

Company Registration No. 200101065H

Santak Holdings Limited and its Subsidiaries

Financial Results
For the Financial Year ended 30 June 2022

Santak Holdings Limited and its Subsidiaries

Index

	Page
<u>Condensed Consolidated Income Statement</u>	<u>2</u>
<u>Condensed Consolidated Statement of Comprehensive Income</u>	<u>3</u>
<u>Condensed Consolidated Statement of Financial Position</u>	<u>4</u>
<u>Condensed Statements of Changes in Equity</u>	<u>5</u>
<u>Condensed Consolidated Statement of Cash Flow</u>	<u>8</u>
<u>Notes to the Condensed Consolidated Financial Statements</u>	<u>10</u>
<u>Other Information Required by Appendix 7C of the Catalyst Rules</u>	<u>24</u>

Santak Holdings Limited and its Subsidiaries

CONDENSED CONSOLIDATED INCOME STATEMENT

For the Financial Year ended 30 June 2022

	Note	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000	Change %	12 months ended 30 June 2022 S\$'000	12 months ended 30 June 2021 S\$'000	Change %
Revenue	4.2	5,705	5,159	10.6	11,677	11,825	(1.3)
Cost of sales		(4,888)	(4,729)	3.4	(10,026)	(10,196)	(1.7)
Gross profit		817	430	90.0	1,651	1,629	1.4
Other operating income		32	136	(76.5)	61	307	(80.1)
Distribution and selling expenses		(599)	(631)	(5.1)	(1,207)	(1,313)	(8.1)
Administrative expenses		(740)	(766)	(3.4)	(1,461)	(1,632)	(10.5)
Other operating expenses		(52)	(48)	8.3	(53)	(414)	(87.2)
Finance costs		(8)	(14)	(42.9)	(20)	(38)	(47.4)
Finance income		15	6	150.0	26	6	333.3
Loss before tax	5	(535)	(887)	(39.7)	(1,003)	(1,455)	(31.1)
Taxation	6	16	22	(27.3)	(3)	(41)	(92.7)
Loss, net of taxation		(519)	(865)	(40.0)	(1,006)	(1,496)	(32.8)
Loss attributable to:							
Owners of the Company							
Loss, net of taxation		(519)	(865)	(40.0)	(1,006)	(1,496)	(32.8)
Loss for the year attributable to owners of the Company		(519)	(865)	(40.0)	(1,006)	(1,496)	(32.8)
Loss per share attributable to owners of the Company (cents per share)							
Basic		(0.48)	(0.80)		(0.94)	(1.39)	
Diluted		(0.48)	(0.80)		(0.94)	(1.39)	
Loss per share (cents per share)							
Basic		(0.48)	(0.80)		(0.94)	(1.39)	
Diluted		(0.48)	(0.80)		(0.94)	(1.39)	

* 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 2022

The Group

	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000	Change %	12 months ended 30 June 2022 S\$'000	12 months ended 30 June 2021 S\$'000	Change %
Loss for the year	(519)	(865)	(40.0)	(1,006)	(1,496)	(32.8)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	2	(7)	n.m	3	(17)	n.m
Total other comprehensive income for the period, net of taxation	2	(7)	n.m	3	(17)	n.m
Total comprehensive income for the period	(517)	(872)	(40.7)	(1,003)	(1,513)	(33.7)
Total comprehensive income attributable to: Owners of the Company	(517)	(872)	(40.7)	(1,003)	(1,513)	(33.7)
Attributable to: Owners of the Company						
Total comprehensive income, net of taxation	(517)	(872)	(40.7)	(1,003)	(1,513)	(33.7)
Total comprehensive income for the period attributable to equity owners of the Company	(517)	(872)	(40.7)	(1,003)	(1,513)	(33.7)

