to equity holders of the Company			
	Share capital (Note 10(a)) \$'000	Treasury shares (Note 10(b)) \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2023	65,403	(160)	8,923	74,166
Profit for the year	–	–	8,968	8,968
Total comprehensive income for the year	–	–	8,968	8,968
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares (Note 11)	–	–	(4,525)	(4,525)
Balance at 30 June 2024	65,403	(160)	13,366	78,609
Balance at 1 July 2022	65,403	(160)	7,428	72,671
Profit for the year	–	–	6,020	6,020
Total comprehensive income for the year	–	–	6,020	6,020
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares (Note 11)	–	–	(4,525)	(4,525)
Balance at 30 June 2023	65,403	(160)	8,923	74,166

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated cash flow statement

	Note	Group	
		12 months ended	12 months ended
		30 June 2024 \$'000	30 June 2023 \$'000
Cash flows from operating activities			
Profit before taxation		120	4,099
Adjustments:			
Depreciation of property, plant and equipment	6	4,456	4,182
Depreciation of right-of-use assets	6	736	826
Amortisation of intangible assets	6	205	410
Gain on disposal of property, plant and equipment	5	(297)	(426)
Impairment loss on property, plant and equipment		113	–
Share of results of joint venture		218	(2,035)
Write back of provision for warranty		(177)	(710)
Write back for expected credit losses, net		(49)	(79)
(Write back of provision)/provision for stock obsolescence		(7)	16
Interest income	5	(1,445)	(1,002)
Interest expense		149	148
Loss on dilution on interest in joint venture		–	27
Unrealised exchange loss/(gain)		13	(14)
Operating cash flows before working capital changes		4,035	5,442
Changes in working capital:			
Decrease in customer retention monies, trade and other receivables, deposits and prepayments		6,946	7,080
Increase in inventories		(329)	(278)
Decrease/(increase) in contract assets/liabilities, net		1,728	(3,554)
Decrease in trade and other payables		(3,368)	(5,800)
Cash generated from operations		9,012	2,890
Tax paid		(265)	(3,340)
Net cash flows generated from/(used in) operating activities		8,747	(450)
Cash flows from investing activities			
Interest received		1,563	617
Purchase of property, plant and equipment		(821)	(5,930)
Purchase of intangible assets		(69)	(315)
Proceeds from disposal of property, plant and equipment		460	541
Net cash flows generated from/(used in) investing activities		1,133	(5,087)

Hai Leck Holdings Limited and Subsidiary Companies**Condensed interim consolidated cash flow statement**

	Group	
	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
Cash flows from financing activities		
Interest paid	(149)	(148)
Payment of lease liabilities	(870)	(956)
Decrease in fixed deposits pledged	–	1,134
Dividends paid	11 (4,525)	(4,525)
Net cash flows used in financing activities	(5,544)	(4,495)
Net increase/(decrease) in cash and cash equivalents	4,336	(10,032)
Cash and cash equivalents at the beginning of period	63,592	73,624
Cash and cash equivalents at end of the period	67,928	63,592

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

1. Corporate information

Hai Leck Holdings Limited (the “Company”) is a limited liability company, domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office and principal place of business of the Company is located at 47 Tuas View Circuit, Singapore 637357.

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 subsidiary companies and joint venture are disclosed in Notes 15 and 16 to the financial statements respectively.

2. Basis of preparation

The condensed interim consolidated financial statements of the Group 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 March 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$) which is the Company’s functional currency. All values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.1. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Basis of preparation (cont'd)

2.1. Use of judgements and estimates (cont'd)

Key assumptions concerning the future and other key sources of estimation uncertainty are as follows:

Allowance for expected credit losses of trade receivables, customer retention monies and contract assets

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables, customer retention monies and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal assessment of non-financial assets is based on available market data from recent transactions of similar assets, recent acquisition prices or observable market prices less costs for disposing the asset.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and applies a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of the Group's property, plant and equipment, right-of-use assets and Company's investments in subsidiary companies as at 30 June 2024 were \$28,485,000 (30 June 2023: \$32,390,000), \$3,004,000 (30 June 2023: \$3,610,000) and \$49,674,000 (30 June 2023: \$41,754,000) respectively.

