

**SAKAE HOLDINGS LTD.**

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

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**RESPONSE TO SGX QUERIES**

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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 7 September 2023, relating to the Company’s announcement dated 29 August 2023 in relation to the Company’s financial results for the financial year ended 30 June 2023 (“FY2023”). The Company’s reply to the query is as stated below:

**SGX-ST QUERY**

1. Given the Group’s significant current liabilities of S\$27.6 million and cash and bank balances of only S\$5.8 million and current assets of only S\$7.7 million, please disclose the Board’s assessment of (i) whether the Company’s current assets are adequate to meet the Company’s short term liabilities, including its bases of assessment; and (ii) how the Company intends to fulfil its significant payment obligations in the next 12 months. Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations.

**COMPANY’S RESPONSE**

As at 30 June 2023, the Group and the Company have net current liabilities of S\$19.8 million and S\$28.5 million respectively. The Group and the Company have total bank borrowings of S\$24.8 million as at 30 June 2023. Net current liabilities are mainly due to bank borrowings.

The Group has adopted short-term bank borrowings as part of its cash management strategy, due to the flexibility of such banking facilities. These short term bank borrowings are fully secured against the Group’s leasehold building in Singapore, last valued at S\$90,000,000 as at 30 June 2023.

Based on the Group’s cash flow forecast, the Board of Directors has concluded the Group and the Company will have sufficient financial resources to enable the Group and the Company to continue as a going concern and there is no material uncertainty regarding the Group’s and the Company’s ability to continue as a going concern, taking into consideration the following:

(a) The Group will be able to continue to generate positive operating cash flow to meet its day-to-day expenditure; and

(b) The Group will be able to continue to roll-over its short-term revolving loans and such credit facilities will continue to be available for at least up to June 2024. The Group has met financial covenants stipulated by the bank. In addition, the Group also has available unutilised credit facilities with the bank.

**By Order of the Board**

Chan Lai Yin  
Company Secretary

11 September 2023