

BUSINESS RESTRUCTURING

The board of directors (“**Board**”) of Santak Holdings Limited (the “**Company**”) wishes to inform the shareholders of the Company (“**Shareholders**”) that following review by the Management in connection with the financial performance of its business operation in China and the weak demand for its China’s operation, the Company has initiated an ongoing business restructuring plan which may involve, *inter alia*, the restructuring and/or disposal of the assets and/or business of its China operation, which was loss making.

The Company has commenced negotiation with third-parties for the potential disposal of certain assets and/or business of its China operation (“**Potential Disposal**”). As at the date of this announcement, the Company is still negotiating and finalizing the terms with the potential buyer and no definitive agreement(s) have been entered into. The Company will provide further updates as and when appropriate.

In addition, the Board will also review and restructure its Singapore operations, *inter alia*, improving its capabilities and business.

The Company will make further announcements, in compliance with requirements of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist (“**Catalist Rules**”) where applicable.

The Company undertakes that it will comply with requirements of Chapter 10 of the Catalist Rules including but not limited to seeking Shareholders’ approval for the Potential Disposal (where applicable).

Shareholders should note that the Potential Disposal is subject to execution of definitive sales and purchase agreement with terms and conditions to be agreed by the Company and the potential buyer. As at the date of this announcement, no definitive agreement(s) have been entered into. Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Potential Disposal will materialize. Shareholders should also note that the terms and conditions for the Potential Disposal (including but not limited to pricing, terms of payment etc) are currently being negotiated and that no definitive terms has been agreed upon and that it is not certain that parties to the transaction will agree on mutually acceptable terms and conditions. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary
29 August 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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