Santak Holdings Limited and its Subsidiaries
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Non-current assets					
Property, plant and equipment	8	4,038	4,195	75	84
Right-of-use assets		378	556	-	-
Investments in subsidiary companies		-	-	8,356	8,356
Intangible assets		22	40	1	2
Deferred tax assets		11	10	11	10
		4,449	4,801	8,443	8,452
Current assets					
Inventories	9	1,435	1,262	-	-
Prepayments		54	55	10	11
Trade receivables	10	2,824	2,125	-	-
Other receivables		198	161	-	-
Loan to a subsidiary company		-	-	4,030	4,030
Due from subsidiary companies (non-trade)		-	-	1,937	1,822
Fixed Deposits	11	5,022	5,000	-	-
Short-term Investment	15(b)	1,302	1,300	-	-
Cash and cash equivalents		2,346	3,376	86	117
		13,181	13,279	6,063	5,980
Current liabilities					
Trade payables		1,723	951	-	-
Other payables		1,002	1,037	348	366
Lease liabilities	12	139	165	-	-
Provision for taxation		4	24	*	7
		2,868	2,177	348	373
Net current assets		10,313	11,102	5,715	5,607
Non-current liabilities					
Lease liabilities	12	227	365	-	-
Provisions		35	35	-	-
		262	400	-	-
Net assets		14,500	15,503	14,158	14,059
Equity attributable to owners of the Company					
Share capital	13	12,852	12,852	12,852	12,852
Translation reserve		(162)	(165)	-	-
Retained earnings		1,810	2,816	1,306	1,207
Total Equity		14,500	15,503	14,158	14,059

* 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 2022**

2022 Group	Attributable to owners of the Company			
	Share capital (Note 13) \$'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 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 2021**

Attributable to owners of the Company

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

Santak Holdings Limited and its Subsidiaries**Condensed Statements of Changes in Equity
For the 12 months ended 30 June 2022**

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

Santak Holdings Limited and its Subsidiaries

**Condensed Consolidated Statement of Cash Flow
For the 12 months ended 30 June 2022**

	The Group	
	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Cash flows from operating activities		
Loss before tax	(1,003)	(1,455)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	192	147
Depreciation of right-of-use assets	160	181
Amortisation of intangible assets	18	20
Gain on disposal of assets of a subsidiary classified as held for sale	-	(1)
Loss/(gain) on disposal of property, plant and equipment	1	(2)
Gain on short term investment	(2)	-
Write-off of property, plant and equipment	1	30
Impairment of right-of-use assets	-	64
Interest expense – lease liabilities	20	38
Interest income	(26)	(6)
Unrealised exchange loss/(gain)	142	(6)
Operating cash flows before changes in working capital	(497)	(990)
<u>Changes in working capital</u>		
Decrease/(increase) in:		
Inventories	(173)	129
Trade receivables	(699)	198
Other receivables and prepayments	(32)	228
Increase/(decrease) in:		
Trade payables	772	(308)
Other payables	(35)	(111)
Total changes in working capital	(167)	136
Cash flows from operations	(664)	(854)
Interest received	22	*
Income taxes paid, net	(24)	(24)
Net cash flows used in operating activities	(666)	(878)
Cash flows from investing activities		
Purchase of property, plant and equipment	(159)	(148)
Purchase of intangible assets	(1)	(3)
Proceeds from disposal of property, plant and equipment	4	2
Proceeds from disposal of assets of a subsidiary classified as held for sale	-	9,940
Placement of fixed deposits	(22)	(5,000)
Placement of a short-term investment	-	(1,300)
Net cash flows (used in)/generated from investing activities	(178)	3,491

Santak Holdings Limited and its Subsidiaries

Condensed Consolidated Statement of Cash Flow For the 12 months ended 30 June 2022

	The Group	
	12 months ended 30 June 2022	12 months ended 30 June 2021
	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(20)	(38)
Payment of principal portion of lease liabilities	(165)	(252)
Dividend paid	-	(2,152)
	<hr/>	<hr/>
Net cash flows used in financing activities	(185)	(2,442)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(1,029)	171
Effect of exchange rate changes on cash and cash equivalents	(1)	19
Cash and cash equivalents at beginning of year	3,376	3,186
	<hr/>	<hr/>
Cash and cash equivalents at end of year	2,346	3,376
	<hr/>	<hr/>

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

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

1. Corporate information

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

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

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

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

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2021.

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.

