

SAKAE HOLDINGS LTD.

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

RESPONSE TO SGX QUERIES

The Board of Directors of Sakae Holdings Ltd. (the "**Company**") refers to the queries raised by the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") on 1 November 2024 in relation to the Company's announcement on 28 October 2024 with respect to (i) the sale and purchase agreement (the "**SPA**") entered into between Makara Capital Limited ("**Makara Capital**") and the Company's Executive Chairman and Substantial shareholder, Mr Douglas Foo ("**Mr Foo**") on 19 July 2023; and (ii) the appointment of Mr. Ali Ijaz Ahmad ("**Mr. Ali**") as an independent director of the Company.

QUERY 1

According to Appendix 7.1 of the Listing Manual, an issuer must disclose material information, which includes "information concerning a significant change in ownership of the issuer's securities owned by insiders, or a change in effective or voting control of the issuer, and any developments that affect materially the present or potential rights or interests of the issuer's shareholders.". Whereas the Company had announced the entry into the Share Sale agreement and its initial completion date, it had failed to make timely announcements regarding the extensions in the completion date, except only in response to the Exchange's queries.

a. Please disclose the steps that the Board has taken to be kept informed of updates relating to the Share Sale, including the dates of any extensions to the completion date in the agreement, and as such, whether the Board had been informed of the extensions in completion date on a timely basis. If so, please explain why the Board had not provided timely updates on such extensions to shareholders via SGXNet.

COMPANY'S RESPONSE

As stated in the Company's response to SGX RegCo's queries on 28 October 2024, the SPA is a transaction between Mr Foo and Makara Capital; the Company is not a party to the SPA and is therefore not involved in the discussions or negotiations between the parties relating to the SPA, including any discussions as to completion date. As such, any information in relation to the SPA is only known to the Company when the Board is updated.

In this regard, since the signing of the SPA and in the events leading up to the Company's announcements on 20 July 2023 and 12 October 2023, the Board has been pro-active in requesting for such updates, and Mr Foo has kept the Board informed periodically as to his and Mr Ali's intentions in relation to the SPA.

A standalone update announcement was not previously released by the Company as the Board was of the view that there was no material change to the status quo, given that under the announcement of 12 October 2023, the Company had disclosed that "parties may mutually agree to further change the date of completion". As disclosed in the Company's various announcements, the Company had intended to release an announcement when the SPA was completed.

The Company wishes to note that it has provided further updates to Shareholders on the SPA, in particular, at its AGM for FY2023, the minutes of which was published on SGXNet on 30 November

2023, and, more recently, at its AGM for FY2024 on 28 October 2024, which minutes will be published on SGXNet in due course.

The Company wishes to update the SGX RegCo that to-date, the SPA continues to be in force and parties are presently in discussions on a new completion date. Accordingly, the Board has released a standalone update announcement on the status of the SPA. Please refer to the Company Announcement dated 8 November 2024 for more details.

b. To provide details of the reasons for the delay in the completion of the Share Sales and what was taken into account by Makara Capital when deciding that it will not proceed with the completion of the Share Sale in Sep 2023. It was disclosed in the Company's response that both parties to the Share Sale intend to complete the transaction. When does Makara Capital expect to complete the acquisition and what are the specific factors that will trigger the decision to complete the Share Sale?

COMPANY'S RESPONSE

Based on information provided by Mr Foo and Mr Ali, the Company understands that Makara Capital has requested for an extension of time to effect completion of the SPA. Mr Foo has agreed in principle to grant the extension, and parties are in discussions on a new completion date. Once a new completion date has been fixed, Mr Foo will inform the Company, and the Company will make the requisite announcement on SGXNet. Please refer to the Update Announcement for more information.

The Company has sought information from Mr Foo on the above, including reasons for the delay in effecting completion of the SPA and when it expects completion of the SPA to occur, however the Company understands from Mr Foo that Makara Capital has not provided any further information on the SPA as it is an ongoing transaction.

c. In addition, please provide specific information on what were taken into account for the NC's considerations on the appropriateness of retaining the appointment of Makara Capital's nominee on the Board as an independent director.

COMPANY'S RESPONSE

The NC has taken into account the following considerations in determining the appropriateness of retaining Mr Ali as an independent director:

- (a) The fact that the SPA has yet to be completed, and, pending such completion, Makara Capital is not the legal owner of the shares.
- (b) Mr Ali's contributions to the Board as Independent Director and his conduct since appointment; Mr Ali has not given the NC any cause for concern on his ability to contribute independently. It would also be pertinent to note that at the recent AGM of the Company held on 28 October 2024, Mr Ali retired and was re-appointed by the shareholders to continue as an Independent Director of the Company.
- (c) Upon completion of the SPA, Mr Ali will be re-designated into a Non-Independent Non-Executive Director of the Company.

Notwithstanding the above, the Company has discussed with Mr Ali who has indicated his intention to step down as Non-Executive and Independent Director due to his busy work commitments. Accordingly, the Company has made announcement on Mr Ali's resignation as Non-Executive and Independent Director on 7 November 2024.

QUERY 2

Provision 2.1 of the Code of Corporate Governance 2018 states that an "An 'independent' director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company". Knowing that the conditions precedent of the Share Sale had been satisfied and both parties intend to complete the Share Sale,

a. on what basis does the NC reasonably expect Mr. Ali to be able to exercise independent business judgement with the knowledge that he is a nominee of an incoming controlling shareholder of the Company who will be given full access and authority as a director to obtain confidential information of the Company.

b. what is the basis of the NC's view that this will not be reasonably perceived to interfere with Mr Ali's ability to exercise independent business judgement in the best interests of the Company?

COMPANY'S RESPONSE

The NC has assessed that the appointment of Mr Ali as an independent director obliges Mr Ali to act in the best interests of the Company in accordance with the law. Through the Board meetings and discussions that Mr Ali has participated in, there has not been any indication that Mr Ali was not acting independently of Makara or that he was incapable of exercising his independent business judgement.

Notwithstanding the above, the Company has discussed with Mr Ali who has indicated his intention to step down as Non-Executive and Independent Director due to his busy work commitments. Accordingly, the Company has made announcement on Mr Ali's resignation as Non-Executive and Independent Director on 7 November 2024.

By Order of the Board

Chan Lai Yin
Company Secretary

8 November 2024