



Sakae Holdings Ltd.

Fourth Quarter and Twelve months Financial Statement And Dividend Announcement

Pursuant to the requirements of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Company is mandatorily required to continue with quarterly reporting of its financial statements with effect from 7 February 2020, in view of the modified opinion issued by the Company’s statutory auditors in its annual report for the financial year ended 30 June 2019.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group					
	Quarter ended			Full year ended		
	30 June		Increase /	30 June		Increase /
2020 (4QFY2020)	2019 (4QFY2019)	(Decrease)	2020 (FY2020)	2019 (FY2019)	(Decrease)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	3,998	10,888	(63.3)	29,892	44,756	(33.2)
Cost of sales	(1,637)	(4,810)	(66.0)	(10,819)	(16,628)	(34.9)
Gross profit	2,361	6,078	(61.2)	19,073	28,128	(32.2)
Other operating income	13,142	1,492	>100	16,044	4,689	>100
Administrative expenses	(8,146)	(6,449)	26.3	(21,631)	(21,833)	(0.9)
Other operating expenses	(4,621)	(7,197)	(35.8)	(12,705)	(22,516)	(43.6)
Finance cost	(834)	(1,207)	(30.9)	(1,910)	(1,589)	20.2
Profit (Loss) before income tax	1,902	(7,283)	N.M.	(1,129)	(13,121)	(91.4)
Income tax	657	(526)	N.M.	791	(643)	N.M.
Profit (Loss) after income tax	2,559	(7,809)	N.M.	(338)	(13,764)	(97.5)
Attributable to:						
Equity holders of the company	2,559	(7,687)	N.M.	(338)	(13,764)	(97.5)
Non-controlling interest	-	(122)	N.M.	-	-	N.M.
	2,559	(7,809)	N.M.	(338)	(13,764)	(97.5)

N.M. - Not Meaningful

A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

	Group					
	Quarter ended			Full year ended		
	30 June		Increase /	30 June		Increase /
	2020 (4QFY2020)	2019 (4QFY2019)	(Decrease)	2020 (FY2020)	2019 (FY2019)	(Decrease)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Net profit (loss) for the period/year	2,559	(7,809)	N.M.	(338)	(13,764)	(97.5)
Other comprehensive income:						
Revaluation of properties	11,680	2,427	>100	11,680	3,670	>100
Currency translation differences	26	1	>100	57	116	(50.9)
Total comprehensive income (loss) for the period/year	14,265	(5,381)	N.M.	11,399	(9,978)	N.M.
Attributable to:						
Equity holders of the Company	14,265	(5,259)	N.M.	11,399	(9,978)	N.M.
Non-controlling interests	-	(122)	N.M.	-	-	N.M.
Total comprehensive income (loss) for the period/year	14,265	(5,381)	N.M.	11,399	(9,978)	N.M.

Profit (Loss) before income tax is determined after charging (crediting) the following:

