

SANTAK HOLDINGS LIMITED
(Company Registration Number: 200101065H)

MATERIAL VARIANCES BETWEEN AUDITED FINANCIAL STATEMENTS AND THE PRELIMINARY UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

In compliance with Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalyst ("**Catalist Rules**"), the Board of Directors (the "**Board**") of Santak Holdings Limited (the "**Company**") refers to the announcement of the unaudited financial statements for the financial year ended 30 June 2016 ("**FY2016**") released by the Company on 29 August 2016 ("**Unaudited Financial Statements**").

The Board wishes to explain the material variances between the Unaudited Financial Statements and the Audited Financial Statements for FY2016 following the finalisation of audit.

The material variances between the Unaudited Financial Statements and the Audited Financial Statements are set out as follows:

Statement of Financial Position for FY2016

Group	Audited Financial Statements	Unaudited Financial Statements as Announced	Variance	Explanation
	FY2016 S\$'000	FY2016 S\$'000	FY2016 S\$'000	
Non-current assets				
Intangible assets	92	98	(6)	See note 1 below
Restricted fixed deposits	-	2,756	(2,756)	See note 2 below
Current assets				
Restricted fixed deposits	3,509	753	2,756	See note 2 below
Inventories	1,810	2,249	(439)	See note 1 below
Trade receivables	7,684	9,950	(2,266)	See note 1 below
Prepayments	76	723	(647)	See note 1 below
Other receivables	1	706	(705)	See note 1 below
Tax Credit	29	0	29	See note 3 below
Cash and cash equivalents	5,216	10,962	(5,746)	See note 1 below
Assets of subsidiary classified as held for sale	38,286	28,477	9,809	See note 1 below
Current liabilities				
Trade payables	1,226	9,434	(8,208)	See note 1 below
Other liabilities	2,394	5,407	(3,013)	See note 1 below
Provision for taxation	-	(28)	28	See note 3 below
Liabilities of subsidiary classified as held for sale	11,221	0	11,221	See note 1 below

Notes:

- 1) On 24 November 2016, the Company announced that Santak Metal Manufacturing Pte Ltd (the “**Vendor**”), a wholly owned subsidiary of the Company, has entered into a sale and purchase agreement dated 24th November 2016 (the “**SPA**”) with LY Investment (HK) Limited (领益(香港)有限公司) (the “**Purchaser**”) for the sale of 100% equity interest of Santak Metal Manufacturing (Wuxi) Co., Ltd. (“**Santak Wuxi**”) to the Purchaser (the “**Proposed Disposal**”). As the Proposed Disposal involves the sale of 100% equity interest of Santak Wuxi and in connection with the finalisation of audit, all the assets and liabilities of Santak Wuxi were reclassified to “assets of subsidiary classified as held for sale” and “liabilities of subsidiary classified as held for sale” respectively. In the Unaudited Financial Statements, only plant and equipment and certain inventory relating to a major customer in Santak Wuxi were reclassified to “assets of subsidiary classified as held for sale”.
- 2) Restricted fixed deposits consist of fixed deposits pledged to banks to secure bank loans and borrowings granted to and utilised by a subsidiary company. All the restricted fixed deposits were reclassified from non-current assets to current assets in line with the reclassification of the non-current portion of the bank loans and borrowings as a current liability in the Unaudited Financial Statements.
- 3) The tax credit arising from overprovision of tax in relation to prior year previously recorded in the Unaudited Financial Statements under current liabilities as provision for taxation was reclassified to current assets as it is a tax receivable.

Save as disclosed above, there were no material variances for the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flow for the Group.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary
12 December 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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