

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FIRST QUARTER RESULTS

Issuer & Securities

Issuer/ Manager

HAI LECK HOLDINGS LIMITED

Securities

HAI LECK HOLDINGS LIMITED - SG1CC4000004 - BLH

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

07-Nov-2024 19:07:33

Status

New

Announcement Sub Title

First Quarter Results

Announcement Reference

SG241107OTHRYUSY

Submitted By (Co./ Ind. Name)

Teo Khoon Teng

Designation

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

30/09/2024

Attachments



[HLH 1Q25 condensed interim financial statements.pdf](#)

Total size =346K MB

Company Registration No. 199804461D

Hai Leck Holdings Limited And Subsidiary Companies

Condensed Interim Financial Statements
For the First Quarter ended 30 September 2024

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated income statement

	Note	Group		Change %
		3 months ended	3 months ended	
		30 September 2024 \$'000	30 September 2023 \$'000	
Revenue	4	13,546	17,449	(22.4)
Cost of sales		(6,009)	(7,453)	(19.4)
Gross profit		7,537	9,996	(24.6)
Other income	5	996	523	90.4
Distribution and selling expenses		(2,141)	(2,645)	(19.1)
Administrative expenses		(3,752)	(5,267)	(28.8)
Other expenses		(1,306)	(1,506)	(13.3)
Interest expense		(31)	(30)	3.3
Share of results of joint venture		718	479	49.9
Profit before taxation	6	2,021	1,550	30.4
Taxation	7	(240)	(275)	(12.7)
Profit for the year		1,781	1,275	39.7
Attributable to:				
Equity holders of the Company		1,781	1,275	39.7
Earnings per share				
Basic (cents)	8	0.8	0.6	
Fully diluted (cents)	8	0.8	0.6	

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated statement of comprehensive income

	Group	
	3 months ended 30 September 2024 \$'000	3 months ended 30 September 2023 \$'000
Profit net of tax	1,781	1,275
Other comprehensive income, net of tax:		
<u>Items that may be reclassified to profit and loss</u>		
Foreign currency translation	625	(261)
Total comprehensive income for the year	2,406	1,014
Total comprehensive income attributable to:		
Equity holders of the Company	2,406	1,014

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim balance sheets

		Group		Company	
		30	30	30	30
	Note	September	June	September	June
		2024	2024	2024	2024
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	9	27,407	28,485	173	187
Right-of-use assets		3,430	3,004	—	—
Investments in subsidiary companies	15	—	—	49,570	49,674
Investment in joint venture	16	9,943	8,549	817	817
Intangible assets		209	240	42	52
Other receivables and deposits		88	16	—	—
Deferred tax assets		168	168	—	—
		41,245	40,462	50,602	50,730
Current assets					
Inventories		1,930	1,819	—	—
Trade receivables		11,102	11,481	—	—
Other receivables and deposits		795	813	313	265
Prepayments		660	698	63	44
Customer retention monies		67	24	—	—
Amount due from a subsidiary company (trade)		—	—	532	222
Contract assets		2,306	1,349	—	—
Cash and cash equivalents		69,775	67,928	38,865	39,988
		86,635	84,112	39,773	40,519

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim balance sheets

	Note	Group		Company	
		30 September 2024 \$'000	30 June 2024 \$'000	30 September 2024 \$'000	30 June 2024 \$'000
Current liabilities					
Trade and other payables		7,972	7,822	469	322
Amount due to a subsidiary company (non-trade)		—	—	10,611	11,961
Contract liabilities		143	—	—	—
Provisions, current		469	571	—	—
Lease liabilities, current		579	516	—	—
Income tax payable		451	212	305	249
		9,614	9,121	11,385	12,532
Net current assets					
		77,021	74,991	28,388	27,987
Non-current liabilities					
Provisions, non-current		1,904	1,919	—	—
Lease liabilities, non-current		3,227	2,805	—	—
Deferred tax liabilities		622	622	108	108
		5,753	5,346	108	108
Net assets					
		112,513	110,107	78,882	78,609
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		47,579	45,798	13,639	13,366
Foreign currency translation reserve		(309)	(934)	—	—
Total equity					
		112,513	110,107	78,882	78,609

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim statements of changes in equity

