

SANTAK HOLDINGS LIMITED
(Company Registration Number: 200101065H)

GRANT OF WAIVER FROM STRICT COMPLIANCE WITH CATALIST RULES 707(1) AND APPLICATION FOR EXTENSION OF TIME TO HOLD ITS ANNUAL GENERAL MEETING (“AGM”)

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Santak Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 22 September 2016 applied to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for a waiver from Rule 707(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”) and extension of time for the Company to hold its AGM for the financial year ended 30 June 2016 (“**FY2016**”) within two (2) months from 31 October 2016 (i.e. by 31 December 2016) (“**Extension of Time for AGM**”), subject to the approval from the Accounting and Corporate Regulatory Authority (“**ACRA**”).

The Board is pleased to announce that the SGX-ST had on 11 October 2016 informed the Company that it has no objection to granting the Company the extension of 2 months to hold the AGM for FY2016 by 31 December 2016 (“**Waiver**”). The SGX-ST took into account that the Company needed time to satisfy the auditors (“**Auditors**”) regarding the rectification of breach of loan covenant and execution of a definitive agreement for the proposed disposal of loss-making PRC assets, outcome of which would have bearing on the FY2016 audit opinion. Accordingly, the SGX-ST relied on the Board’s opinion that the time extension would not be prejudicial to the interest of the shareholders of the Company (“**Shareholders**”).

The Waiver is subject to:-

- (a) The Company announcing the Waiver / period of extension granted, the reasons for seeking the Waiver/extension of time and the conditions as required under Catalist Listing Rule 106;
- (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;
- (c) The Company convening the AGM by 31 December 2016 and subject to approval of the same from the ACRA; and
- (d) Submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors’ decision which has yet to be announced by the Company.

The SGX-ST has also stated that the Company and the Sponsor should monitor the progress of the statutory audit to ensure that the Company meets the extended deadline. The Board had opined in the Waiver application that barring unforeseen circumstances, based on progress of the negotiation with the bankers and the potential third party vendor, a two-month extension would suffice.

Shareholders should note that the SGX-ST reserves the right to amend and/or vary its decision and that such decision is subject to changes in SGX-ST’s policies.

The Company will submit the written confirmation as set out in point (b) and (d) above to the SGX-ST in due course and proceed to make an application to ACRA for an extension of time to hold its AGM for FY2016 by no later than 31 December 2016.

2. REASONS FOR SEEKING THE EXTENSION OF TIME

The Company had sought for the Waiver and the Extension of Time for AGM in view of the ongoing business restructuring for the Group's China operations which was announced on 29 August 2016 and 22 September 2016. The management of the Company ("**Management**"), in particular the Group's Managing Director and the Executive Directors, have been in the past few months involved heavily in negotiation and discussion with third parties for the potential disposal of certain assets and/or business of its China operations ("**Potential Disposal**").

The Potential Disposal and the ongoing business restructuring are important for the Group, *inter alia*, to address the breach of the bank loan's covenants as mentioned in the results announcement dated 29 August 2016 for FY2016. Whilst one of the banks (constituting 91% of total outstanding bank loans) had given a 3 months waiver (announced on 29 August 2016) and the other bank (constituting 9% of total outstanding bank loans) had given a waiver (announced on 10 October 2016), the Management had been continuously in discussion with the banks to rectify the situation. In addition, the Company needed time to rectify the breach of loan covenants and execute a definitive agreement for the Potential Disposal, results of which would have bearing on the FY2016 audit opinion.

The Board is of the opinion that based on the information made available to them, the Potential Disposal may provide the Group with cash resources to, *inter alia*, reduce the Group's borrowings and thereby strengthen the financial position of the Group. As such, the Management would be required to spend their time towards materialization of the Potential Disposal and finalization and formalization of the definitive sales and purchase agreement for the Potential Disposal.

3. CONFIRMATION BY THE COMPANY

The Company confirms that it is not aware of any other information (including but not limited to financial information) with respect to the Group that may have a material bearing on investors' decisions which was not formally disclosed to the investors. In addition, the Company confirm that the Waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

The Company shall make the relevant announcements to update its Shareholders as and when appropriate on a timely basis.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary
11 October 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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