

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS**Issuer & Securities****Issuer/ Manager**

HAI LECK HOLDINGS LIMITED

Securities

HAI LECK HOLDINGS LIMITED - SG1CC4000004 - BLH

Stapled Security

No

Announcement Details**Announcement Title**

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Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attachment.

Additional Details**For Financial Period Ended**

30/06/2022

Attachments[Hai Leck Holdings Limited - 4Q22 condensed interim financial statements.pdf](#)

Total size =410K MB

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 2022

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated income statement

		Group					
	Note	3 months ended 30 June 2022 \$'000	3 months ended 30 June 2021 \$'000	Change %	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000	Change %
Revenue	4	26,841	19,837	35.3	81,683	88,506	(7.7)
Cost of sales		(7,234)	(7,279)	(0.6)	(27,631)	(46,940)	(41.1)
Gross profit		19,607	12,558	56.1	54,052	41,566	30.0
Other income	5	1,637	3,179	(48.5)	7,245	9,265	(21.8)
Distribution and selling expenses		(124)	(111)	11.7	(393)	(405)	(3.0)
Administrative expenses		(10,564)	(8,493)	24.4	(37,678)	(28,856)	30.6
Other expenses		(5,330)	(1,775)	200.3	(10,632)	(6,546)	62.4
Interest expense		(45)	(51)	(11.8)	(210)	(235)	(10.6)
Share of results of joint venture		184	8	2,200.0	280	(35)	n.m.
Profit before taxation	6	5,365	5,315	0.9	12,664	14,754	(14.2)
Taxation	7	(2,063)	(959)	115.1	(3,165)	(2,692)	17.6
Profit for the year		3,302	4,356	(24.2)	9,499	12,062	(21.2)
Attributable to:							
Equity holders of the Company		3,302	4,356	(24.2)	9,499	12,062	(21.2)
Earnings per share							
Basic (cents)	8	1.5	1.9		4.2	5.3	
Fully diluted (cents)	8	1.5	1.9		4.2	5.3	

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 2022 \$'000	3 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Profit net of tax	3,302	4,356	9,499	12,062
Other comprehensive income, net of tax:				
<u>Items that may be reclassified to profit and loss</u>				
Foreign currency translation	(249)	(224)	(501)	(644)
Total comprehensive income for the year	3,053	4,132	8,998	11,418
Total comprehensive income attributable to:				
Equity holders of the Company	3,053	4,132	8,998	11,418

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim balance sheets

	Note	Group		Company	
		30 June	30 June	30 June	30 June
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	9	30,757	36,761	95	150
Right-of-use assets		4,422	6,346	—	—
Investments in subsidiary companies	15	—	—	41,754	37,350
Investment in joint venture	16	7,664	7,868	—	—
Intangible assets		471	528	71	—
Other receivables and deposits		227	141	—	—
Deferred tax assets		53	174	—	—
		43,594	51,818	41,920	37,500
Current assets					
Inventories		1,302	1,610	—	—
Trade receivables		20,138	16,143	—	—
Other receivables and deposits		937	511	10,020	9,019
Prepayments and advances to suppliers		780	997	62	136
Customer retention monies		3,996	1,712	—	—
Amount due from a subsidiary company (trade)		—	—	455	809
Contract assets		484	3,016	—	—
Fixed deposits pledged		—	1,134	—	—
Cash and cash equivalents		74,758	88,966	36,456	48,120
		102,395	114,089	46,993	58,084

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim balance sheets

	Note	Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$'000	\$'000	\$'000	\$'000
Current liabilities					
Trade and other payables		17,680	18,001	706	1,048
Amounts due to subsidiary companies (trade)		—	—	11	14
Amount due to a subsidiary company (non-trade)		—	—	15,506	15,506
Contract liabilities		961	2,970	—	—
Provisions, current		1,393	1,866	—	—
Lease liabilities, current		895	1,006	—	—
Income tax payable		3,400	2,407	18	72
		24,329	26,250	16,241	16,640
Net current assets					
		78,066	87,839	30,752	41,444
Non-current liabilities					
Provisions, non-current		1,946	2,334	—	—
Lease liabilities, non-current		4,100	5,807	—	—
Deferred tax liabilities		534	547	14	3
		6,580	8,688	14	3
Net assets					
		115,080	130,969	72,658	78,941
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		50,268	65,656	7,415	13,698
Foreign currency translation reserve		(431)	70	—	—
Total equity					
		115,080	130,969	72,658	78,941