Revenue recognition

The Group recognises fixed-price contract revenue over time based on the stage of completion of the contract activity at the end of each reporting period. The stage of completion is determined based on proportion of total contract costs incurred to-date over the estimated budgeted costs.

The determination of the estimated budgeted costs (including rectification works and post-completion warranties) requires significant management estimations, which could have a material impact on the amounts of contract assets/liabilities, project revenues, costs and profits recognised in the year. In making these estimations, management relies on past experience and knowledge of project specialists.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

Project revenue (cont'd)

The management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control to the customers, as it reflects the Group's efforts incurred to-date relative to the total inputs expected to be incurred for the projects.

Fixed-price contract revenue for the financial year ended 30 June 2024 was \$13,827,000 (30 June 2023: \$6,960,000) for the Group.

Provision for warranty

Provision for warranty is recognised for expected warranty claims from painting works. Management has estimated the amount of provision based on their past experience and understanding of the historical trends of warranty claims and the warranty periods. It is expected that the provision will be utilised within the respective warranty periods. The provision for warranty as at 30 June 2024 amounted to \$469,000 (30 June 2023: \$646,000).

3. Seasonal operations

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

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

4. Segment and revenue information

4.1. Segment information

The Group is organised into the following two reportable operating segments:

- Project and maintenance services
- Contact centre services

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

	Project and maintenance services		Contact centre services		Adjustments and eliminations		Notes	Consolidated financial statements	
	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000		3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000
Revenue:									
External customers	7,479	14,741	3,173	4,960	–	–		10,652	19,701
Results:									
Interest income	303	652	54	46	–	–		357	698
Interest expenses	37	37	9	9	–	–		46	46
Depreciation and amortisation	928	1,018	325	474	–	–		1,253	1,492
Impairment loss on property, plant and equipment	113	–	–	–	–	–		113	–
Share of results of joint venture	(1,883)	798	–	–	–	–		(1,883)	798
Segment (loss)/profit before tax	(3,491)	1,566	1,044	1,723	–	–		(2,447)	3,289
Assets:									
Additions to non-current assets	502	3,509	63	379	–	–	A	565	3,888
Segment assets	109,936	118,062	14,753	18,777	(278)	(2,932)	B	124,411	133,907
Segment liabilities	11,269	13,608	2,810	7,618	293	(2,417)	C	14,372	18,809

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

4. Segment and revenue information (cont'd)

4.1. Segment information (cont'd)

	Project and maintenance services		Contact centre services		Adjustments and eliminations		Notes	Consolidated financial statements	
	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000		12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
Revenue:									
External customers	39,753	48,941	14,038	19,676	–	–		53,791	68,617
Results:									
Interest income	1,275	942	170	60	–	–		1,445	1,002
Interest expenses	114	109	35	39	–	–		149	148
Depreciation and amortisation	4,043	3,773	1,354	1,645	–	–		5,397	5,418
Impairment loss of impairment loss on property, plant and equipment	113	–	–	–	–	–		113	–
Share of results of joint venture	(218)	2,035	–	–	–	–		(218)	2,035
Segment (loss)/profit before tax	(3,224)	701	3,344	3,398	–	–		120	4,099
Assets:									
Additions to non-current assets	973	5,335	355	910	–	–	A	1,328	6,245
Segment assets	109,936	118,062	14,753	18,777	(278)	(2,932)	B	124,411	133,907
Segment liabilities	11,269	13,608	2,810	7,618	293	(2,417)	C	14,372	18,809

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

4. Segment and revenue information (cont'd)

4.1. Segment information (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A. Additions to non-current assets consist of additions to property, plant and equipment, right-of-use assets and intangible assets.

