SANTAK HOLDINGS LIMITED
(Company Registration Number: 200101065H)

THE PROPOSED DISPOSAL AND LEASEBACK OF THE PROPERTY AT NO. 8 JALAN TEKNOLOGI PERINTIS 1/3, TAMAN TEKNOLOGI NUSAJAYA, 79200 ISKANDAR PUTERI, JOHOR - ACCEPTANCE OF OFFER TO PURCHASE

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1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Santak Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Santak Precision Metal Parts Sdn Bhd (the "**Vendor**") had on 30 April 2026 received a letter of offer to purchase (the "**Offer to Purchase**" or the "**Offer**"), for the sale of the Vendor's property located at No. 8 Jalan Teknologi Perintis 1/3, Taman Teknologi Nusajaya, 79200 Iskandar Puteri, Johor (the "**Property**") to an independent third-party purchaser (the "**Purchaser**" or "**Buyer**") for an aggregate consideration of RM12,800,000 (the "**Consideration**") on the terms and subject to the conditions of the Offer (the "**Proposed Disposal**"). The Purchaser had issued a cheque of a sum of RM384,000 (the "**Earnest Deposit**"), being three per cent. (3%) of the Consideration, to CBRE WTW Real Estate Sdn Bhd ("**CBRE**") as stakeholder holding in trust and a broker for the transaction. The Offer shall remain valid for acceptance/exercise by the Vendor within one month from 28 April 2026, being the date of the signing of the Offer.

The Vendor has accepted the Offer on 21 May 2026 and will finalise a sales and purchase agreement (the "**Agreement**") with the Purchaser and a tenancy agreement for the proposed leaseback or tenancy of the Property (the "**Proposed Leaseback**" or "**Proposed Tenancy**") with the Purchaser (the "**Tenancy Agreement**") within thirty (30) working days from 21 May 2026 and subsequently to be executed by the Purchaser within ten (10) working days after finalisation. In view of commercial reason, further details on the Purchaser will be announced only when the Agreement and the Tenancy Agreement are executed by the Purchaser.

In the event the Purchaser fails to execute the finalised Agreement together with the Tenancy Agreement due to the fault of the Purchaser, the Vendor shall be entitled by notice in writing to the Purchaser to terminate the Proposed Disposal whereupon the Earnest Deposit is to be forfeited to the Vendor absolutely and thereafter the Offer shall be null and void and neither party shall have any right or claim against the other.

In the event the Vendor fails to execute the finalised Agreement together with the Tenancy Agreement due to the fault of the Vendor, the Purchaser or the Purchaser's solicitors shall be entitled by notice in writing to the Vendor or the Vendor's solicitors to terminate the Proposed Disposal whereupon the Vendor shall refund the Earnest Deposit paid together with a further sum equivalent to the Earnest Deposit within seven (7) working days from the date of receipt by the Vendor of the termination notice and thereafter the Offer shall be null and void and neither party shall have any right or claim against the other.

The Offer is subject to the execution of the Agreement and the Tenancy Agreement and the terms and conditions therein. Based on the foregoing, the Proposed Disposal is considered a "major transaction" of the Company as defined under Chapter 10 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and is subject to, *inter alia,* the approval of the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting of the Shareholders (the "**EGM**") to be convened pursuant to Rule 1014 of the Catalist Rules. As the Offer is subject to the execution of both the Agreement and the Tenancy Agreement, Shareholders approval will be sought for both.

2. THE PROPOSED DISPOSAL AND SALIENT TERMS OF THE OFFER

2.1 Information on the Property

The Property is located within Nusajaya Tech Park, Iskandar Puteri, Johor and is a freehold property with land area of approximately 47,469 square feet and gross floor area of approximately 31,052 square feet.

The Property is currently used as the Group's manufacturing facility for precision machined components and is not leased to any third party, and will continue to be used for the Group's operations pursuant to the Tenancy Agreement after the Disposal.