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim statements of changes in equity

Group	Attributable to equity holders of the Company				
	Share capital (Note 10(a)) \$'000	Treasury shares (Note 10(b)) \$'000	Accumulated profits \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
Balance at 1 July 2021	65,403	(160)	65,656	70	130,969
Profit for the year	–	–	9,499	–	9,499
Other comprehensive income for the year	–	–	–	(501)	(501)
Total comprehensive income for the year	–	–	9,499	(501)	8,998
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares (Note 11)	–	–	(24,887)	–	(24,887)
Balance at 30 June 2022	65,403	(160)	50,268	(431)	115,080
Balance at 1 July 2020	65,403	(160)	53,594	714	119,551
Profit for the year	–	–	12,062	–	12,062
Other comprehensive income for the year	–	–	–	(644)	(644)
Total comprehensive income for the year	–	–	12,062	(644)	11,418
Balance at 30 June 2021	65,403	(160)	65,656	70	130,969

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 2021	65,403	(160)	13,698	78,941
Profit for the year	–	–	18,604	18,604
Total comprehensive income for the year	–	–	18,604	18,604
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares (Note 11)	–	–	(24,887)	(24,887)
Balance at 30 June 2022	65,403	(160)	7,415	72,658
Balance at 1 July 2020	65,403	(160)	10,028	75,271
Profit for the year	–	–	3,670	3,670
Total comprehensive income for the year	–	–	3,670	3,670
Balance at 30 June 2021	65,403	(160)	13,698	78,941

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated cash flow statement

	Note	Group	
		12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Cash flows from operating activities			
Profit before taxation		12,664	14,754
Adjustments:			
Depreciation of property, plant and equipment	6	4,983	4,872
Depreciation of right-of-use assets	6	1,162	1,036
Amortisation of intangible assets	6	381	424
Gain on disposal of property, plant and equipment	5	(3,108)	(253)
Impairment loss/(write-back) on property, plant and equipment	6	3,858	(1,592)
Share of results of joint venture		(280)	35
(Write-back of)/provisions for onerous contract, net	6	(262)	14
Write-back of provision of warranty, net	6	(473)	(1,109)
(Write-back of)/allowance for expected credit losses, net	6	(178)	163
Interest income	5	(136)	(274)
Interest expense		210	235
Rent concession	5	(30)	(25)
Gain on lease modification		(46)	—
Unrealised exchange gain		(11)	(17)
Operating cash flows before working capital changes		18,734	18,263
Changes in working capital:			
(Increase)/decrease in customer retention monies, trade and other receivables, deposits and prepayments		(6,398)	23,490
Decrease in inventories		308	681
Decrease in contract assets/liabilities, net		523	392
Decrease in suppliers retention monies, trade and other payables, provision for warranty and advances from customers		(64)	(22,253)
Cash generated from operations		13,103	20,573
Tax paid		(2,062)	(1,542)
Net cash flows generated from operating activities		11,041	19,031
Cash flows from investing activities			
Interest received		135	311
Purchase of property, plant and equipment		(3,264)	(1,151)
Purchase of intangible assets		(329)	—
Proceeds from disposal of property, plant and equipment		3,261	483
Net cash flows used in investing activities		(197)	(357)

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated cash flow statement

	Note	Group	
		12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Cash flows from financing activities			
Interest paid		(210)	(235)
Payment of lease liabilities		(1,089)	(889)
Decrease in fixed deposits pledged		1,134	–
Dividends paid	11	(24,887)	–
Net cash flows used in financing activities		(25,052)	(1,124)
Net (decrease)/increase in cash and cash equivalents		(14,208)	17,550
Cash and cash equivalents at the beginning of period		88,966	71,416
Cash and cash equivalents at end of the period		74,758	88,966

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 2022.

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 2021.

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)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Income taxes

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable, deferred tax assets and deferred tax liabilities as at 30 June 2022 were \$3,400,000 (30 June 2021: \$2,407,000), \$53,000 (30 June 2021: \$174,000) and \$534,000 (30 June 2021: \$547,000) respectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

Allowance for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables 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.

2. Basis of preparation (cont'd)

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

Impairment of non-financial assets (cont'd)

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 2022 were \$30,757,000 (30 June 2021: \$36,761,000), \$4,422,000 (30 June 2021: \$6,346,000) and \$41,754,000 (30 June 2021: \$37,350,000) respectively.

Project revenue

The Group recognises project revenue over time based on the stage of completion of the contract activity. The stage of completion was determined based on proportion of total contract costs incurred to-date and the estimated costs to complete.

