

SAKAE HOLDINGS LTD.

Company Registration Number 199604816E
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX QUERY

The Board of Directors of Sakae Holdings Ltd. (“Company” or together with its subsidiaries, the “Group”) refers to the query raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 2 September 2021, relating to the Company’s Fourth Quarter and Full Year Ended 30 June 2021 (“FY2021”) Results Announcement on 29 August 2021. The Company’s reply to the query is as stated below:

SGX-ST QUERY

Please provide the reasons and details for the impairment to goodwill of S\$0.72 million in FY2021.

COMPANY’S RESPONSE

The impairment of goodwill of S\$0.72 million in FY2021 is derived from the previous acquisition relating to the business assets of the former Genki Sushi outlets in Malaysia. As Malaysia continues its battle to contain the Covid-19 infection rate, the changes in governmental measures such as re-imposition and extension of various Movement Control Orders duration in Malaysia as well as the uncertainty of economic climate, which evolve with the pandemic situation cannot be ruled out. Taking into consideration the negative impact resulting from Covid-19 pandemic, the Group has re-assessed the value-in-use of the cash generating units by estimating the net present value of the discounted cash flow of these outlets. As the recoverable amount of these cash generating units is estimated to be lower, the Group has decided to impair the goodwill accordingly in FY2021.

By Order of the Board

Chan Lai Yin
Company Secretary

3 September 2021