2.2 Consideration and Payment Terms

Consideration
The Consideration shall be fully satisfied in cash and was arrived at after arms' length negotiations and based on a willing-buyer willing-seller basis, having taking into account, *inter alia,* (i) the prevailing market conditions; (ii) an independent valuation report on the Property as at 15 May 2026 (the "**Valuation Report**") dated 19 May 2026 from MacReal International (JB) Sdn Bhd (the "**Valuer**"); and (iii) the Offer constitutes the most favourable sale terms which the Vendor has received to date given its efforts to sell the Property with a proposed leaseback.

Payment Terms
Under the Offer, the Consideration shall be payable by the Purchaser to the Company as follows:

(a) the sum of RM384,000 being the Earnest Deposit shall be payable upon submission of the Offer by the Purchaser; and

(b) the sum of RM896,000 (the **"Balance Deposit"**) shall be payable upon the execution of the Agreement; and

(c) the balance of the Consideration, which is equivalent to 90% of the Consideration shall be payable within 4 months from the date of fulfillment of the conditions precedent of the Agreement (the "**Completion Period**") with a grace period of 2 months if requested by the Purchaser, subject to an interest charge of 8% per annum on the outstanding balance from the expiry of the Completion Period to the date of payment.

Legal possession of the Property shall be delivered to the Purchaser by the Vendor upon full payment of the Consideration.

2.3 Conditions for Disposal

The Proposed Disposal will be subject to the terms and conditions of the Agreement to be entered into and conditional upon, *inter alia*, the following conditions precedent (the **"Conditions Precedent"**):

(i) the approval of Shareholders being obtained for the Proposed Disposal and Proposed Tenancy; and

(ii) the Purchaser's solicitors having received satisfactory replies to the usual legal requisitions sent to the various relevant government departments and diligence for such transactions.

Further details on the Agreement will be announced in due course on execution of the Agreement.

2.4 Completion

Completion of the disposal is expected to take place on the date falling four (4) months from the date of fulfillment of the Conditions Precedent with a grace period of two (2) months if requested by the Purchaser (the **"Completion Date"**).

Save as disclosed above, there are no other material conditions attached to the Offer.

3. KEY TERMS OF THE PROPOSED LEASEBACK

The key terms are as follows:

Period:	Three (3) years with an option to renew for another three (3) years
Commencement Date:	Upon the Completion Date of the Agreement
Expiry Date:	Three (3) years from the Completion Date of the Agreement
Rental:	RM 75,000 per month payable half yearly in advance. Renewal is subject to prevailing market rental. Rental is exclusive of the sales and service tax or any applicable government taxes arising from this tenancy which shall be borne solely by the Vendor.
Rental Deposit	RM 450,000 (six (6) months rental)
Utility Deposit	RM 37,500 (half (1/2) month rental). The Vendor is required to apply its own utility accounts and pay the deposit and connection fees directly to the relevant authorities
Stamping fees	The Vendor shall bear all stamp duty and stamping fees.
Repairs and maintenance	The Vendor shall be solely responsible for all repairs and maintenance of the Property at the Vendor’s own cost and expense.
Outgoings	The Purchaser shall pay the quit rent and the fire insurance of the Property. The Vendor shall pay all other outgoings including but not limited to property assessment, maintenance charges and garbage disposal.
Lock-in period	The Vendor shall complete the first three (3) years of the Proposed Tenancy term. In the event of early termination, the Vendor shall pay the Purchaser the rent for the unexpired term.

The Group has considered the average prevailing market asking rental set out in various listings for industrial properties in surrounding areas (within 40km range of Singapore Tuas second link or Johor Bahru causeway) of the Property which is approximately 17km from the Singapore Tuas second link. The average prevailing market asking rental stated in the various listings was in the range of RM2.50 per square foot per month to RM4.00 per square foot per month.

In the Proposed Tenancy, the rental payment for the first three years will be approximately RM2.42 per square foot per month, which is computed based on rental of RM75,000 per month over gross floor area of approximately 31,052 square feet. Thus, the rental payment for the first three years is at the low end of the range of average prevailing market asking rental for industrial properties in the surrounding areas of the Property in Johor.