	Group					
	Quarter ended			Full year ended		
	30 June		Increase /	30 June		Increase /
	2020 (4QFY2020)	2019 (4QFY2019)	(Decrease)	2020 (FY2020)	2019 (FY2019)	(Decrease)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Depreciation on property, plant and equipment	4,944	1,855	>100	6,483	2,807	>100
Depreciation on investment property	29	6	>100	47	24	95.8
Loss (Gain) on disposal of plant and equipment (net)	105	(30)	N.M.	125	(19)	N.M.
Amortisation of prepaid lease	13	13	-	51	51	-
Write off of plant and equipment	42	968	(95.7)	42	968	(95.7)
Impairment loss recognised on other receivables	5,445	-	N.M.	5,445	2,775	96.2
Fair value (gain) loss on equity investments at FVTPL	(9,879)	143	N.M.	(9,879)	311	N.M.
Interest expense	834	498	67.5	1,910	1,589	20.2
Interest income	(3)	(27)	(88.9)	(4)	(32)	(87.5)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	7,084	1,169	4,785	316
Trade receivables	846	1,304	399	188
Other receivables and prepayments	2,396	9,591	603	2,847
Inventories	630	938	30	67
Equity investments at fair value through profit or loss	293	377	-	25
Assets held for sale	2,319	-	-	-
Income tax recoverable	106	1,015	-	-
Total current assets	13,674	14,394	5,817	3,443
Non-current assets:				
Subsidiaries	-	-	10	10
Due from subsidiaries	-	-	15,539	14,417
Equity investments at fair value through profit or loss	9,888	10,468	9,888	6,792
Joint venture	350	350	-	-
Property, plant and equipment	96,066	69,384	87,557	63,856
Investment properties	432	2,810	-	-
Goodwill	716	720	-	-
Total non-current assets	107,452	83,732	112,994	85,075
Total assets	121,126	98,126	118,811	88,518
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Bank loans	43,812	50,001	43,667	48,930
Trade payables	3,738	4,008	1,229	1,604
Other payables and accruals	4,412	2,333	1,533	1,180
Provisions	420	550	84	131
Lease liabilities	4,280	-	494	-
Due to subsidiaries	-	-	12,100	7,041
Income tax payable	-	684	-	-
Total current liabilities	56,662	57,576	59,107	58,886
Non-current liabilities:				
Lease liabilities	9,868	-	9,524	-
Deferred tax liabilities	11,369	8,813	10,926	8,376
Total non-current liabilities	21,237	8,813	20,450	8,376
Capital and reserves:				
Issued capital	10,736	10,736	10,736	10,736
Treasury shares	(892)	(892)	(892)	(892)
Reserves	33,360	21,870	29,410	11,412
Equity attributable to equity holders of the company	43,204	31,714	39,254	21,256
Non-controlling interests	23	23	-	-
Total equity	43,227	31,737	39,254	21,256
Total liabilities and equity	121,126	98,126	118,811	88,518

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/2020		As at 30/06/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
43,812	-	48,165	1,836

Amount repayable after one year

As at 30/06/2020		As at 30/06/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

The Group obtained loan facilities to finance the construction of its headquarters which was mortgaged to the lending bank as a form of collateral and short term loans for working capital.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Please see next page.

	Group			
	Quarter ended 30 June		Full year ended 30 June	
	2020 (4QFY2020)	2019 (4QFY2019)	2020 (FY2020)	2019 (FY2019)
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit (Loss) before income tax	2,029	(6,572)	(1,129)	(13,121)
Adjustments for:				
Depreciation of property, plant and equipment	4,944	1,855	6,483	2,807
Depreciation of investment property	29	6	47	24
Amortisation of prepaid lease	13	13	51	51
Loss (Gain) on disposal of property, plant and equipment	105	(30)	125	(19)
Write-off of property, plant and equipment	42	968	42	968
Impairment loss on property, plant and equipment	755	493	755	493
Impairment loss (reversed) recognised on trade receivables	-	(212)	-	(187)
Impairment loss recognised on other receivables	5,445	-	5,445	2,775
Loss on derecognition of subsidiary	-	221	-	3,446
Impairment loss recognised on intangible asset	-	322	-	322
Fair value (gain) loss on equity investments at FVTPL	(9,879)	143	(9,879)	311
Dividend income from equity investments	(3)	(262)	(9)	(308)
Reversal of provision for reinstatement costs	-	(28)	-	(28)
Unrealised foreign exchange (gain) loss	(738)	125	(647)	136
Interest expense	833	498	1,910	1,589
Interest income	(3)	(27)	(4)	(32)
Operating cash flows before movements in working capital	3,572	(2,487)	3,190	(773)
Trade receivables	393	1,151	458	786
Other receivables and prepayments	1,462	(1,270)	1,750	(418)
Inventories	373	640	308	500
Trade payables	(778)	157	(270)	40
Other payables and accruals	(1,749)	2,217	(2,213)	210
Cash generated from operations	3,273	408	3,223	345
Interest paid	(833)	(498)	(1,910)	(1,589)
Interest received	3	27	4	32
Income taxes and withholding taxes (paid) refund	(9)	153	125	27
Net cash from (used in) operating activities	2,434	90	1,442	(1,185)
Investing activities				
Purchase of property, plant and equipment	(360)	(721)	(471)	(721)
Proceeds from disposal of property, plant and equipment	-	-	-	19
Proceeds from liquidation of equity investments at FVTPL	3,210	-	11,358	-
Dividend income from equity investments	3	262	9	308
Investment in unquoted investment	(240)	-	(240)	-
Redemption of preference shares	-	105	-	105
Proceeds from disposal of held for trading investments	-	269	-	1,344
Decognition of subsidiary	-	(157)	-	(157)
Net cash from (used in) investing activities	2,613	(242)	10,656	898
Financing activity				
Repayment of bank loans	(347)	(1,195)	(6,189)	(3,724)
Net cash used in financing activity	(347)	(1,195)	(6,189)	(3,724)
Net increase (decrease) in cash and cash equivalents	4,700	(1,347)	5,909	(4,011)
Cash and cash equivalents at beginning of period/year	2,385	1,486	1,169	4,148
Effects on exchange rate changes on the balance of cash held in foreign currencies	(1)	(41)	6	(39)
Cash and cash equivalents at end of period/year	7,084	98	7,084	98