Significant assumptions are required in determining the stage of completion, the extent of the project costs incurred, the estimated total project revenues and costs, including provision for rectification work and warranties post-completion. In making these estimations, management relies on past experience and knowledge of project specialists.

Project revenue for the 12 months ended 30 June 2022 was \$22,272,000 (30 June 2021: \$23,231,000) 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 Group provided \$1,393,000 (30 June 2021: \$1,866,000) of provisions for warranty as at 30 June 2022.

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 2022	3 months ended 30 June 2021	3 months ended 30 June 2022	3 months ended 30 June 2021	3 months ended 30 June 2022	3 months ended 30 June 2021		3 months ended 30 June 2022	3 months ended 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Revenue:									
External customers	16,585	13,607	10,256	6,230	–	–		26,841	19,837
Results:									
Interest income	33	40	2	3	–	–		35	43
Interest expenses	31	38	14	13	–	–		45	51
Depreciation and amortisation	1,001	1,400	401	327	–	–		1,402	1,727
(Impairment loss)/write-back of impairment loss on property, plant and equipment	(3,858)	1,592	–	–	–	–		(3,858)	1,592
Segment profit before tax	1,120	2,543	4,245	2,772	–	–		5,365	5,315
Assets:									
Additions to non-current assets	1,520	499	687	–	–	–	A	2,207	499
Segment assets	118,250	140,862	28,299	25,156	(560)	(111)	B	145,989	165,907
Segment liabilities	16,190	23,045	11,398	9,226	3,321	2,667	C	30,909	34,938

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 2022	12 months ended 30 June 2021	12 months ended 30 June 2022	12 months ended 30 June 2021	12 months ended 30 June 2022	12 months ended 30 June 2021		12 months ended 30 June 2022	12 months ended 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Revenue:									
External customers	47,102	39,089	34,581	49,417	—	—		81,683	88,506
Results:									
Interest income	128	256	8	18	—	—		136	274
Interest expenses	165	183	45	52	—	—		210	235
Depreciation and amortisation	5,128	5,072	1,398	1,260	—	—		6,526	6,332
(Impairment loss)/write-back of impairment loss on property, plant and equipment	(3,858)	1,592	—	—	—	—		(3,858)	1,592
Segment profit before tax	915	3,970	11,749	10,784	—	—		12,664	14,754
Assets:									
Additions to non-current assets	3,185	1,166	1,997	144	—	—	A	5,182	1,310
Segment assets	118,250	140,862	28,299	25,156	(560)	(111)	B	145,989	165,907
Segment liabilities	16,190	23,045	11,398	9,226	3,321	2,667	C	30,909	34,938

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 2022 \$'000	3 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Inter-segment assets	(613)	(287)	(613)	(287)
Tax recoverable	—	2	—	2
Deferred tax assets	53	174	53	174
	(560)	(111)	(560)	(111)

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 2022 \$'000	3 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Inter-segment liabilities	(613)	(287)	(613)	(287)
Income tax payable	3,400	2,407	3,400	2,407
Deferred tax liabilities	534	547	534	547
	3,321	2,667	3,321	2,667

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 2022 \$'000	3 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Singapore	26,841	19,837	81,643	88,506
Others	–	–	40	–
Total	26,841	19,837	81,683	88,506
Major service lines:				
Project revenue	2,349	9,178	22,272	23,231
Maintenance revenue	14,236	4,429	24,830	15,858
Contact centre services	10,256	6,230	34,581	49,417
	26,841	19,837	81,683	88,506

5. Other income

	Group			
	3 months ended 30 June 2022 \$'000	3 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Interest income from:				
- bank deposits	35	34	136	192
- others	–	9	–	82
Gain on disposal of property, plant and equipment, net	831	65	3,108	253
Write-back of impairment loss on property, plant and equipment	–	1,592	–	1,592
Government grant income	632	1,182	3,105	6,440
Rent concession	–	–	30	25
Gain on lease modification	46	–	46	–
Others	93	297	820	681
	1,637	3,179	7,245	9,265

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

6. Profit before taxation

6.1 Significant items

The following items have been included in arriving at profit before tax:

	Group			
	3 months ended 30 June 2022 \$'000	3 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Depreciation of property, plant and equipment	(1,016)	(1,323)	(4,983)	(4,872)
Depreciation of right-of-use assets	(303)	(302)	(1,162)	(1,036)
Amortisation of intangible assets (Impairment loss on)/write-back of impairment loss on property, plant and equipment	(83)	(102)	(381)	(424)
Foreign exchange gain/(loss), net	(3,858)	1,592	(3,858)	1,592
Write-back of provision for warranty, net	3	1	(5)	(29)
Write-back of/(provision for) onerous contract, net	473	1,109	473	1,109
Write-back of/(allowance for) expected credit losses, net	—	240	262	(14)
	178	(163)	178	(163)

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 2022 \$'000	3 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Current taxation				
- Current year	1,840	559	3,168	2,292
- Under/(over)provision in respect of prior years	17	(7)	(209)	(7)
Deferred taxation				
- Current year	255	500	255	500
- Overprovision in respect of prior years	(49)	(93)	(49)	(93)
Tax expense	2,063	959	3,165	2,692

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

8. Earnings per share

	Group			
	3 months ended 30 June 2022 \$'000	3 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Profit attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings per share	3,302	4,356	9,499	12,062
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	226,241	205,674	226,241	205,674
Effect of bonus share issue	–	20,567	–	20,567
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 2022, the Group acquired assets amounting to \$4,853,000 (30 June 2021: \$1,171,000) and disposed of assets amounting to \$153,000 (30 June 2021: \$230,000). The Group also provided for impairment loss of \$3,858,000 (30 June 2021: write-back of impairment loss of \$1,592,000).

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 2022, the total number of issued ordinary shares (excluding treasury shares) was 226,241,195 (30 June 2021: 226,241,195).

During the financial year ended 30 June 2021, the Company allotted and issued 20,599,248 ordinary shares at no consideration pursuant to a bonus issue exercise on the basis of one bonus share credited as fully paid for every ten existing ordinary shares in the Company held by the shareholders.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

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

(a) Share capital

	Group and Company			
	As at 30 June 2022		As at 30 June 2021	
	No. of shares ('000)	\$'000	No. of shares ('000)	\$'000
At beginning of year	226,593	65,403	205,994	65,403
Bonus issue	–	–	20,599	–
At end of year	226,593	65,403	226,593	65,403

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 30 June 2021.

(b) Treasury shares

	Group and Company			
	As at 30 June 2022		As at 30 June 2021	
	No. of shares ('000)	\$'000	No. of shares ('000)	\$'000
At beginning of year	352	160	320	160
Bonus issue	–	–	32	–
At end of year	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 year

226,241

226,241

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

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

11. Dividend

	Group and Company	
	12 months ended 30 June 2022	12 months ended 30 June 2021
	\$'000	\$'000
Declared and paid during the year:		
<i>Dividends on ordinary shares:</i>		
- Tax-exempt (one-tier) final dividend paid in respect of the previous financial year of \$0.02 (30 June 2021: \$Nil) per ordinary share	4,525	—
- Tax-exempt (one-tier) special dividend paid in respect of the previous financial year of \$0.04 (30 June 2021: \$Nil) per ordinary share	9,050	—
- Tax-exempt (one-tier) interim dividend paid in respect of the current financial year of \$0.02 (30 June 2021: \$Nil) per ordinary share	4,525	—
- Tax-exempt (one-tier) special dividend paid in respect of the current financial year of \$0.03 (30 June 2021: \$Nil) per ordinary share	6,787	—
	24,887	—

No dividends were proposed and recognised as a liability as at 30 June 2022. Tax exempt (one-tier) final dividend of \$0.02 per ordinary share was proposed for the financial year ended 30 June 2022.

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:

	30 June 2022	30 June 2021
	\$'000	\$'000
Group		
<i>Financial assets measured at amortised cost</i>		
Customer retention monies	3,996	1,712
Trade receivables	20,138	16,143
Other receivables and deposits (excluding net GST recoverable, tax recoverable and government grant receivable)	835	352
Fixed deposits pledged	—	1,134
Cash and cash equivalents	74,758	88,966
Total financial assets measured at amortised cost	99,727	108,307
<i>Financial liabilities measured at amortised cost</i>		
Trade and other payables (excluding net GST payable and deferred income)	16,500	16,789
Lease liabilities	4,995	6,813
Total financial liabilities measured at amortised cost	21,495	23,602