4. RATIONALE FOR THE PROPOSED DISPOSAL

As the Proposed Disposal shall results in a disposal gain of approximately RM1.66 million and RM1.52 million (after deducting the estimated transactional expenses of approximately RM0.48 million to be incurred in connection with the Proposed Disposal) based on the net book value of the Property as at 31 December 2025 and 30 June 2025 respectively, the Board is of the view that the Proposed Disposal of the Property is in the best interest of the Group given the following:-

a. The Offer constitutes the most favourable sale terms which the Vendor has received to date and the Consideration is comparable to the market value of the Property as assessed by the Valuer. The Proposed Disposal and Proposed Tenancy will enable the Group to realise the fair value of its investments in the Property, while enabling the Group, through the Proposed Tenancy, to enjoy the use of the Property for its existing operations without any relocation and fitting out cost and opportunity cost from potential downtime which is likely to be material in the event that a new premise is rented instead. Furthermore, the rental rates offered are favourable when compared to prevailing market asking rental rates of similar properties of comparable size in the vicinity.

b. The Proposed Tenancy will allow the Group to use the premises for its operations after the Proposed Disposal.

c. The Proposed Disposal is expected to result in a gain on disposal, and the disposal proceeds will be used for the general working capital requirements of the Group. The Disposal will result in a net estimated positive cash inflow of approximately RM12.32 million (the "Net Proceeds") (after deducting estimated expenses *inter alia* commission, legal fees, taxes and other expenses of approximately RM0.48 million in relation to the Proposed Disposal), thereby improving the liquidity of the Group. This would also allow the Group to re-allocate its resources to improve and optimize the utilization of assets.

d. The Board is of the view that there will be no material adverse change in the risk profile of the Group arising from the Proposed Disposal and Tenancy. The excess of rental expenses from the Proposed Tenancy over the depreciation and other expenses savings from the Proposed Disposal is expected to be approximately RM0.61 million per annum and is more than compensated with the Net Proceeds of approximately RM12.32 million.

e. The Board believes that the Proposed Disposal and Tenancy is in the best interests of the Group and the shareholders, as it will enable the Group to realize the value of the Property.

   The Proposed Disposal and Proposed Tenancy will not result in any contravention of any laws or regulations governing the Company and its constitution.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The Proposed Disposal and Tenancy will not have any material effect on the EPS and NTA per Share for the Group for the current financial year ending 30 June ("**FYE**") 2026 as completion is expected to be after 30 June 2026, but is expected, barring unforeseen circumstances and on the assumption that the transaction will be completed during FYE 2027 and based on the audited financial performance and position for FYE 2025, to have a positive material effect on the EPS and NTA for the next financial year ending 30 June 2027.

The pro forma financial effects of the Proposed Disposal as set out below are for illustrative purposes only and do not necessarily reflect the future actual financial position and results of the Group following Completion

5.1 Net Tangible Asset ("NTA") per Share

For illustrative purposes only, assuming the Proposed Disposal had been effected on 30 June 2025 (being the end of the latest announced audited financial year for the Group), the pro-forma financial effect of the Proposed Disposal on the Group's NTA per share would be as follows:-

	Before the Proposed Disposal	After the Proposed Disposal
Consolidated NTA attributable to the Shareholders of the Company (S$'000)	7,439	7,897 [(1)]
Number of Shares (excluding treasury shares)	107,580,980	107,580,980
Consolidated NTA per share attributable to the Shareholders of the Company (Singapore Cents)	6.92	7.34

Note:

(1) *The computation of NTA after the Proposed Disposal has taken into account the transactional expenses related to the Proposed Disposal.*

5.2 **Loss per Share ("LPS")**

For illustrative purposes only, assuming the Proposed Disposal had been effected on 1 July 2024 (being the beginning of the latest announced audited financial year for the Group), the proforma financial effects of the Proposed Disposal on the LPS for the financial year ended 30 June 2025 ("**FY2025**") would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net (Loss) attributable to the Shareholders of the Company (S$'000)	(2,391)	(2,139) [(1)]
Weighted average number of Shares (excluding treasury shares)	107,580,980	107,580,980
Consolidated LPS (Singapore Cents)	(2.22)	(1.99)

