

Company Registration No. 200101065H

Santak Holdings Limited and its Subsidiaries

Financial Results
For the Financial Year ended 30 June 2023

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Santak Holdings Limited and its Subsidiaries

CONDENSED CONSOLIDATED INCOME STATEMENT

For the Financial Year ended 30 June 2023

	Note	6 months ended 30 June 2023 S\$'000	6 months ended 30 June 2022 S\$'000	Change %	12 months ended 30 June 2023 S\$'000	12 months ended 30 June 2022 S\$'000	Change %
Revenue	4.2	4,699	5,705	(17.6)	8,632	11,677	(26.1)
Cost of sales		(4,544)	(4,888)	(7.0)	(8,321)	(10,026)	(17.0)
Gross profit		155	817	(81.0)	311	1,651	(81.2)
Other operating income		28	32	(12.5)	64	61	4.9
Distribution and selling expenses		(442)	(599)	(26.2)	(863)	(1,207)	(28.5)
Administrative expenses		(707)	(740)	(4.5)	(1,389)	(1,461)	(4.9)
Other operating expenses		(156)	(52)	200.0	(286)	(53)	439.6
Finance costs		(12)	(8)	50.0	(21)	(20)	5.0
Finance income		89	15	493.3	142	26	446.2
Loss before tax	5	(1,045)	(535)	95.3	(2,042)	(1,003)	103.6
Taxation	6	*	16	n.m	(4)	(3)	33.3
Loss, net of taxation		(1,045)	(519)	101.3	(2,046)	(1,006)	103.4
Loss attributable to:							
Owners of the Company							
Loss, net of taxation		(1,045)	(519)	101.3	(2,046)	(1,006)	103.4
Loss for the year attributable to owners of the Company		(1,045)	(519)	101.3	(2,046)	(1,006)	103.4
Loss per share attributable to owners of the Company (cents per share)							
Basic		(0.97)	(0.48)		(1.90)	(0.94)	
Diluted		(0.97)	(0.48)		(1.90)	(0.94)	
Loss per share (cents per share)							
Basic		(0.97)	(0.48)		(1.90)	(0.94)	
Diluted		(0.97)	(0.48)		(1.90)	(0.94)	

* 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 2023

The Group						
	6 months ended 30 June 2023 S\$'000	6 months ended 30 June 2022 S\$'000	Change %	12 months ended 30 June 2023 S\$'000	12 months ended 30 June 2022 S\$'000	Change %
Loss for the year	(1,045)	(519)	101.3	(2,046)	(1,006)	103.4
Other comprehensive income/(expense):						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	94	2	4600.0	(23)	3	n.m
Total other comprehensive income /(expense) for the period, net of taxation	94	2	4600.0	(23)	3	n.m
Total comprehensive loss for the period	(951)	(517)	83.9	(2,069)	(1,003)	106.3
Total comprehensive loss attributable to: Owners of the Company	(951)	(517)	83.9	(2,069)	(1,003)	106.3
Attributable to: Owners of the Company						
Total comprehensive loss, net of taxation	(951)	(517)	83.9	(2,069)	(1,003)	106.3
Total comprehensive loss for the period attributable to equity owners of the Company	(951)	(517)	83.9	(2,069)	(1,003)	106.3

