

SANTAK HOLDINGS LIMITED (Company Registration No. 200101065H)
(Incorporated in Singapore)

**Half Year Financial Statement and Dividend Announcement for the Period Ended
31 December 2020**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR
RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		
	Latest Half Year 31 December 2020 S\$'000	Previous Half Year 31 December 2019 S\$'000	% Increase / (Decrease)
Revenue	6,666	7,290	(9)
Cost of sales	(5,467)	(6,199)	(12)
Gross profit	<hr/> 1,199	<hr/> 1,091	10
Other income	171	118	45
Distribution and selling expenses	(682)	(721)	(5)
Administrative expenses	(866)	(779)	11
Other operating expenses	(366)	(56)	554
Financial costs	(24)	(12)	100
Financial income	-*	1	n.m
Loss before tax	<hr/> (568)	<hr/> (358)	59
Taxation	(63)	111	n.m
Loss for the period	<hr/> (631)	<hr/> (247)	155
Loss attributable to equity holders of the Company	<hr/> (631)	<hr/> (247)	155

* Denotes less than S\$1,000.

	GROUP		% Increase / (Decrease)
	Latest Half Year 31 December 2020 S\$'000	Previous Half Year 31 December 2019 S\$'000	
Loss for the period	(631)	(247)	155
Other comprehensive income: <i>Items that may be reclassified subsequently to profit and loss:</i>			
Foreign currency translation	(10)	8	n.m
Total other comprehensive income for the period	(10)	8	n.m
Total comprehensive income for the period	(641)	(239)	168
Total comprehensive income attributable to equity holders of the Company	(641)	(239)	168

n.m – not meaningful

The loss attributable to shareholders is determined after crediting / (charging) the following:

	GROUP	
	Latest Period 31 December 2020 S\$'000	Previous Period 31 December 2019 S\$'000
Other income	171	118
Interest income	*	1
Interest expense	(24)	(12)
Depreciation of property, plant and equipment	(71)	(47)
Depreciation of right-of-use assets	(95)	(97)
Amortisation of intangible assets	(11)	(8)
Write back/(allowance) for stock obsolescence (net)	11	(2)
Foreign exchange loss	(190)	(6)
Over provision of tax in respect of prior years	5	186
Gain on disposal of assets of a subsidiary classified as held for sale	1	-
Gain on disposal of property, plant and equipment	2	-

* Denotes less than S\$1,000.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31 Dec 2020 S\$'000	30 June 2020 S\$'000	31 Dec 2020 S\$'000	30 June 2020 S\$'000
Non-current assets				
Property, plant and equipment	4,242	4,236	4	-*
Right-of-use assets	677	773	40	55
Investments in subsidiary companies	-	-	8,113	8,113
Intangible assets	48	59	-	1
Deferred tax assets	35	44	10	9
	<u>5,002</u>	<u>5,112</u>	<u>8,167</u>	<u>8,178</u>
Current assets				
Inventories	1,287	1,391	-	-
Trade receivables	2,674	2,323	-	-
Other receivables	159	367	-	14
Prepayments	55	72	24	29
Dividend receivable	-	-	2,000	-
Loan to a subsidiary company	-	-	4,030	4,030
Due from subsidiary companies (non-trade)	-	-	1,968	1,937
Cash and cash equivalents	13,219	3,186	32	80
	<u>17,394</u>	<u>7,339</u>	<u>8,054</u>	<u>6,090</u>
Assets of a subsidiary classified as held for sale	-	10,480	-	-
	<u>17,394</u>	<u>17,819</u>	<u>8,054</u>	<u>6,090</u>
Current liabilities				
Trade payables	1,329	1,259	-	-
Other payables	1,793	1,271	276	335
Provision for taxation	90	42	10	12
Lease liabilities	173	189	13	31
	<u>3,385</u>	<u>2,761</u>	<u>299</u>	<u>378</u>
Liabilities of a subsidiary classified as held for sale	-	436	-	-
	<u>3,385</u>	<u>3,197</u>	<u>299</u>	<u>378</u>
Net current assets	14,009	14,622	7,755	5,712
Non-current liabilities				
Lease liabilities	448	530	-	-
Provisions	35	35	-	-
	<u>483</u>	<u>565</u>	<u>-</u>	<u>-</u>
Net assets	<u>18,528</u>	<u>19,169</u>	<u>15,922</u>	<u>13,890</u>
Equity attributable to equity holders of the Company				
Share capital	12,852	12,852	12,852	12,852
Retained earnings/(accumulated losses)	5,833	(3,057)	3,070	1,038
Revaluation reserve	-	9,521	-	-
Translation reserve	(157)	(147)	-	-
	<u>18,528</u>	<u>19,169</u>	<u>15,922</u>	<u>13,890</u>