B. The following items are (deducted from)/added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
Inter-segment assets	(446)	(3,182)	(446)	(3,182)
Deferred tax assets	168	250	168	250
	<u>(278)</u>	<u>(2,932)</u>	<u>(278)</u>	<u>(2,932)</u>

C. The following items are (deducted from)/added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
Inter-segment liabilities	(446)	(3,182)	(446)	(3,182)
Income tax payable	117	109	117	109
Deferred tax liabilities	622	656	622	656
	<u>293</u>	<u>(2,417)</u>	<u>293</u>	<u>(2,417)</u>

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

4. Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

Revenue information based on the geographical location of customers are as follows:

	Group			
	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
Singapore	10,652	19,701	53,791	68,617
Others	—	—	—	—
Total	10,652	19,701	53,791	68,617
<u>Major service lines:</u>				
Over time	1,703	3,906	13,827	6,960
Point in time	8,949	15,795	39,964	61,657
	10,652	19,701	53,791	68,617

5. Other income

	Group			
	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
Interest income from:				
- fixed deposits	355	696	1,440	981
- bank deposits	2	2	5	21
Gain on disposal of property, plant and equipment	1	181	297	426
Government grant income	519	119	750	1,397
Others	34	39	264	358
	911	1,037	2,756	3,183

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

6. (Loss)/profit before taxation

6.1 Significant items

The following items have been included in arriving at (loss)/profit before tax:

	Group			
	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
Depreciation of property, plant and equipment	(1,006)	(1,116)	(4,456)	(4,182)
Depreciation of right-of-use assets	(201)	(200)	(736)	(826)
Amortisation of intangible assets	(46)	(176)	(205)	(410)
Impairment loss on property, plant and equipment	(113)	–	(113)	–
Foreign exchange loss, net	(6)	(30)	(10)	(14)
Write-back of provision for warranty, net	177	710	177	710
Write-back of expected credit losses, net	49	79	49	79

6.2 Related party transactions

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

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
Current taxation				
- Current year	(8)	6	224	211
- Under/(over) provision in respect of prior years	54	(292)	54	(326)
Deferred taxation				
- Current year	27	515	27	365
- Under/(over) provision in respect of prior years	17	(511)	17	(440)
Tax expense/(credit)	90	(282)	322	(190)

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

8. Earnings per share

	Group			
	3 months ended 30 June 2024 \$'000	3 months ended 30 June 2023 \$'000	12 months ended 30 June 2024 \$'000	12 months ended 30 June 2023 \$'000
(Loss)/profit attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings per share	(2,537)	3,571	(202)	4,289
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	226,241	226,241	226,241	226,241
Adjusted weighted average number of ordinary shares for diluted earnings per share computation ('000)	226,241	226,241	226,241	226,241

9. Property, plant and equipment

During the 12 months ended 30 June 2024, the Group acquired assets amounting to \$821,000 (30 June 2023: \$5,930,000) and disposed of assets amounting to \$156,000 (30 June 2023: \$115,000).

10. Share capital and treasury shares

There were no changes in the Company's share capital arising from right issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of previous period reported on.

There are no shares that may be issued on conversion of outstanding convertibles.

There were no sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the financial period reported on.

As at 30 June 2024, the total number of issued ordinary shares (excluding treasury shares) was 226,241,195 (30 June 2023: 226,241,195).

(a) Share capital

	Group and Company			
	As at 30 June 2024 No. of shares ('000)	\$'000	As at 30 June 2023 No. of shares ('000)	\$'000
At beginning and end of period	226,593	65,403	226,593	65,403

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 30 June 2023.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

10. Share capital and treasury shares (cont'd)

(b) Treasury shares

	Group and Company			
	As at 30 June 2024		As at 30 June 2023	
	No. of shares ('000)	\$'000	No. of shares ('000)	\$'000
At beginning and end of period	352	160	352	160
Percentage of treasury shares against total number of shares outstanding	0.16%		0.16%	
Total shares excluding treasury shares as at end of the period	226,241		226,241	

Treasury shares relate to ordinary shares of the Company that are held by the Company.

11. Dividend

	Group and Company	
	12 months ended 30 June 2024	12 months ended 30 June 2023
	\$'000	\$'000
Declared and paid during the year:		
<i>Dividends on ordinary shares:</i>		
- Final tax exempt (one-tier) dividend of \$0.02 in respect of financial year ended 30 June 2023 ("FY23") (2023: \$0.02 in respect of financial year ended 30 June 2022 ("FY22") per ordinary share	4,525	4,525
	4,525	4,525

No dividends were proposed and recognised as a liability as at 30 June 2024.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

12. Financial assets and liabilities

Set out below is the carrying amount of each of the category of the Group's and the Company's financial instruments that are carried in the financial statements:

Group	30 June 2024	30 June 2023
	\$'000	\$'000
Financial assets measured at amortised cost		
Customer retention monies	24	168
Trade receivables (excluding GST receivable)	10,760	17,005
Other receivables and deposits (excluding tax recoverable and government grant receivables)	829	1,089
Cash and cash equivalents	67,928	63,592
Total financial assets measured at amortised cost	79,541	81,854
Financial liabilities measured at amortised cost		
Trade and other payables (excluding GST payable and deferred income)	7,047	10,474
Lease liabilities	3,321	4,053
Total financial liabilities measured at amortised cost	10,368	14,527
Company		
Financial assets measured at amortised cost		
Other receivables and deposits	265	2,891
Amount due from a subsidiary company (trade)	222	433
Cash and cash equivalents	39,988	41,764
Total financial assets measured at amortised cost	40,475	45,088
Financial liabilities measured at amortised cost		
Trade and other payables (excluding GST payable and deferred income)	286	924
Amounts due to subsidiary companies (trade)	–	43
Amount due to a subsidiary company (non-trade)	11,961	12,706
Total financial liabilities measured at amortised cost	12,247	13,673

13. Net asset value

	Group		Company	
	As at 30 June 2024	As at 30 June 2023	As at 30 June 2024	As at 30 June 2023
	\$	\$	\$	\$
Net asset value per ordinary share (cents)	48.6	50.9	34.7	32.8

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

14. Borrowings

	Group		Company	
	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
<u>Amount repayable within one year or on demand</u>				
Secured	490	652	–	–
<u>Amount repayable after one year</u>				
Secured	2,831	3,401	–	–

The borrowings relate to lease liabilities relating to right-of-use assets.

15. Subsidiary companies

Details of subsidiary companies are as follows:

Name of company	Principal activities	Country of incorporation	Percentage of equity held by the Group	
			30 June 2024 %	30 June 2023 %
Held by the Company				
Hai Leck Engineering (Private) Limited	Oil & gas and chemical industries related construction and maintenance services	Singapore	100	100
Hai Leck Engineering & Construction Pte. Ltd.	Engineered solutions and mechanical works	Singapore	100	100
Hai Leck Industrial Services Pte. Ltd.	Trading and contracting for thermal insulations, refractories and fire-protection for steel structures	Singapore	100	100
Hai Leck Overseas Investments Pte. Ltd.*	Investment holding	Singapore	100	100
United Holding (1975) Pte. Ltd.*	Mixed construction activities and investment holding	Singapore	100	100
Hai Leck Integrated Services Pte. Ltd.	Asset, business and management consultancy services	Singapore	100	100
Hai Leck Services Pte. Ltd.	Asset management and consultancy services	Singapore	100	100

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

15. Subsidiary companies (cont'd)

Name of company	Principal activities	Country of incorporation	Percentage of equity held by the Group	
			30 June 2024	30 June 2023
			%	%
Held by the Company				
Tele-centre Services Pte Ltd [#]	Providing call centre services, telecommunications and information technology	Singapore	100	-
Hai Leck Engineering (Thailand) Co., Ltd. [@]	Oil & gas and chemical industries related construction and maintenance services	Thailand	100	100
Held by subsidiary companies				
Tele-centre Services Pte Ltd [#]	Providing call centre services, telecommunications and information technology	Singapore	-	100
Hai Leck Corporation Sdn. Bhd. [^]	Oil & gas and chemical industries related construction and maintenance services	Malaysia	-	100

* The Group commenced voluntary winding up procedures in respect of Hai Leck Overseas Investments Pte. Ltd. and United Holding (1975) Pte. Ltd. during the financial year ended 30 June 2024. As at 30 June 2024, the voluntary winding up procedures were still ongoing.

The Group carried out an internal restructuring exercise pursuant to which the equity interest in Tele-centre Services Pte Ltd were transferred from United Holding (1975) Pte. Ltd. to the Company during the financial year ended 30 June 2024.

@ The Group commenced voluntary winding up procedures in respect of Hai Leck Engineering (Thailand) Co., Ltd. during the financial year ended 30 June 2024. Subsequent to the end of the financial year, the voluntary winding up procedures were completed.