Santak Holdings Limited and its Subsidiaries

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Group 30 June		Company 30 June	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Non-current assets					
Property, plant and equipment	7	3,712	4,038	66	75
Right-of-use assets		492	378	-	-
Investments in subsidiary companies		-	-	8,356	8,356
Intangible assets		16	22	1	1
Deferred tax assets		7	11	7	11
Other receivables		71	74	-	-
		4,298	4,523	8,430	8,443
Current assets					
Inventories	8	1,736	1,435	-	-
Trade receivables	9	2,094	2,824	-	-
Other receivables		132	124	-	-
Prepayments		80	54	9	10
Loan to a subsidiary company		-	-	4,030	4,030
Due from subsidiary companies (non-trade)		-	-	1,950	1,937
Fixed deposits	10	-	5,022	-	-
Short-term Investment	14(b)	-	1,302	-	-
Cash and cash equivalents		6,478	2,346	90	86
		10,520	13,107	6,079	6,063
Current liabilities					
Trade payables		1,064	1,723	-	-
Other payables		781	1,002	311	348
Lease liabilities	11	131	139	-	-
Provision for taxation		-	4	-	*
		1,976	2,868	311	348
Net current assets		8,544	10,239	5,768	5,715
Non-current liabilities					
Lease liabilities	11	376	227	-	-
Provisions		35	35	-	-
		411	262	-	-
Net assets		12,431	14,500	14,198	14,158
Equity attributable to owners of the Company					
Share capital	12	12,852	12,852	12,852	12,852
Translation reserve		(185)	(162)	-	-
(Accumulated losses) / retained earnings		(236)	1,810	1,346	1,306
Total Equity		12,431	14,500	14,198	14,158

* 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 2023

2023 Group	Attributable to owners of the Company			
	Share capital (Note 12) \$'000	(Accumulated losses)/retained earnings \$'000	Translation reserve \$'000	Total equity \$'000
At 1 July 2022	12,852	1,810	(162)	14,500
Loss for the year	–	(2,046)	–	(2,046)
<u>Other comprehensive expense</u>				
Foreign currency translation	–	–	(23)	(23)
Other comprehensive expense for the year, net of taxation	–	–	(23)	(23)
Total comprehensive loss for the year	–	(2,046)	(23)	(2,069)
At 30 June 2023	12,852	(236)	(185)	12,431

Santak Holdings Limited and its Subsidiaries

**Condensed Statements of Changes in Equity
For the 12 months ended 30 June 2022**

2022 Group	Attributable to owners of the Company			
	Share capital (Note 12) \$'000	(Accumulated losses)/retained earnings \$'000	Translation reserve \$'000	Total equity \$'000
At 1 July 2021	12,852	2,816	(165)	15,503
Loss for the year	–	(1,006)	–	(1,006)
<u>Other comprehensive income</u>				
Foreign currency translation	–	–	3	3
Other comprehensive income for the year, net of taxation	–	–	3	3
Total comprehensive (loss) / income for the year	–	(1,006)	3	(1,003)
At 30 June 2022	12,852	1,810	(162)	14,500

Santak Holdings Limited and its Subsidiaries**Condensed Statements of Changes in Equity
For the 12 months ended 30 June 2023**

Company	Attributable to owners of the Company		
	Share capital (Note 12) \$'000	Retained earnings \$'000	Total equity \$'000
2023			
At 1 July 2022	12,852	1,306	14,158
Profit for the year, representing total comprehensive income for the year	–	40	40
At 30 June 2023	12,852	1,346	14,198
2022			
At 1 July 2021	12,852	1,207	14,059
Profit for the year, representing total comprehensive income for the year	–	99	99
At 30 June 2022	12,852	1,306	14,158

Santak Holdings Limited and its Subsidiaries

**Condensed Consolidated Statement of Cash Flow
For the 12 months ended 30 June 2023**

	The Group	
	12 months ended 30 June 2023	12 months ended 30 June 2022
	\$'000	\$'000
Cash flows from operating activities		
Loss before tax	(2,042)	(1,003)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	204	192
Depreciation of right-of-use assets	141	160
Amortisation of intangible assets	6	18
Loss on disposal of property, plant and equipment	*	1
Gain on short term investment	(15)	(2)
Write-off of property, plant and equipment	-	1
Interest expense – lease liabilities	21	20
Interest income	(142)	(26)
(Write back) / write down of inventories (net)	(19)	48
Unrealised exchange loss	1	146
Operating cash flows before changes in working capital	(1,845)	(445)
<u>Changes in working capital</u>		
Decrease/(increase) in:		
Inventories	(310)	(222)
Trade receivables	677	(700)
Other receivables and prepayments	(30)	(32)
Increase/(decrease) in:		
Trade payables	(564)	772
Other payables	45	(35)
Total changes in working capital	(182)	(217)
Cash flows from operations	(2,027)	(662)
Interest received	36	*
Income taxes paid, net	(4)	(24)
Net cash flows used in operating activities	(1,995)	(686)
Cash flows from investing activities		
Purchase of property, plant and equipment	(105)	(159)
Purchase of intangible assets	(1)	(1)
Proceeds from disposal of property, plant and equipment	-	4
Transfer from fixed deposits	5,111	-
Proceeds from sale of short-term investment	1,317	-
Net cash flows generated from/(used in) investing activities	6,322	(156)