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Issued capital	Treasury shares	Capital reserve	Currency translation reserve	Revaluation reserve	Accumulated losses	Attributable to equity holders of the company	Non-controlling interests	Total
	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group									
Balance at July 1, 2018	10,736	(892)	166	(854)	43,035	(10,499)	41,692	1,346	43,038
Profit for the period						75	75	-	75
Other comprehensive (loss) income for the period	-	-	-	(68)	-	-	(68)	58	(10)
Balance at September 30, 2018	10,736	(892)	166	(922)	43,035	(10,424)	41,699	1,404	43,103
Balance at October 1, 2018	10,736	(892)	166	(922)	43,035	(10,424)	41,699	1,404	43,103
Loss for the period						(545)	(545)	29	(516)
Other comprehensive income for the period	-	-	-	172	-	-	172	-	172
Balance at December 31, 2018	10,736	(892)	166	(750)	43,035	(10,969)	41,326	1,433	42,759
Balance at January 1, 2019	10,736	(892)	166	(750)	43,035	(10,969)	41,326	1,433	42,759
Loss for the period						(6,076)	(6,076)	(151)	(6,227)
Other comprehensive income for the period	-	-	-	11	-	-	11	-	11
Balance at March 31, 2019	10,736	(892)	166	(739)	43,035	(17,045)	35,261	1,282	36,543
Balance at April 1, 2019	10,736	(892)	166	(739)	43,035	(17,045)	35,261	1,282	36,543
Loss for the period						(5,975)	(5,975)	(1,259)	(7,234)
Other comprehensive income for the period	-	-	-	1	2,427	-	2,428	-	2,428
Balance at June 30, 2019	10,736	(892)	166	(738)	45,462	(23,020)	31,714	23	31,737
Balance at July 1, 2019 (Restated)	10,736	(892)	166	(738)	45,462	(23,020)	31,714	23	31,737
Loss for the period	-	-	-	-	-	(831)	(831)	-	(831)
Other comprehensive income for the period	-	-	-	28	4	-	32	-	32
Balance at September 30, 2019	10,736	(892)	166	(710)	45,466	(23,851)	30,915	23	30,938
Balance at October 1, 2019	10,736	(892)	166	(710)	45,466	(23,851)	30,915	23	30,938
Loss for the period	-	-	-	-	-	(734)	(734)	-	(734)
Other comprehensive income (loss) for the period	-	-	-	2	(4)	-	(2)	-	(2)
Balance at December 31, 2019	10,736	(892)	166	(708)	45,462	(24,585)	30,179	23	30,202
Balance at January 1, 2020	10,736	(892)	166	(708)	45,462	(24,585)	30,179	23	30,202
Loss for the period	-	-	-	-	-	(1,241)	(1,241)	-	(1,241)
Other comprehensive income for the period	-	-	-	1	-	-	1	-	1
Balance at March 31, 2020	10,736	(892)	166	(707)	45,462	(25,826)	28,939	23	28,962
Balance at April 1, 2020	10,736	(892)	166	(707)	45,462	(25,826)	28,939	23	28,962
Profit for the period	-	-	-	-	-	2,559	2,559	-	2,559
Other comprehensive income for the period	-	-	-	26	11,680	-	11,706	-	11,706
Balance at June 30, 2020	10,736	(892)	166	(681)	57,142	(23,267)	43,204	23	43,227