Group	Attributable to equity holders of the Company				Total equity \$'000
	Share capital (Note 10(a)) \$'000	Treasury shares (Note 10(b)) \$'000	Accumulated profits \$'000	Foreign currency translation reserve \$'000	
Balance at 1 July 2024	65,403	(160)	45,798	(934)	110,107
Profit for the period	–	–	1,781	–	1,781
Other comprehensive income for the period	–	–	–	625	625
Total comprehensive income for the period	–	–	1,781	625	2,406
Balance at 30 September 2024	65,403	(160)	47,579	(309)	112,513
Balance at 1 July 2023	65,403	(160)	50,466	(611)	115,098
Profit for the period	–	–	1,275	–	1,275
Other comprehensive income for the year	–	–	–	(261)	(261)
Total comprehensive income for the year	–	–	1,275	(261)	1,014
Balance at 30 September 2023	65,403	(160)	51,741	(872)	116,112

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim statements of changes in equity

Company	Attributable to equity holders of the Company			Total equity \$'000
	Share capital (Note 10(a)) \$'000	Treasury shares (Note 10(b)) \$'000	Accumulated profits \$'000	
Balance at 1 July 2024	65,403	(160)	13,366	78,609
Profit for the period, representing total comprehensive income for the period	—	—	273	273
Balance at 30 September 2024	65,403	(160)	13,639	78,882
Balance at 1 July 2023	65,403	(160)	8,923	74,166
Profit for the period, representing total comprehensive income for the period	—	—	237	237
Balance at 30 September 2023	65,403	(160)	9,160	74,403

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated cash flow statement

		Group	
		3 months ended 30 September 2024 \$'000	3 months ended 30 September 2023 \$'000
Note			
Cash flows from operating activities			
	Profit before taxation	2,021	1,550
	Adjustments:		
	Depreciation of property, plant and equipment	6 975	1,198
	Depreciation of right-of-use assets	6 270	193
	Amortisation of intangible assets	6 45	64
	Gain on disposal of property, plant and equipment	5 (340)	(69)
	Share of results of joint venture	(718)	(479)
	Write-back of provision for onerous contract	(102)	–
	Utilisation of provision for reinstatement cost	(15)	–
	Interest income	5 (420)	(298)
	Interest expense	31	30
	Unrealised exchange (gain)/loss	(53)	5
	Operating cash flows before working capital changes	1,694	2,194
	Changes in working capital:		
	Decrease/(increase) in customer retention monies, trade and other receivables, deposits and prepayments	422	(3,900)
	(Increase)/decrease in inventories	(111)	330
	(Increase)/decrease in contract assets/liabilities, net	(814)	189
	Increase in trade and other payables	150	130
	Cash generated from/(used in) operations	1,341	(1,057)
	Tax paid	(1)	(2)
	Net cash flows generated from/(used in) operating activities	1,340	(1,059)
Cash flows from investing activities			
	Interest received	318	68
	Purchase of property, plant and equipment	(260)	(111)
	Purchase of intangible asset	(13)	(69)
	Proceeds from disposal of property, plant and equipment	704	73
	Net cash flows generated from/(used in) investing activities	749	(39)

Hai Leck Holdings Limited and Subsidiary Companies

Condensed interim consolidated cash flow statement

	Group	
	3 months ended 30 September 2024	3 months ended 30 September 2023
Note	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(31)	(30)
Payment of lease liabilities	(211)	(172)
Net cash flows used in financing activities	(242)	(202)
Net increase/(decrease) in cash and cash equivalents	1,847	(1,300)
Cash and cash equivalents at the beginning of period	67,928	63,592
Cash and cash equivalents at end of the period	69,775	62,292

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 audited financial statements for the year ended 30 June 2024.

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

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

2.1. Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2024.

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

2. Basis of preparation (cont'd)

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

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

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

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

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

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

Impairment of non-financial assets

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

The fair value less costs of disposal assessment of non-financial assets is based on available market data and recent transactions of similar assets less costs for disposing the asset.

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

The carrying amount of the Group's property, plant and equipment, right-of-use assets and Company's investments in subsidiary companies as at 30 September 2024 were \$27,407,000 (30 June 2024: \$28,485,000), \$3,430,000 (30 June 2024: \$3,004,000) and \$49,570,000 (30 June 2024: \$49,674,000) respectively.

Revenue recognition

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

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

2. Basis of preparation (cont'd)

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

Revenue recognition (cont'd)

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

Fixed-price contract revenue for the 3 months ended 30 September 2024 was \$3,388,000 (30 September 2023: \$4,883,000) for the Group.