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Condensed Consolidated Statement of Cash Flow
For the 12 months ended 30 June 2023**

	The Group	
	12 months ended 30 June 2023	12 months ended 30 June 2022
	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(21)	(20)
Payment of principal portion of lease liabilities	(137)	(167)
	<hr/>	<hr/>
Net cash flows used in financing activities	(158)	(187)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	4,169	(1,029)
Effect of exchange rate changes on cash and cash equivalents	(37)	(1)
Cash and cash equivalents at beginning of year	2,346	3,376
	<hr/>	<hr/>
Cash and cash equivalents at end of year	6,478	2,346
	<hr/>	<hr/>

Santak Holdings Limited and its Subsidiaries

Notes to the Condensed Consolidated Financial Statements For the 12 months ended 30 June 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 30 June 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 31 December 2022.

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

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

2. Summary of significant accounting policies

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards effective as of 1 July 2022. The Group has adopted all the new standards and amendments effective for the financial periods beginning on or after 1 July 2022, 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 2022.

3. Seasonal operations

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

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 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 Jan 2023 to 30 June 2023	Precision engineering \$'000	Trading and distribution \$'000	Investment and management services \$'000	Adjustments and eliminations \$'000	Total \$'000
Revenue					
Sales to external customers	2,594	2,105	-	-	4,699
Inter-segment sales	-	-	524	(524)	-
Total revenue	2,594	2,105	524	(524)	4,699
Results					
Interest income	89	-	-	-	89
Interest expense - lease liabilities	(12)	-	-	-	(12)
Depreciation of plant and equipment	(103)	(1)	(6)	-	(110)
Depreciation of right-of-use assets	(70)	-	-	-	(70)
Amortisation of intangible assets	(2)	-	(1)	-	(3)
Other non-cash income	117	-	-	-	117
Taxation	*	-	-	-	*
Segment (loss)/profit	(1,122)	78	(2)	1	(1,045)
Group Assets					
Additions to non-current assets	14	-	*	-	14
Segment assets	13,139	1,748	14,510	(14,579)	14,818
Liabilities					
Segment liabilities	7,463	836	311	(6,223)	2,387

* 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 2023**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

1 Jan 2022 to 30 June 2022	Precision engineering \$'000	Trading and distribution \$'000	Investment and management services \$'000	Adjustments and eliminations \$'000	Total \$'000
Revenue					
Sales to external customers	3,149	2,556	-	-	5,705
Inter-segment sales	-	-	534	(534)	-
Total revenue	3,149	2,556	534	(534)	5,705
Results					
Interest income	15	-	-	-	15
Interest expense - lease liabilities	(8)	-	-	-	(8)
Depreciation of plant and equipment	(105)	(1)	(6)	-	(112)
Depreciation of right-of-use assets	(79)	-	-	-	(79)
Amortisation of intangible assets	(7)	-	(1)	-	(8)
Other non-cash expenses	(35)	*	-	-	(36)
Taxation	-	9	7	-	16
Segment (loss)/profit	(692)	146	26	1	(519)
Group Assets					
Additions to non-current assets	85	-	1	-	86
Segment assets	15,318	2,420	14,507	(14,615)	17,630
Liabilities					
Segment liabilities	7,332	1,708	348	(6,258)	3,130

* 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 2023**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