Santak Holdings Limited and its Subsidiaries

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

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 2021. The Group has adopted all the new standards and amendments effective for the financial periods beginning on or after 1 July 2021, 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 2021.

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 2022

4. Segment information

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

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

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

4.1 Reportable Segments

1 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 2022**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

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

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2022**

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 2022**

4. Segment information (Cont'd)

4.1 Reportable Segments (cont'd)

1 July 2020 to 30 June 2021	Precision engineering	Trading and distribution	Investment and management services	Adjustments and eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	7,891	3,934	-	-	11,825
Inter-segment sales	-	-	3,168	(3,168)	-
Total revenue	7,891	3,934	3,168	(3,168)	11,825
Results					
Interest income	6	*	-	-	6
Interest expense - lease liabilities	(37)	-	(1)	-	(38)
Depreciation of plant and equipment	(142)	(1)	(4)	-	(147)
Depreciation of right-of-use assets	(162)	-	(19)	-	(181)
Amortisation of intangible assets	(19)	-	(1)	-	(20)
Other non-cash expenses	(106)	-	-	-	(106)
Taxation	(35)	*	(6)	-	(41)
Segment (loss)/profit	(1,636)	60	2,322	(2,242)	(1,496)
Group Assets					
Additions to non-current assets	93	4	54	-	151
Segment assets	16,485	1,685	14,432	(14,522)	18,080
Liabilities					
Segment liabilities	7,137	1,233	372	(6,165)	2,577

* Denotes less than S\$1,000

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2022**

4. Segment information (Cont'd)

4.2 Disaggregation of revenue

The Group 6 months ended 30 June

	Precision engineering		Trading and distribution		Total revenue	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Types of goods or services:						
Sales of goods	3,149	3,119	2,556	2,040	5,705	5,159
Primary geographical markets						
Singapore	98	118	–	–	98	118
Asean (excluding Singapore)	2,595	2,231	18	18	2,613	2,249
America and Europe	451	762	2,501	1,993	2,952	2,755
North Asia	5	8	37	29	42	37
	3,149	3,119	2,556	2,040	5,705	5,159
Timing of transfer of goods or services						
At a point in time	3,149	3,119	2,556	2,040	5,705	5,159

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2022**

4. Segment information (Cont'd)

4.2 Disaggregation of revenue

The Group 12 months ended 30 June

	Precision engineering		Trading and distribution		Total revenue	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Types of goods or services:						
Sales of goods*	6,496	7,891	5,181	3,934	11,677	11,825
Primary geographical markets						
Singapore	171	169	–	–	171	169
Asean (excluding Singapore)	5,313	6,236	40	33	5,353	6,269
America and Europe	990	1,464	5,067	3,852	6,057	5,316
North Asia	9	11	74	49	83	60
Others	13	11	–	–	13	11
	6,496	7,891	5,181	3,934	11,677	11,825
Timing of transfer of goods or services						
At a point in time	6,496	7,891	5,181	3,934	11,677	11,825

***A breakdown of sales:**

	Group		% Change
	S\$'000		
	30 June 2022	30 June 2021	
Sales reported for first half year	5,972	6,666	(10.4)
Loss attributable to owners of the Company reported for first half year	(487)	(631)	(22.8)
Sales reported for second half year	5,705	5,159	10.6
Loss attributable to owners of the Company reported for second half year	(519)	(865)	(40.0)

Santak Holdings Limited and its Subsidiaries

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

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 2022 S\$'000	6 months ended 30 June 2021 S\$'000	12 months ended 30 June 2022 S\$'000	12 months ended 30 June 2021 S\$'000
Income				
Other income	32	136	61	307
Interest income	15	6	26	6
Gain on short term investment	1	-	2	-
Expenses				
Interest expense – lease liabilities	(8)	(14)	(20)	(38)
Depreciation of property, plant and equipment	(112)	(76)	(192)	(147)
Depreciation of right-of-use assets	(79)	(86)	(160)	(181)
Amortisation of intangible assets	(8)	(9)	(18)	(20)
(Allowance)/write back for stocks obsolescence (net)	(36)	(9)	(48)	2
(Loss)/gain on disposal of property, plant and equipment	-	-	(1)	2
Foreign exchange loss	(56)	(47)	(52)	(237)
Management personnel compensation (including directors)	(587)	(693)	(1,243)	(1,347)