	Issued capital	Treasury shares	Capital reserve	Currency translation reserve	Revaluation reserve	Accumulated losses	Attributable to equity holders of the company	Non-controlling interests	Total
	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company									
Balance at July 1, 2018	10,736	(892)	-	-	42,196	(23,898)	28,142	-	28,142
Loss for the period	-	-	-	-	-	(627)	(627)	-	(627)
Balance at September 30, 2018	10,736	(892)	-	-	42,196	(24,525)	27,515	-	27,515
Balance at October 1, 2018	10,736	(892)	-	-	42,196	(24,525)	27,515	-	27,515
Loss for the period	-	-	-	-	-	(890)	(890)	-	(890)
Balance at December 31, 2018	10,736	(892)	-	-	42,196	(25,415)	26,625	-	26,625
Balance at January 1, 2019	10,736	(892)	-	-	42,196	(25,415)	26,625	-	26,625
Loss for the period	-	-	-	-	-	(627)	(627)	-	(627)
Balance at March 31, 2019	10,736	(892)	-	-	42,196	(26,042)	25,998	-	25,998
Balance at April 1, 2019	10,736	(892)	-	-	42,196	(26,042)	25,998	-	25,998
Loss for the period	-	-	-	-	3,500	(8,242)	(4,742)	-	(4,742)
Balance at June 30, 2019	10,736	(892)	-	-	45,696	(34,284)	21,256	-	21,256
Balance at July 1, 2019 (Restated)	10,736	(892)	-	-	45,696	(34,284)	21,256	-	21,256
Profit for the period	-	-	-	-	-	149	149	-	149
Balance at September 30, 2019	10,736	(892)	-	-	45,696	(34,135)	21,405	-	21,405
Balance at October 1, 2019	10,736	(892)	-	-	45,696	(34,135)	21,405	-	21,405
Loss for the period	-	-	-	-	-	(1,189)	(1,189)	-	(1,189)
Balance at December 31, 2019	10,736	(892)	-	-	45,696	(35,324)	20,216	-	20,216
Balance at January 1, 2020	10,736	(892)	-	-	45,696	(35,324)	20,216	-	20,216
Profit for the period	-	-	-	-	-	1,040	1,040	-	1,040
Balance at March 31, 2020	10,736	(892)	-	-	45,696	(34,284)	21,256	-	21,256
Balance at April 1, 2020	10,736	(892)	-	-	45,696	(34,284)	21,256	-	21,256
Profit for the period	-	-	-	-	12,450	5,548	17,998	-	17,998
Balance at June 30, 2020	10,736	(892)	-	-	58,146	(28,736)	39,254	-	39,254

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Treasury shares

There were no changes in the Company's Treasury shares as set out below.