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

12. Financial assets and liabilities (cont'd)

	30 June 2022 \$'000	30 June 2021 \$'000
Company		
<i>Financial assets measured at amortised cost</i>		
Other receivables and deposits	10,020	9,019
Amount due from a subsidiary company (trade)	455	809
Cash and cash equivalents	36,456	48,120
Total financial assets measured at amortised cost	46,931	57,948
<i>Financial liabilities measured at amortised cost</i>		
Trade and other payables (excluding net GST payable)	702	1,034
Amounts due to subsidiary companies (trade)	11	14
Amount due to a subsidiary company (non-trade)	15,506	15,506
Total financial liabilities measured at amortised cost	16,219	16,554

13. Net asset value

	Group		Company	
	As at 30 June 2022 \$	As at 30 June 2021 \$	As at 30 June 2022 \$	As at 30 June 2021 \$
Net asset value per ordinary share (cents)	50.9	57.9	32.1	34.9

14. Borrowings

	Group		Company	
	As at 30 June 2022 \$'000	As at 30 June 2021 \$'000	As at 30 June 2022 \$'000	As at 30 June 2021 \$'000
<u>Amount repayable within one year or on demand</u>				
Secured	895	1,006	—	—
Unsecured	—	—	—	—
<u>Amount repayable after one year</u>				
Secured	4,100	5,807	—	—
Unsecured	—	—	—	—

The borrowings relate to lease liabilities relating to right-of-use assets, office equipment and a motor vehicle.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

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 2022 %	30 June 2021 %
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	–
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.	Provision of manpower supply, dormitory bed rental and other dormitory related services	Singapore	100	100
Hai Leck Services Pte. Ltd.	Provision of dormitory bed rental and other dormitory related services	Singapore	100	100
Hai Leck Engineering (Thailand) Co., Ltd.	Oil & gas and chemical industries related construction and maintenance services	Thailand	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 2022 %	30 June 2021 %
Held by subsidiary companies				
Hai Leck Industrial Services Pte. Ltd.	Trading and contracting for thermal insulations, refractories and fire-protection for steel structures	Singapore	—	100
Tele-centre Services Pte Ltd	Providing call centre services, telecommunications and information technology	Singapore	100	100
Hai Leck Corporation Sdn. Bhd.^	Oil & gas and chemical industries related construction and maintenance services	Malaysia	100	100

[^] During the financial year ended 30 June 2021, the Group commenced voluntary winding up procedures in respect of Hai Leck Corporation Sdn. Bhd. As at 30 June 2022, the voluntary winding up procedures are still ongoing.

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 2022 %	30 June 2021 %
Held by a subsidiary company				
Logthai – Hai Leck Engineering Co., Ltd	Oil & gas and chemical industries related construction and maintenance services	Thailand	49	49

Hai Leck Holdings Limited And Subsidiary Companies

Other Information

For the Fourth Quarter and Full Year ended 30 June 2022

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 subsidiary companies as at 30 June 2022 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 nine months 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 2022

Revenue

Revenue for the financial year ended 30 June 2022 ("FY22") decreased by \$6.8 million to \$81.7 million compared to \$88.5 million recorded in the financial year ended 30 June 2021 ("FY21") due to lower contact centre services revenue, partially offset by higher maintenance revenue.

Quarter-on-quarter, revenue increased by \$7.0 million from \$19.8 million in the fourth quarter ended 30 June 2021 ("4Q21") to \$26.8 million in the fourth quarter ended 30 June 2022 ("4Q22") due to the higher contact centre services and maintenance revenue, partially offset by lower project revenue.

Cost of sales

For FY22, cost of sales decreased by 41.1% to \$27.6 million. The decrease is mainly in line with lower level of activities, partially offset by higher manpower related costs.

Quarter-on-quarter, cost of sales remained comparable at approximately \$7.2 million notwithstanding the higher level of activities due to lower material and subcontractor costs.

Other income

Other income decreased from \$9.3 million in FY21 to \$7.2 million in FY22 mainly due to lower government grant income recognised and absence of write-back of impairment loss on property, plant and equipment, partially offset by higher gain from disposal of property, plant and equipment.

Other income decreased from \$3.2 million in 4Q21 to \$1.6 million in 4Q22 mainly due to the same reasons as above.

Operating expenses

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

For FY22, total operating expenses increased from \$35.8 million in FY21 to \$48.7 million mainly due to impairment loss on property, plant and equipment pursuant to early termination of a lease and higher manpower related costs.

For 4Q22, total operating expenses increased from \$10.4 million in 4Q21 to \$16.0 million mainly due to the same reasons as above.

Hai Leck Holdings Limited and Subsidiary Companies

Other Information Required by Listing Rule Appendix 7.2

Taxation

The effective tax rate for FY22 is higher than the statutory tax rate mainly due to effects of non-tax deductible expenses.

