

SANTAK HOLDINGS LIMITED
(Company Registration Number: 200101065H)

PROFIT GUIDANCE

The Board of Directors of Santak Holdings Limited (the "Company") considers it appropriate to issue profit guidance, ahead of the announcement of the financial results of the Company and its subsidiaries (the "Group") for the six months of FY2016 ended 31 December 2015 ("HY2016").

Following a preliminary assessment of the Group's financial results for HY2016, the Group's turnover for HY2016 is expected to be higher compared to the previous corresponding period ("HY2015"). Nevertheless, the Group expects to report a substantial loss before taxation for HY2016, albeit slightly lower compared to the loss before taxation for HY2015. The above is mainly attributable to a substantial increase in operating expenses arising from the significant expansion of our operation with the addition of two new factory facilities for the new precision machined component projects which were set up in the previous financial year FY2015. Although the Group's turnover is expected to be higher in HY2016, this business increase is lower than expected and is insufficient to offset the greater operating cost increase from the operation of the two new factory facilities. The substantial increase in operating cost plus price erosions have contributed to the loss during HY2016.

Further details of the Group's results will be made available when the Company announces its unaudited consolidated financial results for HY2016, which is expected to be on or before mid-February 2016.

In the meantime, shareholders and investors are advised to exercise caution when dealing in the Company's securities. When in doubt, shareholders and potential investors are advised to seek independent advice from their professional advisors before trading or making any investment decision on the Company's securities.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary
22 January 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.

This announcement has not been examined or approved by 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.

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