	30 June 2020		30 June 2019	
	No. of shares ('000)	(\$'000)	No. of shares ('000)	(\$'000)
At beginning and end of period/year	2,528	892	2,528	892

- 1(d)(iii) To show the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	30/06/2020	30/06/2019
Number of shares held as treasury shares	2,528,000	2,528,000
Total no. of issued shares (excluding treasury shares)	139,472,000	139,472,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holding as at end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable as the figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The auditors have issued a disclaimer opinion on the Group's financial statements for the financial year ended 30 June 2019 due to the following outstanding audit issues (please refer to page 33 to 35 of the Company's 2019 Annual Report for more information):-

(i) Matters concerning GREIH & GCM

The Company has received a net return of \$11.4 million in relation to the partial return of capital from its investments in GREIH.

The Company has applied equity accounting of its investment in the associates, GREIH and GCM according to the respective shareholdings in these two investees. Based on information obtained from liquidators of GREIH and GCM, the Company has derived its share of results and net assets accordingly. Accordingly, the Group has recognised fair value gain on equity investments from GREIH and GCM of \$9.9 million in FY2020, barring any unforeseen factors or other costs, such as those possibly to be incurred by liquidators of GCM.

The Company will continue to keep shareholders updated on any material development.

(ii) Matters concerning sugar trade business

Investigations are still on-going and in light of the same, the Company will provide further updates as and when it is appropriate to do so.

(iii) Matters concerning Cocosa Export

The Company has appointed a Special Auditor and will provide further updates as and when it is appropriate to do so.

(iv) Matters concerning the differences arising from the intragroup balances

The Management is in the process of resolving the differences with its statutory auditor.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year compared to the most recently audited financial statements for the financial year ended 30 June 2019.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

With effect from 1 July 2019, the Group has adopted the new Singapore Financial Reporting Standards (International) (“SFRS(I)”) 16: Leases; using the modified retrospective approach. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model. The rationale of the change is to better reflect the economic substance of lease transactions. It requires a lessee to recognise a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In compliance with SFRS(I) 16, the Group and the Company have applied the practical expedient to recognise the amount of ROU assets equal to the lease liabilities as at 1 July 2019. Subsequent to initial recognition, the Group and the Company depreciate the ROU assets over the shorter of the useful life of the ROU assets and the lease term, and recognise interest expenses on the lease liabilities.

The effects of this recognition are described at section 8 below.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Quarter ended 30 June 2020 (4QFY2020)	Quarter ended 30 June 2019 (4QFY2019)	Full year ended 30 June 2020 (FY2020)	Full year ended 30 June 2019 (FY2019)
Earnings per ordinary share for the period				
(a) Based on weighted average number of ordinary shares in issue (cents)	1.83	(5.51)	(0.24)	(9.87)
(b) On a fully diluted basis (cents)	1.83	(5.51)	(0.24)	(9.87)

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Net asset value per ordinary share based on issued share capital as at the end of period (cents)	30.98	22.74	28.15	15.24

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following: -**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial performance (4QFY2020 vs 4QFY2019)

Group revenue for the quarter ended 30 June 2020 ("4QFY2020") totalled \$4.0 million, a decrease of 63.3% as compared to \$10.9 million in the corresponding period of the previous year ("4QFY2019"). Group revenue decreased as a result of the loss of revenue caused by the Covid-19 pandemic, coupled with the streamlining of the Group's operations. However, gross profit margin has increased by 3.3%, from 55.8% in 4QFY2019 to 59.1% in 4QFY2020, due to the effective management of operations and streamlining of the Group's operations.

Other operating income increased significantly by 780.8%, from \$1.5 million in 4QFY2019 to \$13.1 million in 4QFY2020, mainly due to the fair value gain recognised on equity investments from GREIH and GCM of \$9.9 million in 4QFY2020, barring any unforeseen factors or other costs, such as those possibly to be incurred by liquidators of GCM.

Administrative expenses increased by 26.3%, from \$6.4 million in 4QFY2019 to \$8.1 million in 4QFY2020, mainly due to the increase in depreciation charged at \$4.3 million arising from the adoption of SFRS(I) 16 Leases. Alongside the decrease in Group revenue and streamlining of operations, labour costs has decreased significantly by 44.7%, from \$3.8 million in 4QFY2019 to \$2.1 million in 4QFY2020.