1 July 2022 to 30 June 2023	Precision engineering	Trading and distribution	Investment and management services	Adjustments and eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	3,845	4,787	-	-	8,632
Inter-segment sales	-	-	1,048	(1,048)	-
Total revenue	3,845	4,787	1,048	(1,048)	8,632
Results					
Interest income	142	-	-	-	142
Interest expense - lease liabilities	(21)	-	-	-	(21)
Depreciation of plant and equipment	(190)	(2)	(12)	-	(204)
Depreciation of right-of-use assets	(141)	-	-	-	(141)
Amortisation of intangible assets	(5)	-	(1)	-	(6)
Other non-cash income	34	-	-	-	34
Taxation	*	-	(4)	-	(4)
Segment (loss)/profit	(2,306)	219	40	1	(2,046)
Group Assets					
Additions to non-current assets	103	1	2	-	106
Segment assets	13,139	1,748	14,510	(14,579)	14,818
Liabilities					
Segment liabilities	7,463	836	311	(6,223)	2,387

* 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 2023**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

1 July 2021 to 30 June 2022	Precision engineering	Trading and distribution	Investment and management services	Adjustments and eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	6,496	5,181	-	-	11,677
Inter-segment sales	-	-	1,118	(1,118)	-
Total revenue	6,496	5,181	1,118	(1,118)	11,677
Results					
Interest income	26	-	-	-	26
Interest expense - lease liabilities	(20)	-	-	-	(20)
Depreciation of plant and equipment	(179)	(2)	(11)	-	(192)
Depreciation of right-of-use assets	(160)	-	-	-	(160)
Amortisation of intangible assets	(17)	-	(1)	-	(18)
Other non-cash expenses	(48)	*	-	-	(49)
Taxation	-	(1)	(2)	-	(3)
Segment (loss)/profit	(1,343)	239	98	*	(1,006)
Group Assets					
Additions to non-current assets	156	-	3	-	159
Segment assets	15,318	2,420	14,507	(14,615)	17,630
Liabilities					
Segment liabilities	7,332	1,708	348	(6,258)	3,130

* 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 2023**

4. Segment information (Cont'd)

4.2 Disaggregation of revenue

The Group 6 months ended 30 June

	Precision engineering		Trading and distribution		Total revenue	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Types of goods or services:						
Sales of goods	2,594	3,149	2,105	2,556	4,699	5,705
Primary geographical markets						
Singapore	187	98	–	–	187	98
Asean (excluding Singapore)	1,886	2,595	20	18	1,906	2,613
America and Europe	518	451	2,055	2,501	2,573	2,952
North Asia	3	5	30	37	33	42
	2,594	3,149	2,105	2,556	4,699	5,705
Timing of transfer of goods or services						
At a point in time	2,594	3,149	2,105	2,556	4,699	5,705

Santak Holdings Limited and its Subsidiaries

Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2023

4. Segment information (Cont'd)

4.2 Disaggregation of revenue (cont'd)

	The Group 12 months ended 30 June					
	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*	3,845	6,496	4,787	5,181	8,632	11,677
Primary geographical markets						
Singapore	324	171	–	–	324	171
Asean (excluding Singapore)	2,783	5,313	52	40	2,835	5,353
America and Europe	733	990	4,676	5,067	5,409	6,057
North Asia	5	9	59	74	64	83
Others	–	13	–	–	–	13
	3,845	6,496	4,787	5,181	8,632	11,677
Timing of transfer of goods or services						
At a point in time	3,845	6,496	4,787	5,181	8,632	11,677

*A breakdown of sales:

	Group		% Change
	S\$'000		
	30 June 2023	30 June 2022	
Sales reported for first half year	3,933	5,972	(34.1)
Operating loss after tax before deducting non-controlling interests reported for first half year	(1,001)	(487)	105.5
Sales reported for second half year	4,699	5,705	(17.6)
Operating loss after tax before deducting non-controlling interests reported for second half year	(1,045)	(519)	101.3

