

SAKAE HOLDINGS LTD.

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

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL IN RELATION TO THE QUALIFIED OPINION ISSUED ON AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (“FY2015”)

Pursuant to Rule 704(5) of the Listing Manual of the SGX-ST (the “Listing Manual”), the Board of Directors (the “Board”) of Sakae Holdings Ltd. (the “Company”) wishes to announce that the Company’s auditors, Messrs Deloitte & Touche LLP (the “Auditors”), have issued a Qualified Opinion on the Company’s financial statements for FY2015 (the “Qualified Opinion”), similar to that issued on the Company’s financial statements for FY2014.

The Auditors have issued the Qualified Opinion on account of the Company’s accounting treatment for its investments in its associates, Griffin Real Estate Investment Holdings Pte Ltd (“GREIH”) and Gryphon Capital Management Pte Ltd (“GCM”).

The applicable accounting standards require the Company to use the equity accounting method to account for its share of results and net assets of its associates. The Company has not applied the equity accounting method to account for its share of results and net assets of GREIH and GCM, since financial year ended December 31, 2012, as the Company did not rely on the management accounts of GREIH and GCM. This is in light of the uncertainties that are presented by the on-going litigation in the Singapore Courts between and/or among the Company, GREIH, GCM and other persons and entities. The Company has also made a full provision for impairment loss on its investments in GREIH and GCM on account of those uncertainties.

The matters relating to the on-going litigation were earlier announced by the Company by its announcements of 21 January 2013, 1 February 2013, 8 February 2013, 16 February 2013, 20 February 2013, 22 February 2013, 7 March 2013, 3 May 2013, 3 December 2013, 6 February 2014, 28 August 2014, 24 September 2014, 22 December 2015, 15 January 2016 and in the Full Year Financial Statements and Dividend Announcement dated 29 February 2016.

The basis for the Qualified Opinion is set out in more detail in the Independent Auditors’ Report for FY 2015 (the “**Independent Auditors’ Report**”), a copy of which is attached as an Appendix to this announcement. The Independent Auditors’ Report will be provided to shareholders and the SGX-ST as part of the Company’s Annual Report for FY 2015 on 15 April 2016.

The Board will make such further announcements on these matters as and when there are material developments.

By Order of the Board

Douglas Foo Peow Yong
Executive Chairman
15 April 2016