

SANTAK HOLDINGS LIMITED
(Company Registration Number: 200101065H)

THE PROPOSED DISPOSAL OF THE PROPERTY AT 31 SENOKO SOUTH ROAD, WOODLANDS EAST INDUSTRIAL ESTATE, SINGAPORE 758084 – WAIVER FROM THE REQUIREMENT OF RULE 1014(2) OF THE CATALIST RULES

*Unless otherwise defined, the capitalised terms used herein have the same meanings as set out in the Company's announcement dated 25 July 2018 in connection with the Proposed Disposal (the "**Previous Announcement**").*

1. INTRODUCTION

The Board of Directors ("**Board**") of Santak Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refer to the Previous Announcement in connection with the Proposed Disposal. As disclosed in the Previous Announcement, the Proposed Disposal constitutes a major transaction under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and is conditional upon, *inter alia*, approval by shareholders of the Company (the "**Shareholders**") in an extraordinary general meeting ("**EGM**") or the Company having obtained from the SGX-ST a waiver to convene the EGM.

The Company wishes to announce that it has applied to the SGX-ST for a waiver of the requirement of Rule 1014(2) of the Catalist Rules to seek its Shareholders' approval for the Proposed Disposal ("**Waiver**") and the SGX-ST has on 28 August 2018 granted the Waiver to the Company, subject to:-

- (a) the Company making an immediate announcement on the Waiver granted by the SGX-ST, including the reasons for seeking the Waiver.
- (b) Submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

The Company will submit the written confirmation as set out in point (b) above to the SGX-ST in due course.

2. REASONS FOR SEEKING THE WAIVER

The Company applied for the Waiver from the SGX-ST based on, *inter alia*, the following merits:

- (a) The Property which is the subject of the Proposed Disposal, is currently utilized for the Group's operations and not for investment or rental-income generation purposes. The Board is of the view that the Proposed Disposal of the Property is in the best interest of the Group, as it will enable the Group to realize the value of the Property near its recent revalued book and is in line with the Group's strategy to relocate its current manufacturing facility from Singapore to its recent proposed acquisition of a property in Johor Malaysia (as announced on 23 March 2018) as part of its restructuring for better management of cost and availabilities of labour to the Group. Furthermore the Company seeks approval for a waiver to hold an extraordinary general meeting in view that the relocation will improve and optimize the Group's utilization of assets with better cost management and availabilities of labour.
- (b) The Company had obtained undertakings ("**Undertakings**") from Mr. Tan Chee Hawaii, Mdm Heng Kheng Hwai, and Mr. Tan Sin Hock, who collectively are referred as "**Undertaking Shareholders**" and hold in aggregate approximately 55.06% of the issued Share capital of the Company. Pursuant to the Undertakings, each of the Undertaking Shareholders has undertaken to vote each of their entire shareholdings in the Company in favour of the Proposed Disposal if an extraordinary general meeting is to be convened for the purposes of the Proposed Disposal.
- (c) The Board confirms that the Proposed Disposal will not result in material change of risk profile of the Group. The Proposed Disposal will strengthen the liquidity and net current assets position of the Group.

- (d) The Consideration is supported by the market value ascribed by an independent valuer, Dennis Wee Realty Pte. Ltd.
- (e) The excess of the Consideration for the Proposed Disposal over the book value of the Property as at 31 December 2017 is approximately S\$219,000 (before deducting the estimated transactional expenses of approximately S\$140,000 to be incurred in connection with the Proposed Disposal).

3. NO CONVENING OF EGM

As the SGX-ST has granted the Waiver to the Company, the Company will not be convening an EGM to seek the approval of Shareholders for the Proposed Disposal and accordingly, will not be despatching a circular to Shareholders in relation thereto.

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

By Order of the Board

Lai Foon Kuen
Company Secretary
28 August 2018

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 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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