^ The Group commenced voluntary winding up procedures in respect of Hai Leck Corporation Sdn. Bhd. during the financial year ended 30 June 2021. The voluntary winding up procedures were completed during the financial year ended 30 June 2024.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

16. Joint venture

Details of the joint venture are as follows:

Name of company	Principal activities	Country of incorporation	Percentage of equity held by the Group	
			30 June 2024 %	30 June 2023 %
Held by a subsidiary company				
Logthai – Hai Leck Engineering Co., Ltd	Oil & gas and chemical industries related construction and maintenance services	Thailand	44.66	44.66

Hai Leck Holdings Limited And Subsidiary Companies

Other Information

For the Fourth Quarter and Full Year ended 30 June 2024

Hai Leck Holdings Limited and Subsidiary Companies

Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated balance sheet of Hai Leck Holdings Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated income statement, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Results for financial year and fourth quarter ended 30 June 2024

Revenue

Revenue for the financial year ended 30 June 2024 ("FY24") decreased by \$14.8 million to \$53.8 million compared to \$68.6 million recorded in the financial year ended 30 June 2023 ("FY23") due to lower project and maintenance services and contact centre services revenue.

Quarter-on-quarter, the revenue decreased by \$9.0 million to \$10.7 million for the fourth quarter ended 30 June 2024 ("4Q24") compared to \$19.7 million recorded in the fourth quarter ended 30 June 2023 ("4Q23") due to the same reasons as above.

Cost of sales

For FY24, cost of sales decreased by \$7.1 million to \$24.0 million compared to \$31.1 million recorded in FY23. The decrease is in line with the decrease in revenue.

Quarter-on-quarter, cost of sales decreased by 40.3% to \$5.2 million due to the same reasons as above.

Other income

Other income decreased from \$3.2 million in FY23 to \$2.8 million in FY24 mainly due to lower government grant income recognised, partially offset by higher interest income.

Other income decreased from \$1.0 million in 4Q23 to \$0.9 million in 4Q24 due to decrease in interest income, partially offset by higher government grant income recognised.

Operating expenses

Operating expenses consist of distribution and selling expenses, administrative expenses and other operating expenses, including depreciation, amortisation and exchange differences.

For FY24, total operating expenses decreased from \$38.5 million in FY23 to \$32.1 million mainly due to lower manpower related costs.

For 4Q24, operating expenses decreased from \$9.6 million in 4Q23 to \$6.9 million mainly due to same reasons as above.

Taxation

The effective tax rate for FY24 is higher than the statutory tax rate mainly due to the effect of non-tax deductible expenses.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

(Loss)/profit attributable to equity holders of the Company

The Group recorded a net loss attributable to equity holders of the Company of \$0.2 million in FY24, compared to a net profit of \$4.3 million in FY23.

Quarter-on-quarter, the Group recorded a net loss attributable to equity holders of \$2.5 million in 4Q24 compared to a net profit of \$3.6 million in 4Q23.

Review of Financial Position

Non-current assets

Non-current assets decreased by \$5.4 million from \$46.3 million as at 30 June 2023 to \$40.9 million as at 30 June 2024. The decrease is mainly due to depreciation on property, plant and equipment, amortisation of right-of-use assets and decrease in investment in joint venture.

Current assets

Current assets decreased by \$4.0 million from \$87.6 million as at 30 June 2023 to \$83.6 million as at 30 June 2024. The decrease is mainly due to decrease in trade receivables and contract assets, partially offset by increase in cash and cash equivalents.

Current liabilities

Current liabilities decreased by \$3.8 million from \$12.8 million as at 30 June 2023 to \$9.0 million as at 30 June 2024, mainly due to decrease in trade and other payables.

Non-current liabilities

Non-current liabilities decreased from \$6.0 million as at 30 June 2023 to \$5.4 million as at 30 June 2024 which mainly due to repayment of lease obligations.

Review of Cash Flows

Cash flows from operating activities

Net cash flows generated from operating activities was \$8.7 million in FY24 compared to net cash flows used in operating activities of \$0.5 million in FY23, mainly due to improvement in working capital.

Cash flows from investing activities

Net cash flows generated from investing activities was \$1.1 million in FY24 compared to net cash flows used in investing activities of \$5.1 million in FY23 mainly due to lower purchases of property, plant and equipment in FY24 and higher interest received during the financial year.