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2023**

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 2023	6 months ended 30 June 2022	12 months ended 30 June 2023	12 months ended 30 June 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Income				
Other income	28	32	64	61
Interest income	89	15	142	26
Gain on short term investment	2	1	15	2
Expenses				
Interest expense – lease liabilities	(12)	(8)	(21)	(20)
Depreciation of property, plant and equipment	(110)	(112)	(204)	(192)
Depreciation of right-of-use assets	(70)	(79)	(141)	(160)
Amortisation of intangible assets	(3)	(8)	(6)	(18)
Write back / (write down) of inventories (net)	115	(36)	19	(48)
Loss on disposal of property, plant and equipment	*	-	*	(1)
Foreign exchange loss	(156)	(56)	(286)	(52)
Management personnel compensation (including directors)	(528)	(587)	(1,088)	(1,243)

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 30 June 2023	6 months ended 30 June 2022	12 months ended 30 June 2023	12 months ended 30 June 2022
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- Current income taxation	-	(12)	-	4
- Under provision in respect of previous years	*	(4)	*	-
Deferred tax				
- Origination and reversal of temporary differences	-	-	4	(1)
Income tax (credit)/expense recognised in profit or loss	*	(16)	4	3

* 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 2023****7. Property, plant and equipment**

During the six months ended 30 June 2023, the Group acquired assets amounting to \$14,000 (30 June 2022: \$86,000) and disposed of assets amounting to \$ * (30 June 2022: \$3,000).

8. Inventories

	Group	
	30 June 2023	30 June 2022
	\$'000	\$'000
Raw materials	200	213
Work-in-progress	440	218
Finished goods	1,096	1,004
	<hr/>	<hr/>
Total inventories at lower of cost and net realisable value	1,736	1,435
	<hr/>	<hr/>

The allowance for obsolete inventories as at 30 June 2023 amounted to \$84,000 (30 June 2022: \$118,000).

9. Trade receivables

	Group	
	30 June 2023	30 June 2022
	\$'000	\$'000
Trade receivables	2,094	2,824
Less: Allowance for impairment of trade receivables	-	-
	<hr/>	<hr/>
Total trade receivables	2,094	2,824
	<hr/>	<hr/>

10. Fixed deposits

The fixed deposits placed with a bank in Singapore for 1 to 3 months terms (30 June 2022 : 6 months) and earns interests at the bank's prevailing fixed deposit rates were classified to cash and cash equivalents as at 30 June 2023 due to the change to shorter maturity terms of 3 months or less during the year.

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

As at 30/06/2023		As at 30/06/2022	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
1,000	130,000	10,000	129,000

* 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 2023**

11. Borrowings (cont'd)

Amount repayable after one year

As at 30/06/2023		As at 30/06/2022	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
2,000	374,000	3,000	224,000

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			
	2023		2022	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid ordinary shares				
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 2023 (30 June 2022 : Nil).

There were no shares held as treasury shares as at 30 June 2023 (30 June 2022 : Nil).

There were no share options and no convertibles as at 30 June 2023 (30 June 2022 : Nil).

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

13. Net asset value

	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	11.55	13.48	13.20	13.16

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2023**

14. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises 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.

(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			
	\$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value				
Financial assets				
At 30 June 2023				
Short term investment #	-	-	-	-
At 30 June 2022				
Short term investment #	1,302	-	-	1,302

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

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of 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 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 decreased by 26.1% from S\$11.68 million in FY2022 to S\$8.63 million in FY2023. The substantial decrease was mainly due to significantly lower sales derived from the Group's Precision Engineering Division's ("PE") at S\$3.85 million, a decrease of S\$2.65 million or 40.8% compared to FY2022. The drop in sales in PE compared to prior year was primarily due to significantly weaker demand from the data storage sector amidst a soft computers / servers market. On the other hand, the Group's Trading & Distribution Division's ("T&D") revenue at S\$4.78 million in FY2023, represents a slight decrease of S\$0.39 million or 7.6% compared to FY2022. The decrease in sales in T&D compared to prior year was mainly attributable to lower demand from its security / access control systems business.