* Denotes less than S\$1,000

5.2 Related party transactions

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

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2022**

6. Taxation

	GROUP			
	6 months ended 30 June 2022	6 months ended 30 June 2021	12 months ended 30 June 2022	12 months ended 30 June 2021
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- Current income taxation	(12)	(47)	4	11
- Overprovision in respect of previous years	(4)	-	-	(4)
Deferred Tax				
- Origination and reversal of temporary differences	-	25	(1)	35
- Overprovision in respect of previous years	-	-	-	(1)
Income tax (credit)/expense recognised in profit or loss	(16)	(22)	3	41

7. Dividend

	Group and Company	
	12 months ended 30 June 2022	12 months ended 30 June 2021
	\$'000	\$'000
Special interim exempt (one-tier) dividend for 2022 of nil cents (2021: 2.0 cents) per share	-	2,152
	-	2,152
Dividend per share (net of tax)	Nil cents	2.0 cents

8. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to \$86,000 (30 June 2021: \$78,000) and disposed of assets amounting to \$3,000 (30 June 2021: \$Nil)

9. Inventories

	Group	
	30 June 2022	30 June 2021
	\$'000	\$'000
Balance sheet:		
Raw materials	210	237
Work-in-progress	221	317
Finished goods	1,004	708
Total inventories at lower of cost and net realisable value	1,435	1,262

The allowance for obsolete inventories as at 30 June 2022 amounted to \$118,000 (2021: \$71,000).

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2022**

10. Trade receivables

	Group	
	30 June 2022	30 June 2021
	\$'000	\$'000
Trade receivables	2,824	2,125
Less: Allowance for impairment of trade receivables	-	-
Total trade receivables	2,824	2,125

11. Fixed deposits

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

12. Borrowings

Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/2022		As at 30/06/2021	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
10,000	129,000	42,000	123,000

Amount repayable after one year

As at 30/06/2022		As at 30/06/2021	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
3,000	224,000	11,000	354,000

Details of any collateral

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

Santak Holdings Limited and its Subsidiaries

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

13. Share capital

	Group and Company			
	2022		2021	
	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 2022.

There were no shares held as treasury shares as at 30 June 2022 (30 June 2021: Nil).

There were no share options and no convertibles as at 30 June 2022 (30 June 2021: Nil).

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

14. Net asset value

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	13.48	14.41	13.16	13.07

15. Fair value of assets and liabilities

(a) Fair value hierarchy

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

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

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2022**

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

(b) Assets and liabilities measured at fair value

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

	Group			
	S\$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
2022				
Assets measured at fair value				
Financial assets				
Short term investment #	1,302	-	-	1,302
2021				
Assets measured at fair value				
Financial assets				
Short term investment #	1,300	-	-	1,300

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

Santak Holdings Limited and its Subsidiaries

**Notes to the Condensed Consolidated Financial Statements
For the 12 months ended 30 June 2022**

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

(c) Level 3 fair value measurements

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

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

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

16. Subsequent events

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

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalist Rules For the 12 months ended 30 June 2022

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

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

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

Not applicable.

3. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

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

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

Review of Income Statement

Revenue decreased by 1.3% from S\$11.83 million in FY2021 to S\$11.68 million in FY2022. The decrease was mainly due to lower sales derived from the Group's Precision Engineering Division's ("PE") at S\$6.50 million, a decrease of S\$1.40 million or 17.7% compared to FY2021. The decrease in sales in PE compared to prior year was primarily due to weaker demand mainly from its customers in data storage, oil & gas, and medical equipment sectors. On the other hand, the above decrease was partially offset by the Group's Trading & Distribution Division's ("T&D") revenue at S\$5.18 million in FY2022, an increase of S\$1.25 million or 31.7% compared to FY2021. The increase in sales in T&D compared to prior year was mainly attributable to stronger demand from its security/access control systems business. Nevertheless, revenue in the half year ended 30 June 2022 ("2HY2022") at S\$5.71 million was higher by S\$0.55 million or 10.6% when compared to sales of S\$5.16 million in the preceding corresponding half year ended 30 June 2021 ("2HY2021").