Note:

(1) *The proforma financial effects are determined after taking into account the gain on disposal as at 1 July 2024 and based on the assumptions of depreciation, rental and other expenses as well as property tax.*

5.3 **Value of the Property**

The open market value of the Property was RM13.00 million based on the Valuation Report dated 19 May 2026 issued by the Valuer. The NTA value (and net book value) of the Property is approximately RM10.80 million and RM10.66 million as at 30 June 2025 and 31 December 2025 respectively. No net profit are attributable to the Property for FY2025 and the six month period ended 31 December 2025, as it is used solely for the Group's manufacturing activities. The gain of the Consideration for the Proposed Disposal (without taking into account the rental and utility deposits) over the book value of the Property as at 30 June 2025 and 31 December 2025 is approximately RM1.52 million and RM1.66 million respectively (after deducting the estimated transactional expenses of approximately RM0.48 million to be incurred in connection with the Proposed Disposal).

5.4 **Use of Proceeds**

The Company expects to receive gross proceeds of RM12.80 million from the Proposed Disposal (excluding estimated transactional expenses of approximately RM0.48 million to be incurred in connection with the Proposed Disposal). After deduction of transactional expenses the Net Proceeds is approximately RM12.32 million. The proceeds from the Proposed Disposal shall be used for the general working capital requirements of the Group.

Pending deployment of the proceeds from the Proposed Disposal for such purposes, the proceeds may be placed in deposits with banks or financial institutions as the Directors may, in their absolute discretion, deem fit.

6. REQUIREMENTS UNDER CHAPTER 10 OF THE LISTING MANUAL

Rule 1006 and Rule 1014 of the Listing Manual

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006(a) to (e) of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") are as follows:

Rule 1006 of the Listing Manual	**Bases**	**Relative Figures**
1006 (a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	54.2%[(1)]
1006 (b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits	Not applicable[(2)]
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalization, based on the total number of issued shares excluding treasury shares	103.6%[(3)]
1006 (d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006 (e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not applicable

Note:

(1) Based on the net asset value (including renovation and electrical installation) of the Disposed Assets of approximately S$3.37 million as at 31 December 2025 and the net assets value of the Group of approximately S$6.22 million as at 31 December 2025.

(2) Not applicable as the Property is for the Group's own-use and thus does not generate any income or revenue.

(3) Computed based on the Consideration of RM12.8 million (approximately S$4.1 million based on the exchange rate of S$0.3223:RM1 as at 30 April 2026) and the market capitalization of the Group of approximately S$3.98 million, which was determined by multiplying the issued share capital of the Company of 107,580,980 shares by the volume-weighted average price of S$0.037 per share as transacted on 11 May 2026 (being the last market day on which the shares were traded prior to the date of the signing of the Offer).

As the relative figures under Rule 1006(a) and Rule 1006(c) of the Catalist Rules exceed 50%, the Proposed Disposal constitutes a "major transaction" under Rule 1014 of the Catalist Rules and is subject to the approval of the Shareholders in a general meeting.

7. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed, none of the Directors, controlling Shareholders or substantial Shareholders of the Company has any interest, direct or indirect, in the Offer, Proposed Disposal and Proposed Tenancy.

8. **SERVICE AGREEMENTS**

No person will be appointed to the Board of Directors of the Company, and no service agreements will be entered into by the Company, in connection with the Offer, Proposed Disposal and Proposed Tenancy.

9. **DOCUMENTS FOR INSPECTION**

A copy of the Offer to Purchase and Valuation Report will be made available for inspection by shareholders during normal business hours at the registered office of the Company (4 Clementi Loop, #01-01, Singapore 129810) for a period of three (3) months commencing from the date of this announcement.

10. **FURTHER ANNOUNCEMENT**

The Company will make further announcements in relation the Offer, the Proposed Disposal and Tenancy as and when there are material developments.

11. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal and Proposed Tenancy, the Property, the Offer, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

By Order of the Board

Lai Foon Kuen
Company Secretary
21 May 2026

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*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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