* Denotes less than S\$1,000.

1(b)(ii) Aggregate amount of group's borrowings and debt securities. Amount repayable in one year or less, or on demand

As at 31/12/2020		As at 30/06/2020	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
53,000	120,000	72,000	117,000

Amount repayable after one year

As at 31/12/2020		As at 30/06/2020	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
32,000	416,000	53,000	477,000

Details of any collateral

Secured lease liabilities are secured over the motor vehicles as well as corporate guarantees from the Company. The unsecured lease liabilities relate to right-of-use assets of the Group.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	Latest Half Year 31 Dec 2020 S\$'000	Previous Half Year 31 Dec 2019 S\$'000
Cash flows from operating activities		
Loss before tax	(568)	(358)
Adjustments:		
Depreciation of property, plant and equipment	71	47
Depreciation of right-of-use assets	95	97
Amortisation of intangible assets	11	8
Realisation of translation reserve on strike off of a subsidiary	-	(93)
Gain on disposal of assets of a subsidiary classified as held for sale	(1)	-
Gain on disposal of property, plant and equipment	(2)	-
Write-off of property, plant and equipment	30	-
Impairment of right-of-use assets	64	-
Interest expense	24	12
Interest income	-*	(1)
Unrealised exchange gain	(80)	(17)
Operating cash flows before working capital changes	(356)	(305)
Inventories	104	278
Trade receivables	(351)	(803)
Other receivables and prepayments	225	(83)
Trade payables	70	(14)
Other payables	(72)	53
Cash flows from operations	(380)	(874)
Interest received	-*	1
Income tax (paid)/refund, net	(5)	23
Net cash flows used in operating activities	(385)	(850)
Cash flows from investing activities		
Purchase of property, plant and equipment	(70)	(54)
Purchase of intangible assets	-	(9)
Proceeds from disposal of property, plant and equipment	2	-
Proceeds from disposal of assets of a subsidiary classified as held for sale	10,656	-
Net cash flows generated from/(used in) investing activities	10,588	(63)
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(160)	(103)
Interest paid	(24)	(12)
Net cash flows used in financing activities	(184)	(115)
Net increase/(decrease) in cash and cash equivalents	10,019	(1,028)
Effect of exchange rate changes on cash and cash equivalents	14	(1)
Cash and cash equivalents at beginning of period	3,186	3,552
Cash and cash equivalents at end of period	13,219	2,523

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity for the period ended 31 December 2020.

GROUP

	Share capital	(Accumulated losses)/ retained earnings	Revaluation reserve	Translation reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2019	12,852	(2,226)	9,521	(63)	20,084
Loss net of tax	-	(247)	-	-	(247)
Foreign currency translation	-	-	-	8	8
Other comprehensive income for the period, net of tax	-	-	-	8	8
Total comprehensive income for the period	-	(247)	-	8	(239)
Realisation of translation reserves on strike-off of a subsidiary	-	-	-	(93)	(93)
Balance at 31 Dec 2019	12,852	(2,473)	9,521	(148)	19,752
Balance at 1 July 2020	12,852	(3,057)	9,521	(147)	19,169
Loss net of tax	-	(631)	-	-	(631)
Foreign currency translation	-	-	-	(10)	(10)
Other comprehensive income for the period, net of tax	-	-	-	(10)	(10)
Total comprehensive income for the period	-	(631)	-	(10)	(641)
Transfer from revaluation reserve to (accumulated losses)/ retained earnings	-	9,521	(9,521)	-	-
Balance at 31 Dec 2020	12,852	5,833	-	(157)	18,528