The Group's gross profit was higher at approximately S\$1.65 million in FY2022 compared to approximately S\$1.63 million in FY2021 resulting in slightly higher gross profit margin of approximately 14.1% in FY2022 compared to approximately 13.8% in FY2021. This was due to lower manufacturing overhead mainly arising from lower payroll cost as a result of cost rationalization following the shifting of factory operations to Johor Malaysia in December 2020 during FY2021. The increase in depreciation expense by approximately S\$0.02 million in FY2022 was mainly due to increase in depreciation charge by S\$0.04 million mainly on renovation, electrical installation and motor vehicle which was partially offset by lower depreciation expense of right-of-use assets by S\$0.02 million.

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalyst Rules For the 12 months ended 30 June 2022

Other operating income was approximately S\$0.06 million in FY2022, a decrease of approximately S\$0.25 million mainly due to the absence of any government grants for the COVID-19 pandemic in Singapore and Malaysia in FY2022 compared to S\$0.24 million of government grants for COVID-19 received in FY2021. Other operating expenses decreased by S\$0.36 million or 87.2% from S\$0.41 million in FY2021 to approximately S\$0.05 million in FY2022. This was mainly due to the decrease in foreign exchange loss by S\$0.19 million to S\$0.05 million primarily arising from the strengthening of USD in FY2022 compared to exchange loss of S\$0.24 million in FY2021. In addition, the impairment of right-of-use assets of approximately S\$0.06 million, shifting cost incurred for the relocation of machines and raw materials of S\$0.08 million as well as fixed assets written off arising from the shift from the Singapore factory to the Johor factory of S\$0.03 million in FY2021 were absent in FY2022.

The decrease in distribution and selling expenses by S\$0.11 million or 8.1% to S\$1.21 million was mainly due to lower freight cost and sales commission in FY2022 compared to FY2021. The Group's administrative expenses decreased by S\$0.17 million or 10.5% to approximately S\$1.46 million in FY2022 compared to FY2021 was mainly due to decrease in depreciation expense of right-of-use assets, lower payroll cost and computer system cost in FY2022 as well as shifting cost to the new premises incurred in FY2021 which was absent in FY2022.

The decrease in finance costs by approximately S\$0.02 million in FY2022 was mainly due to lower interest expense on lease liabilities following the Completion of the Disposal of the Property as announced on 31 December 2020 ("Completion of Disposal"). The increase in finance income by approximately S\$0.02 million in FY2022 was the results of interest income from the fixed deposits placed with a bank in Singapore.

Loss before tax of approximately S\$1.00 million was recorded for FY2022 compared to the loss before tax of S\$1.46 million in the previous year. The tax expense of S\$0.04 million in FY2021 was mainly due to the derecognition of prior year deferred tax assets. The loss after tax for FY2022 was approximately S\$1.01 million compared to the loss after tax of S\$1.50 million for FY2021. The Group's basic and diluted loss per share were both 0.94 cents for FY2022 versus the prior year basic and diluted loss per share of 1.39 cents.

Review of Financial Position

The decrease in property, plant and equipment ("PPE") and right-of-use assets by approximately S\$0.16 million and S\$0.18 million respectively as at 30 June 2022 was mainly due to the depreciation of PPE and right-of-use assets respectively during FY2022. The decrease in intangible assets by approximately S\$0.02 million as at 30 June 2022 mainly arose from the amortisation of intangible assets during FY2022.

The increase in inventories by S\$0.17 million to S\$1.44 million as at 30 June 2022 compared to S\$1.26 million as at 30 June 2021 was mainly due to lower PE sales in June 2022, the final month in FY2022. The increase in both trade receivables and trade payables by approximately S\$0.70 million and S\$0.77 million as at 30 June 2022 versus 30 June 2021 were mainly in line with the higher sales recorded in the last quarter April-June 2022 in FY2022 versus the last quarter April-June 2021 in FY2021 as well as slower settlements of both trade receivables and payables.

