

**SANTAK HOLDINGS LIMITED**  
**(Company Registration Number: 200101065H)**

**PROFIT WARNING**

The Board of Directors of Santak Holdings Limited (the "Company") considers it appropriate to issue a profit warning, ahead of the announcement of the financial results of the Company and its subsidiaries (the "Group") for the six months period ended 31 December 2019 ("HY2020").

Following a preliminary assessment of the financial results for HY2020, the Group is expected to report a loss before tax for HY2020 compared to a profit before tax of approximately S\$56,000 in the previous corresponding period ("HY2019") and on a sequential basis, a smaller loss before tax compared to the loss before tax in the immediately preceding six months period ended 30 June 2019 ("2<sup>nd</sup> half of FY2019").

The above is mainly attributable to a decrease in revenue recorded in HY2020 (due to a decrease in sales in Precision Engineering Division arising mainly from weaker demand from its data storage, medical equipment and fibre optic connector sectors as well as lower sales in Trading & Distribution Division due to lower demand from the security/access control system business) combined with lower economies of scale achieved as a result of the decrease in turnover, lower machine utilization as well as the increase in production labour payroll and training cost, depreciation expense and other cost incurred in the setting up of the new factory in Johor Malaysia in HY2020 which has resulted in lower gross profit registered for HY2020 compared to HY2019. Further details of the Group's results will be made available when the Company announces its unaudited consolidated financial results for HY2020, which is expected to be around mid-February 2020.

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  
Lai Foon Kuen  
Company Secretary  
7 February 2020

*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., in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**Exchange**") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the 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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