COMPANY

	Share capital	Retained earnings	Total
	S\$'000	S\$'000	S\$'000
Balance at 1 July 2019	12,852	903	13,755
Total comprehensive income for the period	-	68	68
Balance at 31 Dec 2019	<u>12,852</u>	<u>971</u>	<u>13,823</u>
Balance at 1 July 2020	12,852	1,038	13,890
Total comprehensive income for the period	-	2,032	2,032
Balance at 31 Dec 2020	<u>12,852</u>	<u>3,070</u>	<u>15,922</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The issued and paid-up capital of the Company was S\$12,852,187 as at 31 December 2020 (31 December 2019: S\$12,852,187).

There were no share options as at 31 December 2020 (31 December 2019: Nil).

There were no shares held as treasury shares and subsidiary holdings or other convertible as at 31 December 2020 (31 December 2019: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 December 2020, the total number of issued shares of the Company was 107,580,980 shares (30 June 2020: 107,580,980).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no treasury shares as at 31 December 2020.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied in the financial statements for the current financial period ended 31 December 2020 are consistent with those used in the audited financial statements for the financial year ended 30 June 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new and amended SFRS(I) and INT SFRS(I) that are mandatory for application from 1 July 2020. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in material changes to the Group's accounting policies for the current financial period and has no material effect on the amounts reported for the current financial period.

6. Earnings/(loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Loss per ordinary share of the Group:	Latest Half Year 31 December 2020	Previous Half Year 31 December 2019
(a) Based on the weighted average number of ordinary shares on issue; and	(0.59) cents	(0.23) cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	(0.59) cents	(0.23) cents

Basic and diluted earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares for basic earnings/(loss) per share computation.

The following reflects the income and share data used in the basic and diluted earnings/(loss) per share computations:

	Latest Half Year 31 December 2020	Previous Half Year 31 December 2019
Net loss attributable to ordinary shareholders for basic and diluted loss per share (S\$'000)	(631)	(247)
Weighted average number of ordinary shares (in thousands) on issue applicable to basic loss per share	107,581	107,581
Weighted average number of ordinary shares (in thousands) applicable to diluted loss per share	107,581	107,581

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	Latest period	Previous financial year	Latest period	Previous financial year
	31 Dec 2020	30 June 2020	31 Dec 2020	30 June 2020
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial period/year reported on	17.22 cents	17.82 cents	14.80 cents	12.91 cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

HY2021 vs HY2020 Review of Income Statement

Revenue decreased by 8.6% from S\$7.29 million in HY2020 to S\$6.67 million in HY2021. The decrease was mainly due to lower sales derived from the Group's Trading & Distribution Division ("**T&D**") at S\$1.89 million in HY2021, a decrease of S\$0.47 million or 19.9% compared to S\$2.36 million in HY2020. This decrease was mainly due to lower demand from the security/access control systems business. Further, the Group's Precision Engineering Division's ("**PE**") also recorded a lower revenue at S\$4.77 million, a decrease of S\$0.16 million or 3.2% compared to prior corresponding period. The decrease in sales in PE compared to prior period was primarily due to the lower sales arising from weaker demand from its oil & gas, fibre optics connectors and medical equipment sectors which was partially offset by the stronger demand from the data storage sector. Nevertheless, revenue in HY2021 was higher by S\$0.70 million or 11.7% when compared to the immediately preceding half year ended 30 June 2020 ("**2HY2020**").

Despite the lower turnover, the Group's gross profit was higher at approximately S\$1.20 million in HY2021 compared to approximately S\$1.09 million in HY2020 resulting in higher gross profit margin of approximately 18.0% in HY2021 compared to approximately 15.0% in HY2020. This was primarily due to the reduction in production overhead mainly arising from lower payroll cost resulting from our effort for cost rationalization and optimisation as well as streamlining of the Group's operations following the relocation of the manufacturing

operations from Singapore to the Johor factory. The increase in depreciation expense by approximately S\$0.02 million in HY2021 was mainly due to an increase in depreciation charge on renovation and electrical installation in the Johor factory.