Other receivables increased by approximately S\$0.04 million as at 30 June 2022 mainly due to additional deposits of approximately S\$0.04 million banker guarantee issued to Malaysian custom authority. The increase in fixed deposits by S\$0.02 million was the results of the interest income received. The decrease in cash and cash equivalents by S\$1.03 million from S\$3.38 million as at 30 June 2021 to S\$2.35 million as at 30 June 2022 is explained in the cash flow explanation in the following section below.

The decrease in other payables by S\$0.04 million to S\$1.00 million as at 30 June 2022 was mainly due to lower accruals of payroll related cost and sales commission as well as lower advance deposits from a customer as at 30 June 2022 compared to 30 June 2021. The decrease in lease liabilities by approximately S\$0.16 million to S\$0.37 million as at 30 June 2022 was mainly due to the payment of lease liabilities during FY2022.

The Group's net asset value per share was 13.48 cents as at 30 June 2022 versus 14.41 cents as at 30 June 2021.

Review of Cash Flow

The decrease in net cash flows used in operating activities of approximately S\$0.67 million by the Group's operations in FY2022 compared to S\$0.88 million in FY2021 was primarily attributable to a lower loss before tax recorded in FY2022. This was partially offset by cash outflow arising from working capital changes in FY2022 (which was mainly due to an increase in trade receivables and inventories which was partially offset by an increase in trade payables) compared to cash inflow arising from working capital changes in FY2021.

Net cash used in investing activities was S\$0.18 million in FY2022 mainly due to the purchase of property, plant and equipment which primarily comprises payment for renovation and air conditioners as well as motor vehicle and factory equipment. This is compared to net cash generated from investing activities of S\$3.49 million in FY2021 which was primarily due to net proceeds of S\$9.94 million from the disposal of assets of a subsidiary classified as held for sale following the Completion of Disposal. This is partially offset by the placements of fixed deposits and short-term investment in an SGD Money Market Fund of S\$5.00 million and S\$1.30 million respectively as well as purchase of property, plant and equipment which mainly comprises payment for renovation, air conditioners, electrical installation, motor vehicle, computer and office equipment.

Net cash used in financing activities decreased by approximately S\$2.26 million from S\$2.44 million in FY2021 to S\$0.19 million in FY2022. This was mainly attributable to no dividend payment in FY2022 versus the payment of a special interim dividend of S\$2.15 million in FY2021 as well as lower payment of lease liabilities and interest in FY2022 following the Completion of Disposal.

Overall, cash and cash equivalents decreased by approximately S\$1.03 million during FY2022 to S\$2.35 million as at 30 June 2022 compared to the balance of S\$3.38 million as at 30 June 2021.

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

Not applicable.

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

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

The Group expects weakness in demands for its Precision Engineering Division's ("PE") products in the first half of FY2023, particularly in the midst of the current uncertain and challenging economic environment. The Group will continue its marketing effort and its PE production facilities in Johor will continue its recruitment and trainings efforts to further build up its skilled workforce. The Group will also continue its cost optimization effort and streamlining of the Group's operations.

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

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalyst Rules For the 12 months ended 30 June 2022

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.

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No final dividend has been declared or recommended for the financial year ended 30 June 2022. This is to conserve cash for working capital and capital expenditure purposes.

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

The Group has not obtained any general mandate for Interested Person Transactions and there were no Interested Person Transactions for FY2022.

Santak Holdings Limited and its Subsidiaries

**Other information Required by Appendix 7C of the Catalyst Rules
For the 12 months ended 30 June 2022**

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	61	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 16 December 2021.	Mr. Tan Sin Hock was re-designated from Executive Director to Non-Executive Non-Independent Director of the Board as Mr. Tan had resigned with effect from 16 December 2021 from his executive role as Maintenance Manager in the Company's wholly-owned subsidiary, Santak Metal Manufacturing Pte. Ltd..
Ms Heng Kheng Hwai	64	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	72	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

Santak Holdings Limited and its Subsidiaries

Other information Required by Appendix 7C of the Catalist Rules For the 12 months ended 30 June 2022

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

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

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
25 August 2022

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