

**PROFIT GUIDANCE**

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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 Financial Year ended 30 June 2016 (“FY2016”).

Following a preliminary assessment of the financial results for FY2016, the Group and/or the Company as the case may be, is expected to report a significantly higher loss for FY2016 compared to the previous corresponding financial year (“FY2015”). The above is mainly attributable to the significantly lower turnover for FY2016 compared to FY2015 as well as the losses incurred by the Group’s Wuxi operation (in particular due to a significant drop in revenue accompanied with substantial selling price erosions particularly during the second half of FY2016, as well as the substantial fixed operating overheads arising from additional two new factory facilities set up in FY2015 for the recent precision machined component projects) and on-going efforts to restructure the Group’s businesses.

Further details of the Group’s results will be made available when the Company announces its unaudited consolidated financial results for FY2016, which is expected to be before end-August 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  
23 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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