Other operating income increased by approximately S\$0.05 million to approximately S\$0.17 million in HY2021 mainly due to governments' grants in both Singapore and Malaysia amounting to approximately S\$0.14 million for the COVID-19 pandemic supports which was absent in the previous corresponding period. This is partially offset by other operating income in HY2020 of approximately S\$0.09 million (which was absent in HY2021) due to the reclassification from the translation reserve to the income statement as a dormant wholly-owned subsidiary of the Company, Santak Electronics Pte. Ltd. was struck off from the Register of Companies pursuant to Section 344 of the Companies Act, Chapter 50 of Singapore on 9 December 2019.

Other operating expenses increased by S\$0.31 million or 553.6% to S\$0.37 million in HY2021 compared to previous corresponding period mainly due to increase in foreign exchange loss by S\$0.19 million in HY2021 compared to HY2020 arising from the weakening of USD during HY2021 as well as an increase in impairment of right-of-use assets of approximately S\$0.06 million in HY2021. In addition, shifting cost incurred for the relocation of machines and raw material as well as fixed assets written off arising from the shift from Singapore factory to the Johor factory were both higher by S\$0.03 million and S\$0.03 million respectively compared to HY2020.

The slight decrease in distribution and selling expenses by S\$0.04 million or 5.4% to S\$0.68 million was mainly due to lower payroll expenses as well as lower travelling and freight cost in HY2021 in line with the lower turnover. The administrative expenses increased by S\$0.09 million or 11.2% to approximately S\$0.87 million in HY2021 compared to HY2020 mainly due to increase in depreciation expense of right-of-use assets of S\$0.06 million arising from the leasing of the new premises in Singapore from January 2020 as well as the shifting cost to the new premises of approximately S\$14,000 incurred in HY2021. The increase in financial expenses by approximately S\$12,000 in HY2021 was the result of interest expense on lease liabilities.

Loss before tax of approximately S\$0.57 million was recorded for HY2021 compared to the loss before tax of S\$0.36 million in the prior corresponding period. The tax expense of S\$ 0.06 million in HY2021 was mainly due to balancing charge arising from the Completion of the Disposal of the Property as announced on 31 December 2020 ("**Completion of Disposal**") after offsetting available unutilized tax losses brought forward from prior years. On the other hand, the tax credit of S\$0.11 million in HY2020 was mainly due to the reversal of prior year provision for taxation no longer required.

The loss after tax for HY2021 was approximately S\$0.63 million compared to the loss after tax of S\$0.25 million for HY2020. The Group's basic and diluted loss per share were both 0.59 cents for HY2020 versus the prior corresponding period basic and diluted loss per share of 0.23 cents.

Review of Financial Position

The decrease of the right-of-use assets by approximately S\$0.10 million as at 31 December 2020 was due to depreciation of right-of-use assets during HY2021. The decrease in deferred tax assets was mainly due to utilisation of tax losses brought forward from prior years.

The slight decrease in inventories by S\$0.10 million or 7.5% to S\$1.29 million as at 31 December 2020 compared to S\$1.39 million as at 30 June 2020 as well as the increase in both trade receivables and trade payables by approximately S\$0.35 million and S\$0.07

million as at 31 December 2020 versus as at 30 June 2020 were mainly in line with the higher sales in the October-December 2020 quarter in HY2021 versus the April-June 2020 quarter in 2HY2020.

Other receivables decreased by approximately S\$0.21 million as at 31 December 2020 mainly due to the receivables of S\$0.16 million in governments' grants for the COVID-19 pandemic supports as at 30 June 2020 which was absent as at 31 December 2020 as well as a decrease in deposits by approximately S\$0.04 million mainly comprising a deposit for a banker guarantee issued to Malaysian custom authority.

Following the Completion of Disposal, the net proceeds of S\$10.66 million was received resulting in the increase of cash and cash equivalents by S\$10.03 million from S\$3.19 million as at 30 June 2020 to S\$13.22 million as at 31 December 2020 (please refer to the cash flow explanation in the following paragraphs below). In addition, as a result of the Completion of Disposal, the assets of a subsidiary classified as held for sale of S\$10.48 million and the liabilities of a subsidiary classified as held for sale of S\$0.44 million as at 30 June 2020 were no longer on the balance sheet as at 31 December 2020.