Provision for warranty

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

3. Seasonal operations

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

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

4. Segment and revenue information

4.1. Segment information

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

- Project and maintenance services
- Contact centre services

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

	Project and maintenance services		Contact centre services		Adjustments and eliminations		Notes	Consolidated financial statements	
	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended	3 months ended		3 months ended	3 months ended
	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023		30 September 2024	30 September 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Revenue:									
External customers	10,288	13,344	3,258	4,105	–	–		13,546	17,449
Results:									
Interest income	365	262	55	36	–	–		420	298
Interest expenses	28	26	3	4	–	–		31	30
Depreciation and amortisation	879	1,082	411	373	–	–		1,290	1,455
Share of results of joint venture	718	479	–	–	–	–		718	479
Segment profit before tax	1,352	749	669	801	–	–		2,021	1,550
Assets:									
Additions to non-current assets	220	96	749	250	–	–	A	969	346
Segment assets	112,528	119,978	16,120	18,657	(768)	(3,055)	B	127,880	135,580
Segment liabilities	11,683	14,921	3,547	6,814	137	(2,267)	C	15,367	19,468

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 September 2024 \$'000	3 months ended 30 September 2023 \$'000
Inter-segment assets	(936)	(3,305)
Deferred tax assets	168	250
	<hr/> (768)	<hr/> (3,055)

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 September 2024 \$'000	3 months ended 30 September 2023 \$'000
Inter-segment liabilities	(936)	(3,305)
Income tax payable	451	382
Deferred tax liabilities	622	656
	<hr/> 137	<hr/> (2,267)

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 September 2024 \$'000	3 months ended 30 September 2023 \$'000
Singapore	13,546	17,449
Others	—	—
Total	13,546	17,449

5. Other income

	Group	
	3 months ended 30 September 2024 \$'000	3 months ended 30 September 2023 \$'000
Interest income from:		
- bank deposits	420	298
Gain on disposal of property, plant and equipment	340	69
Government grant income	79	61
Others	157	95
	996	523

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 September 2024	3 months ended 30 September 2023
	\$'000	\$'000
Depreciation of property, plant and equipment	(975)	(1,198)
Depreciation of right-of-use assets	(270)	(193)
Amortisation of intangible assets	(45)	(64)
Foreign exchange loss, net	(11)	(2)

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:

	3 months ended 30 September 2024	3 months ended 30 September 2023
	\$'000	\$'000
Current taxation		
- Current year	240	275
Tax expense	240	275

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

8. Earnings per share

	Group	
	3 months ended 30 September 2024 \$'000	3 months ended 30 September 2023 \$'000
Profit attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings per share	1,781	1,275
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	226,241	226,241
Adjusted weighted average number of ordinary shares for diluted earnings per share computation ('000)	226,241	226,241

9. Property, plant and equipment

During the 3 months ended 30 September 2024, the Group acquired assets amounting to \$260,000 (30 September 2023: \$111,000) and disposed of assets amounting to \$364,000 (30 September 2023: \$4,000).

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

(a) Share capital

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

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

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

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

(b) Treasury shares

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

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

11. Dividend

No dividends were declared and paid during the financial periods ended 30 September 2024 and 2023.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

12. Financial assets and liabilities

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

	30 September 2024 \$'000	30 June 2024 \$'000
Group		
<i>Financial assets measured at amortised cost</i>		
Customer retention monies	67	24
Trade receivables (excluding GST receivable)	11,065	11,317
Other receivables and deposits	883	829
Cash and cash equivalents	69,775	67,928
Total financial assets measured at amortised cost	81,790	80,098
<i>Financial liabilities measured at amortised cost</i>		
Trade and other payables (excluding GST payable and deferred income)	6,961	6,946
Lease liabilities	3,806	3,321
Total financial liabilities measured at amortised cost	10,767	10,267
Company		
<i>Financial assets measured at amortised cost</i>		
Other receivables and deposits	313	265
Amount due from a subsidiary company (trade)	532	222
Cash and cash equivalents	38,865	39,988
Total financial assets measured at amortised cost	39,710	40,475
<i>Financial liabilities measured at amortised cost</i>		
Trade and other payables (excluding GST payable and deferred income)	427	286
Amount due to a subsidiary company (non-trade)	10,611	11,961
Total financial liabilities measured at amortised cost	11,038	12,247

13. Net asset value

	Group		Company	
	As at 30 September 2024 \$	As at 30 June 2024 \$	As at 30 September 2024 \$	As at 30 June 2024 \$
Net asset value per ordinary share (cents)	49.7	48.7	34.9	34.7

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

14. Borrowings

	Group		Company	
	As at 30 September 2024 \$'000	As at 30 June 2024 \$'000	As at 30 September 2024 \$'000	As at 30 June 2024 \$'000
<u>Amount repayable within one year or on demand</u>				
Secured	579	516	—	—
<u>Amount repayable after one year</u>				
Secured	3,227	2,805	—	—

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

15. Subsidiary companies

Details of subsidiary companies are as follows:

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

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

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

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 September 2024	30 June 2024
			%	%
Held by the Company				
Logthai – Hai Leck Engineering Co., Ltd	Oil & gas and chemical industries related construction and maintenance services	Thailand	44.66	44.66

Hai Leck Holdings Limited And Subsidiary Companies

Other Information
For the First Quarter ended 30 September 2024

Hai Leck Holdings Limited and Subsidiary Companies

Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated balance sheet of Hai Leck Holdings Limited and its subsidiaries as at 30 September 2024 and the related condensed consolidated income statement, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the 3-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Results for the first quarter ended 30 September 2024

Revenue

Revenue for the first quarter ended 30 September 2024 ("1Q25") decreased by \$3.9 million to \$13.5 million compared to \$17.4 million for the first quarter ended 30 September 2023 ("1Q24") due to lower revenue in the project and maintenance services business segment and contact centre services business segment.

Cost of sales

Cost of sales decreased by 19.4% to \$6.0 million which are in line with the decrease in revenue.

Other income

Other income for 1Q25 increased by \$0.5 million to \$1.0 million compared to \$0.5 million for the 1Q24 mainly due to higher interest income and gain on disposal of property, plant and equipment.

Operating expenses

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

Total operating expenses decreased by \$2.2 million to \$7.2 million in 1Q25 compared to \$9.4 million in 1Q24 mainly due to lower manpower related costs in 1Q25.

Taxation

The tax credit recognised in 1Q25 is higher than the statutory tax rate applied to profit before taxation for 1Q25 mainly due to effects of non-tax deductible expenses.

Profit attributable to equity holders of the Company

The Group recorded a net profit attributable to equity holders of the Company of \$1.8 million in 1Q25 compared to a net profit of \$1.3 million in 1Q24.

Review of Financial Position

Non-current assets

Non-current assets increased from \$40.5 million as at 30 June 2024 to \$41.2 million as at 30 September 2024 due to higher investment in joint venture, partially offset by depreciation of property, plant and equipment.

Current assets

Current assets increased by \$2.5 million from \$84.1 million as at 30 June 2024 to \$86.6 million as at 30 September 2024. The increase is mainly due to increase in contract assets and cash and cash equivalents.

Current liabilities

Current liabilities increased by \$0.5 million from \$9.1 million as at 30 June 2024 to \$9.6 million as at 30 September 2024 mainly due to increase in income tax payable.

Non-current liabilities

Non-current liabilities increased from \$5.3 million as at 30 June 2024 to \$5.8 million as at 30 September 2024 due to new leases entered into in 1Q25.

Review of Cash Flows

Cash flows from operating activities

Net cash flows of \$1.3 million was generated from operating activities in 1Q25 mainly due to improvement in working capital.

Cash flows from investing activities

Net cash flows of \$0.7 million was generated from investing activities in 1Q25 compared to net cash used in investing activities of \$0.04 in 1Q24, mainly due to higher proceeds from disposal of property, plant and equipment and higher interest received, partially offset by higher level of cash used in purchase of property, plant and equipment.

Cash flows from financing activities

Net cash flows used in financing activities remained comparable at approximately \$0.2 million in 1Q24 and 1Q25.

Cash and cash equivalents as at 30 September 2024 was higher at \$69.8 million compared to \$62.3 million as at 30 June 2024.

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

The global political and economic outlook remains uncertain. Furthermore, the oil and gas industry in which the Group operates is sensitive to key market players' strategic decisions. Amidst these conditions and keen competition faced, the Group will continue to manage its operations and control costs judiciously.

Hai Leck Holdings Limited and Subsidiary Companies

Notes to the condensed interim financial statements

5. Dividend information

5.1 Current financial period reported on

Any dividend recommended for the current financial period reported on?

Nil

5.2 Corresponding period of the immediate preceding financial year

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

Nil

5.3 Date payable

Not applicable

5.4 Record date

Not applicable

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

No dividend has been declared/recommendeded in view of the uncertain global political and economic outlook which will also have its impact on the local economy.

6. Interested person transactions

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

7. Negative confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Cheng Buck Poh @ Chng Bok Poh, Cheng Wee Ling, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the first quarter ended 30 September 2024 to be false or misleading in any material aspect.

8. 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.

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

During 1Q25, the voluntary winding up procedures of in respect of Hai Leck Engineering (Thailand) Co., Ltd. were completed. As at the date of this announcement, there were no other changes to the Company's and the Group's shareholding percentages in its respective subsidiaries or associated companies nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities.

BY ORDER OF THE BOARD

Cheng Buck Poh @ Chng Bok Poh
Executive Chairman and Chief Executive Officer
7 November 2024