Other operating expenses decreased significantly by 35.8%, from \$7.2 million in 4QFY2019 to \$4.6 million in 4QFY2020, mainly due to the decrease of rental expenses of \$4.0 million, arising from the adoption of SFRS(I) 16 Leases. The actual increase in other operating expenses is due to the impairment loss on assets which includes other receivables of \$5.4 million.

Group profit before tax was \$1.9 million (as compared to Group loss before tax of \$7.3 million for 4QFY2019). Group net profit after tax was \$2.6 million (as compared to Group net loss after tax of \$7.8 million for 4QFY2019), due to the reversal of income tax provision previously recognised.

Financial performance (FY2020 vs FY2019)

Group revenue for the twelve months ended 30 June 2020 totalled \$29.9 million, a decrease of 33.2% as compared to \$44.8 million in the corresponding year. Group revenue decreased as a result of the loss of revenue caused by the Covid-19 pandemic, coupled with the streamlining of the Group's operations. However, gross profit margin has increased by 1.0%, from 62.8% in FY2019 to 63.8% in FY2020, due to the effective management of operations and streamlining of the Group's operations.

Other operating income increased significantly by 242.2%, from \$4.7 million in FY2019 to \$16.0 million in FY2020, mainly due to the fair value gain recognised on equity investments from GREIH and GCM of \$9.9 million in FY2020, barring any unforeseen factors or other costs, such as those possibly to be incurred by liquidators of GCM.

Administrative expenses decreased by 0.9%, from \$21.8 million in FY2019 to \$21.6 million in FY2020, amidst the increase in depreciation charged at \$4.3 million arising from the adoption of SFRS(I) 16 Leases in FY2020. Alongside the decrease in Group revenue and streamlining of operations, labour costs decreased significantly by 24.1%, from \$16.6 million in FY2019 to \$12.6 million in FY2020.

Other operating expenses decreased significantly by 43.6%, from \$22.5 million in FY2019 to \$12.7 million in FY2020, mainly due to the decrease in rental expenses of \$4.0 million arising from the adoption of SFRS(I) 16 Leases in FY2020, offsetting against the impairment loss on assets which includes other receivables of \$5.4 million.

Group loss before tax was \$1.1 million (as compared to Group loss before tax of \$13.1 million for FY2019). Group net loss after tax was \$0.344 million (as compared to Group net loss after

tax of \$13.8 million for FY2019), due to the reversal of income tax provision previously recognised.

Financial position of the Group

Group and Company cash and bank balances as at 30 June 2020 stood at \$7.1 million and \$4.8 million respectively as compared to \$1.2 million and \$0.3 million respectively as at 30 June 2019. The Group has received a net return of \$11.4 million in relation to the partial return of capital from its investments in GREIH. In addition, the Group has reduced its bank borrowings by \$6.2 million in FY2020. The Group continues to be cautious and will take reasonable steps to manage its cash flow effectively.

Total trade payables decreased by 7.5%, from \$4.0 million in FY2019 to \$3.7 million in FY2020. Other payables and accruals as well as provisions of the Group have increased by 65.5%, from \$2.9 million in FY2019 to \$4.8 million in FY2020. Lease liabilities increased by 100%, from nil in FY2019 to \$14.1 million in FY2020 due to the adoption of SFRS(I) 16 Leases in FY2020.

Total Group and Company bank loan balances have decreased due to the repayment of term loans over the year.

Shareholders' equity for the Group and Company stood at \$43.2 million and \$39.3 million respectively as at FY2020, as compared with \$31.7 million and \$21.3 million respectively as at FY2019.