The increase in other payables of S\$0.52 million to S\$1.76 million as at 31 December 2020 was mainly due to GST payable of S\$0.70 million and partially offset by the realisation of the 1% Option Money of S\$105,000 arising from the Completion of the Disposal. The increase in provision for taxation by S\$0.05 million was primarily due to the balancing charge arising from the Completion of the Disposal. The decrease in lease liabilities by approximately S\$0.10 million to S\$0.62 million as at 31 December 2020 was mainly due to the payment of lease liabilities during HY2021.

Review of Cash Flow

The lower net cash flows used in operating activities of approximately S\$0.39 million by the Group's operations in HY2021 compared to S\$0.85 million in HY2020 was primarily due to lower cash outflow arising from working capital changes (which was mainly due to decline in inventory and other receivables and prepayments as well as increase in trade payables which were partially offset by increase in trade receivables and decrease in other payables).

Net cash generated from investing activities was S\$10.59 million in HY2021 mainly due to the net proceeds of S\$10.66 million from disposal of the assets of a subsidiary classified as held for sale following the Completion of the Disposal. This is partially offset by purchase of property, plant and equipment which mainly comprises payment for renovation as well as purchase of equipment and computers. This is compared to net cash used in investing activities of \$0.06 million in prior corresponding period mainly comprising the purchase of property, plant and equipment of S\$0.05 million.

Net cash used in financing activities increased by approximately S\$0.07 million during HY2021 to S\$0.18 million mainly due to the higher repayment of lease liabilities of the leasing of the new premises in Singapore from January 2020 which was absent in the prior corresponding period.

Overall, cash and cash equivalents increased by S\$10.03 million during HY2021 to S\$13.22 million as at 31 December 2020 compared to the balance of S\$3.19 million as at 30 June 2020.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The market in which the Group operates remains competitive and demanding going forward in the current financial year ending 30 June 2021 (“FY2021”), particularly in the midst of the current uncertain and challenging economic and COVID-19 pandemic environment. In addition, challenges remain in terms of pricing and costs as well as foreign exchange volatility as in prior years.

The Group has on 31 December 2020 announced the Completion of the Disposal of its Property in Singapore. In addition, the shift from the Singapore Property to our factory in Johor has been completed as at 31 December 2020 and the Johor factory has been running mass production. Going forward, the Group’s precision engineering production facilities are in our Johor factory while our Singapore premises mainly serves as head office, final QA inspections, packing, logistics and warehouse purposes. The Group will further scale up its on-going mass production in the Johor factory as well as continue its effort for cost optimisation and streamlining of the Group’s operations.

The Board and the Management will continue to seek opportunities which offer potential growth for the Group and enhancement of value for the Shareholders as and when appropriate.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

The Board of Directors is pleased to declare a special interim dividend out of the proceeds from the Completion of the Disposal of the Property (as announced on 31 December 2020) as follow:

Name of Dividend	Special Interim Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.00 Singapore cents per ordinary share
Tax Rate	Tax exempt (one-tier)

(b) If Corresponding Period of the Immediately Preceding Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Special Interim dividend will be paid on or about 26 February 2021.

(d) Books closure date

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed at 5.00 p.m. on 18 February 2021 for the purpose of determining members' entitlement to the special interim dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 18 February 2021 will be registered to determine shareholders' entitlements to the special interim dividend.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for such decision.

Not applicable. See Item 11.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any general mandate for interested person transactions and there were no interested person transactions for HY2021.

14. Confirmation Pursuant to Rule 720(1) of the Catalist Rules

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7(H) under Rule 720(1) of the Catalist Rules.

15. Negative confirmation by the Board pursuant to Rule 705(5)

We, Lee Keen Whye and Ng Weng Wei, being two Directors of Santak Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year financial results ended 31 December 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Keen Whye
Chairman

Ng Weng Wei
Director

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
8 February 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd. ("**Sponsor**"), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**Exchange**") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the 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.

*The contact person for the Sponsor is Ms Foo Quee Yin
Telephone number: 6221 0271*