The Group's gross profit was lower at approximately S\$0.31 million in FY2023 compared to approximately S\$1.65 million in FY2022 resulting in lower gross profit margin of approximately 3.6% in FY2023 compared to approximately 14.1% in FY2022. This was mainly due to significantly lower economies of scale recorded as a result of the substantially lower turnover registered in FY2023 compared to FY2022. The slight decrease in depreciation expense by approximately S\$0.01 million in FY2023 was mainly due to lower depreciation expense of right-of-use assets by around S\$0.02 million which was partially offset by increase in depreciation charge of property, plant and equipment by approximately S\$0.01 million mainly on plant and machinery as well as motor vehicle.

Other operating expenses increased by S\$0.23 million or 439.6% from around S\$0.05 million in FY2022 to S\$0.29 million in FY2023. This was due to a higher foreign exchange loss of S\$0.29 million in FY2023 compared to S\$0.05 million in FY2022 mainly arising from the higher depreciation of both US\$ and RM against S\$ as at 30 June 2023 versus 30 June 2022. Other operating income increased slightly compared to previous year mainly due to increase in a gain on short-term investment by approximately S\$0.01 million compared to FY2022.

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalist Rules For the 12 months ended 30 June 2023

The decrease in distribution and selling expenses by S\$0.34 million or 28.5% to S\$0.86 million was primarily arising from lower payroll related cost, decrease in freight cost as well as lower sales commission in FY2023 compared to FY2022 in line with the lower turnover. The Group's administrative expenses decreased by S\$0.07 million or 4.9% to approximately S\$1.39 million in FY2023 compared to S\$1.46 million in FY2022 mainly attributable to lower payroll related cost and decrease in depreciation expense in FY2023.

The increase in finance income by approximately S\$0.12 million or 446.2% to S\$0.14 million in FY2023 was the results of increase in interest income from the fixed deposits placed with a bank in Singapore arising from higher interest rates during the year.

Loss before tax of S\$2.04 million was recorded for FY2023 compared to the loss before tax of S\$1.00 million in the prior year. The tax expense of approximately S\$4,000 in FY2023 was due to a partial derecognition of prior year deferred tax assets brought forward as well as the use of group relief to offset any current income tax. The loss after tax for FY2023 was approximately S\$2.05 million versus the loss after tax of S\$1.01 million for FY2022. The Group's basic and diluted loss per share were both 1.90 cents for FY2023 compared to the prior year basic and diluted loss per share of 0.94 cents.

Review of Financial Position

The decrease in property, plant and equipment ("PPE") by approximately S\$0.33 million to S\$3.71 million as at 30 June 2023 compared to 30 June 2022 was mainly due to the depreciation of PPE as well as translation loss arising from the weakening of RM during FY2023. The increase in right-of-use assets by approximately S\$0.11 million was mainly attributable to the extension renewal of the lease agreement of the Group's Clementi premise and was partially offset by depreciation of the right-of-use assets during FY2023. The decrease in intangible assets by approximately S\$0.01 million as at 30 June 2023 was the results of the amortisation of intangible assets during FY2023.

The increase in inventories by S\$0.30 million to S\$1.74 million as at 30 June 2023 compared to S\$1.44 million as at 30 June 2022 was mainly due to lower PE sales in FY2023. Nevertheless, the inventories balance as at 30 June 2023 was lower by S\$0.60 million compared to 31 December 2022. The decrease in both trade receivables and trade payables by approximately S\$0.73 million and S\$0.66 million as at 30 June 2023 versus 30 June 2022 were mainly in line with the lower sales recorded in FY2023 especially in the last quarter of April-June 2023 in FY2023 compared to the last quarter of April-June 2022 in FY2022.