Cash flow of the Group

The Group had operating cash flows of \$3.2 million in FY2020, which has improved from negative of \$0.8 million as at FY2019. The Group continues to be cautious in managing its operating costs effectively.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been issued previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Covid-19 is a global pandemic that has resulted in a highly uncertain economic climate. The business environment is in turmoil and the situation is dynamic. Measures to tackle the spread of the virus varies from country to country and changes from time to time. Such measures impact both the supply and demand aspect of businesses as supply chains upwards and downwards are disrupted. The Group has since adopted measures according to the guidelines from the Ministry of Health and other government agencies in dealing with the pandemic.

With high operating cost pressures, the Food & Beverage industry is expected to face even greater challenges, intensified by the uncertainties of the Covid-19 situation which may include a sudden surge in community cases and consequently the implementation of new measures that may affect dine-in services, consumer demand and market sentiment.

The Company will continue to improve its performance by building on its online sales channels and efforts to digitalise its business while exploring new market opportunities. The Group will cautiously manage business costs through operational efficiency.

The Group is taking a prudent approach in managing its cash flow to conserve cash. To improve its liquidity, the Group has obtained additional bank facilities in the form of a temporary bridging loan. The various forms of support from the Singapore Government, including property tax rebates and the enhanced Jobs Support Scheme that includes waiver of foreign worker levy and deferment of income tax, as well as rental assistance and/or subsidies from the premises in which the Group operates, provide some relief for the Group during this difficult period.

Without a vaccine in place and slowdown of infections, Covid-19 is expected to prolong the prevailing health, social and economic uncertainties, and impact the business. The Group will continue to manage the immediate challenges brought by the Covid-19 pandemic and respond proactively with appropriate measures.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for current financial period in order to conserve cash for future operations in view of the prevailing business conditions of the Group.

13. Disclosure of interested person transactions

No general mandate has been obtained from shareholders for IPTs.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(1) Business Segments

	Revenue		Net profit (loss)	
	FY2020	FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Sakae Sushi	29,701	41,302	10,385	(3,662)
Other Products and services	191	3,454	386	902
Total	29,892	44,756	10,771	(2,760)
Central administration costs and directors' salaries			(2,493)	(7,224)
Other operating income			16,041	4,657
Non-operating expenses			(23,542)	(6,237)
Interest income			4	32
Finance costs			(1,910)	(1,589)
Loss before income tax			(1,129)	(13,121)
Income tax expense			791	(643)
Loss for the year			(338)	(13,764)

	Depreciation		Additions to property, plant and equipment	
	FY2020	FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Sakae Sushi	5,228	697	471	-
Other Products and services	48	331	-	-
Unallocated corporate items	1,305	1,779	-	721
Total	6,581	2,807	471	721

	Segment Assets	
	FY2020	FY2019
	S\$'000	S\$'000
Sakae Sushi	28,966	8,255
Other Products and services	14,330	7,875
Unallocated corporate items	77,830	81,996
Total	121,126	98,126

(2) Geographical Segments

	Revenue		Non-current assets	
	FY2020	FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	19,985	27,883	100,433	74,900
Malaysia	9,907	16,494	7,019	8,832
Others	-	379	-	-
Total	29,892	44,756	107,452	83,732

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8.

16. A breakdown of sales

	FY2020 S\$'000	FY2019 S\$'000	Increase / (Decrease) %
a) Revenue reported for first half year	18,618	21,627	(13.9)
b) Loss after income tax before deducting non-controlling interests reported for the first half year	(1,565)	(1,754)	(10.8)
c) Revenue reported for second half year	11,274	23,129	(51.3)
d) Profit after income tax before deducting non-controlling interests reported for the second half year	1,227	(12,010)	N.M.

17. A breakdown of total annual dividend (in dollar value) for the Issuer's latest full year and its previous full year

Not applicable.

18. Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the SGX-ST Listing Manual.

19. Report of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Company wishes to inform that none of the persons occupying a managerial position in the Company or any of its principal subsidiaries is a relative to a Director or Chief Executive Officer or Substantial Shareholder of the Company as at 30 June 2020.

BY ORDER OF THE BOARD

Chan Lai Yin
Company Secretary

29 August 2020