Profit attributable to equity holders of the Company

The profit attributable to equity holders for FY22 decreased by \$2.6 million to \$9.5 million compared to \$12.1 million in FY21.

Quarter-on-quarter, the profit attributable to equity holders for 4Q22 decreased by \$1.1 million to \$3.3 million compared to \$4.4 million in 4Q21.

Review of Financial Position

Non-current assets

Non-current assets of the Group decreased from \$51.8 million as at 30 June 2021 to \$43.6 million as at 30 June 2022 mainly due to impairment and depreciation of property, plant and equipment.

Current assets

Current assets decreased by \$11.7 million from \$114.1 million as at 30 June 2021 to \$102.4 million as at 30 June 2022. The decrease is mainly due to decrease in cash and cash equivalents and contract assets, partially offset by increase in trade receivables and customer retention monies.

Current liabilities

Current liabilities decreased by \$1.9 million from \$26.2 million as at 30 June 2021 to \$24.3 million as at 30 June 2022, mainly due to decrease in contract liabilities, partially offset by increase in income tax payable.

Non-current liabilities

Non-current liabilities decreased by \$2.1 million from \$8.7 million as at 30 June 2021 to \$6.6 million as at 30 June 2022, mainly due to reduction in lease liabilities pursuant to early termination a lease during the year.

Review of Cash Flows

Cash flows from operating activities

Net cash flows generated from operating activities decreased from \$19.0 million in FY21 to \$11.0 million in FY22 in line with lower profit before taxation and higher amount of working capital used in operations in FY22.

Cash flows from investing activities

Net cash flows of \$0.2 million was used in investing activities in FY22 mainly due increase in purchases of property, plant and equipment and intangible assets, partially offset by proceeds from disposal of property, plant and equipment.

**Other Information Required by Listing Rule
Appendix 7.2**

Cash flows from financing activities

Net cash flows used in financing activities was higher in FY22 by \$23.9 million mainly due to dividends paid in FY22, partially offset by decrease in fixed deposits pledged.

Cash and cash equivalents as at 30 June 2022 was lower at \$74.8 million compared to \$89.0 million as at 30 June 2021.

Review of Segment Information

Project and Maintenance Services segment turnover increased from \$39.1 million in FY21 to \$47.1 million in FY22 mainly due to increased activities with greater relaxation of safe management measures. Turnover for Contact Centre Services segment decreased from \$49.4 million in FY21 to \$34.6 million due to lower customer demand.

Profit before tax for Project and Maintenance Services segment decreased from \$4.0 million in FY21 to \$0.9 million in FY22 mainly due to impairment loss on property, plant and equipment pursuant to early termination of a lease during the year. Profit before tax for Contact Centre Services segment increased from \$10.8 million in FY21 to \$11.7 million in FY22 mainly due to lower level of direct costs incurred in FY22.

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

Not applicable

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 12 months

Although the global health situation appears to be stabilising, the global political and economic situation remains unpredictable, resulting in rising costs in the Singapore economy. The Group will judiciously control its operating costs and capital investments amidst such economic uncertainties.

5. Dividend information

5.1 Current financial period reported on

Any dividend recommended for the current financial period reported on?

Final dividends

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

5.2 Corresponding period of the immediate preceding financial year

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

None

Hai Leck Holdings Limited and Subsidiary Companies

Other Information Required by Listing Rule Appendix 7.2

5.3 Date payable

To be advised

5.4 Record date

To be advised

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

Not applicable

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 4Q22 and as at the date of this announcement, there were no 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

Other Information Required by Listing Rule Appendix 7.2

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	79	Ms Cheng Wee Ling is the daughter and son 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	43	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.	In FY22, Ms Cheng Wee Ling was appointed as the Chief Executive Officer of Tele-centre.
Cheng Yao Tong	41	Son 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 Strategy Officer 2022 Responsible for business development and client management for the project and maintenance services segment.	Not applicable

Hai Leck Holdings Limited and Subsidiary Companies

Other Information Required by Listing Rule Appendix 7.2

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
Colin Chow Kong Sang	30	Brother of Ms Christina Chow Poh Lin, Executive Director of the Company	Site Manager 2021 Responsible for management of project construction site and team, as well as acting as liaison with clients	Not applicable

BY ORDER OF THE BOARD

Cheng Buck Poh @ Chng Bok Poh
Executive Chairman and Chief Executive Officer
25 August 2022