The higher prepayment by around S\$0.03 million was mainly due to prepayment for renovation work and government levy. The decrease in short-term investment by S\$1.30 million was the results of the liquidation of the short-term investment during FY2023 for working capital purposes. The fixed deposits placed with a bank in Singapore for 1 to 3 months terms were classified to cash and cash equivalents as at 30 June 2023 due to the change to shorter maturity terms of 3 months or less during the year compared to maturity term of 6 months as at 30 June 2022. The increase in cash and cash equivalents by S\$4.13 million from S\$2.35 million as at 30 June 2022 to S\$6.48 million as at 30 June 2023 was mainly due to the classification of fixed deposits to cash and cash equivalents arising from the change to shorter maturity terms of 3 months or less during the year compared to 6 months term as at 30 June 2022.

The decrease in other payables by S\$0.22 million to S\$0.78 million as at 30 June 2023 was mainly due to lower accruals of payroll related cost and sub-contract labor cost as well as lower provision for audit fee as at 30 June 2023 versus 30 June 2022. The lease liabilities increased by approximately S\$0.14 million to S\$0.51 million as at 30 June 2023 primarily attributable to the extension renewal of the lease agreement of the Group's Clementi premise which was partially offset by the payment of lease liabilities during FY2023.

The Group's net asset value per share was 11.55 cents as at 30 June 2023 versus 13.48 cents as at 30 June 2022.

Review of Cash Flow

The higher net cash flows used in operating activities of approximately S\$2.00 million in FY2023 compared to S\$0.69 million in FY2022 was primarily due to a higher loss before tax and an increase in inventories and other receivables and prepayments as well as a decrease in trade payables which was partially offset by a decrease in trade receivables and an increase in other payables.

Net cash generated from investing activities of S\$6.32 million in FY2023 was mainly due to the transfer or classification of fixed deposit to cash and cash equivalent as well as the sale of short-term investment of S\$1.32 million during the year. This was partially offset by the purchase of property, plant and equipment of S\$0.10 million which mainly comprises payments for plant and machinery, renovation, computer as well as furniture and fittings. This is compared to net cash used in investing activities of \$0.16 million in the prior year.

Net cash used in financing activities decreased by approximately S\$0.03 million to S\$0.16 million during FY2023 primarily due to lower payment of lease liabilities compared to FY2022.

Overall, cash and cash equivalents increased by approximately S\$4.13 million during FY2023 to S\$6.48 million as at 30 June 2023 compared to the balance of S\$2.35 million as at 30 June 2022.

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

The results for FY2023 is in line with the profit warning announcement released on 24 August 2023.

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

The market in which the Group operates remains competitive and demanding going forward in the current financial year ending 30 June 2024 ("FY2024"). The Group expects weakness in demands for its Precision Engineering Division's products to continue in the first half of FY2024, particularly products for the data storage sector in the midst of a soft computers / servers market and the current uncertain and challenging economic environment. The Group will continue its marketing and cost optimization efforts of the Group's operations.

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

Santak Holdings Limited and its Subsidiaries

**Other information Required by Appendix 7C of the Catalist Rules
For the 12 months ended 30 June 2023**

7. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No final dividend is proposed.

(b) If Corresponding Period of the Immediately Preceding Year

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

No final dividend was proposed for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

8. If no dividend has been declared/recommendeded, 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 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 FY2023.

Santak Holdings Limited and its Subsidiaries

**Other information Required by Appendix 7C of the Catalist Rules
For the 12 months ended 30 June 2023**

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	62	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).	Non-Executive Director since year 2021.	Nil
Ms Heng Kheng Hwai	65	Sister-in-law of Mr Tan Sin Hock (Non-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	73	Brother of Mr Tan Sin Hock (Non-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

11. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Section 4 of Other Information Required by Appendix 7C of the Catalist Rules.

Santak Holdings Limited and its Subsidiaries

**Other information Required by Appendix 7C of the Catalist Rules
For the 12 months ended 30 June 2023**

12. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable as the Company did not declare any dividend for FY2022 and FY2023.

13. 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
28 August 2023

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Foo Quee Yin, at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271