

SANTAK HOLDINGS LIMITED
(Company Registration Number: 200101065H)

PROFIT WARNING

The Board of Directors of Santak Holdings Limited (the “Company”) considers it appropriate to issue a profit warning, ahead of the announcement of the financial results of the Company and its subsidiaries (the “Group”) for the six months period ended 31 December 2023 (“1HY2024”).

Following a preliminary assessment of the financial results for 1HY2024, the Group is expected to report higher revenue compared to the revenue in the previous corresponding period (“1HY2023”). The increase in revenue was due to substantially higher contributions from the Group’s precision engineering division arising mainly from significantly higher demand from the data storage sector compared to 1HY2023. On the other hand, the sales of the trading and distribution division was slightly lower compared to 1HY2023.

However, the Group is expected to report a substantially higher loss before tax for 1HY2024 versus the loss before tax in 1HY2023 mainly as a result of the Group registering a negative gross margin in 1HY2024 compared to a gross profit in 1HY2023. This was mainly due to the substantially lower production activities level and machines utilization rate in 1HY2024 arising from significantly lower forward sale orders received at the end of 1HY2024 for the second half of FY2024 ending 30 June 2024 (“2HY2024”) from the Group’s major customer (approximately 35% of Group sale in 1HY2024) which had deferred delivery of its remaining purchase order to the first half of FY2025 (“1HY2025”). In addition, the Group’s administrative expenses was also higher in 1HY2024 compared to the prior corresponding period.

Further details of the Group’s results will be made available when the Company announces its unaudited consolidated financial results for 1HY2024, which is expected to be before mid-February 2024. 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
Lai Foon Kuen
Company Secretary
2 February 2024

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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