Cash flows from financing activities

Net cash flows used in financing activities in FY24 was higher at \$5.5 million compared to \$4.5 million in FY23 mainly due to absence of withdrawal of bank deposits pledged.

Cash and cash equivalents as at 30 June 2024 was higher at \$67.9 million compared to \$63.6 million as at 30 June 2023.

Review of Segment Information

Project and Maintenance Services segment turnover decreased from \$48.9 million in FY23 to \$39.8 million in FY24 while turnover for Contact Centre Services segment decreased from \$19.7 million in FY23 to \$14.0 million in FY24 due to lower level of activities.

Project and Maintenance Services segment recorded loss before tax of \$3.2 million in FY24 compared to \$0.7 million profit before tax in FY23 mainly due to lower level of activities and absence of profit contribution from the joint venture. Profit before tax for Contract Centre Services remained comparable for FY24 and FY23.

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

The actual results are in line with the profit warning announcement made on 26 August 2024.

4. 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 operating period and the next half year

The Group faces extremely keen competition in the sectors that it operates in and majority of its operations, being outdoors, are subject to unpredictable climate conditions. Furthermore, the global political situation remains uncertain. Developments in the global political scene with likely have follow-on impacts on the global economy. This, in turn, will also affect the local economy and relevant sectors. Being mindful of such uncertainties, the Group will continue to manage its operations and control costs judiciously.

5. Dividend information

5.1 Current financial period reported on

Any dividend recommended for the current financial period reported on?

Nil

5.2 Corresponding period of the immediate preceding financial year

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

Final dividends

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	2 cents per ordinary share (one-tier tax exempt)

5.3 Date payable

Not applicable

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

5.4 Record date

Not applicable

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

No dividend has been declared/recommended in view of uncertain global and local economic outlook and financial performance of the Group for the financial year ended 30 June 2024.

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Disclosure pursuant to Rule 706A of the Listing Manual

During 4Q24, the Group commenced voluntary winding up procedures in respect of Hai Leck Engineering (Thailand) Co., Ltd., Hai Leck Overseas Investments Pte. Ltd. and United Holding (1975) Pte. Ltd.

As at 30 June 2024, the voluntary winding up procedures in respect of Hai Leck Overseas Investments Pte. Ltd. and United Holding (1975) Pte. Ltd. were still ongoing. The voluntary winding up procedures in respect of Hai Leck Engineering (Thailand) Co., Ltd. were completed subsequent to the end of the financial year. In addition, the voluntary winding up procedures which were commenced in respect of Hai Leck Corporation Sdn. Bhd. during the financial year ended 30 June 2021 were completed during the financial year ended 30 June 2024.

The Group carried out an internal restructuring exercise pursuant to which the equity interest in Tele-centre Services Pte Ltd were transferred from United Holding (1975) Pte. Ltd. to the Company during 4Q24.

Other than as disclosed above, during 4Q24 and as at the date of this announcement, there were no other changes to the Company's and the Group's shareholding percentages in its respective subsidiaries or associated companies nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director and/or chief executive officer 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
Cheng Buck Poh @ Chng Bok Poh	81	Ms Cheng Wee Ling is the daughter of Mr Cheng Buck Poh @ Chng Bok Poh, Executive Chairman, Chief Executive Officer and Substantial Shareholder of the Company.	Executive Chairman 1998 Responsible for charting and reviewing corporate directions and strategies for the Group and subsidiaries. Chief Executive Officer 2020 Responsible for overseeing management and development of the Group's businesses, locally and overseas, and is also responsible for sales and marketing for the Group's businesses.	Not applicable
Cheng Wee Ling	45	Daughter of Mr Cheng Buck Poh @ Chng Bok Poh, Executive Chairman, Chief Executive Officer and Substantial Shareholder of the Company and Mdm Goo Guik Bing @ Goh Guik Bing, Substantial Shareholder of the Company.	Chief Executive Officer of Tele-centre Services Pte. Ltd. ("Tele-centre") 2022 Responsible for overseeing management and development, as well as the daily operations of Tele-centre.	Not applicable

BY ORDER OF THE BOARD

Cheng Buck Poh @ Chng Bok Poh
Executive Chairman and Chief Executive Officer
28 August 2024