

**SAKAE HOLDINGS LTD.**

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

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**ANNOUNCEMENT PURSUANT TO RULES 704(6) OF THE LISTING MANUAL IN RELATION TO MATERIAL DIFFERENCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

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The Board of Directors (the “**Board**”) of Sakae Holdings Ltd. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) refers to the announcement on the unaudited financial statement for the financial year ended 30 June 2021 (the “**Preliminary Results**”) released on 29 August 2021 and the audited financial statements for the financial year ended 30 June 2021 (the “**Audited Financial Statements**”) released on 14 October 2021 and despatched to shareholders as part of its annual report for the financial year ended 30 June 2021.

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), by this announcement, the Board seeks to preliminarily clarify the differences between the Preliminary Results and the Audited Financial Statements.

Since the release of the Preliminary Results, the audit of the consolidated financial statements of the Group and the financial statements of the Company for FY2021 has been completed. Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to announce and clarify the differences between the Preliminary Results and the Audited Financial Statements.

Set out below are the variances in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Cash Flows of the Group as compared to the Preliminary Results:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<b>Group</b>			<b>Refer to Explanatory Note</b>
	<b>Audited Financial Statements</b>	<b>Preliminary Results</b>	<b>Variance</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	
Revenue	21,149	21,149	-	
Cost of sales	(7,233)	(7,233)	-	
Gross profit	13,916	13,916	-	
Other operating income and gains	9,426	9,426	-	
Administrative expenses	(15,183)	(15,449)	266	<b>(a)</b>
Other operating expenses	(3,759)	(4,485)	726	<b>(a), (b)</b>
Impairment loss on trade and other receivables	(274)	-	(274)	<b>(b)</b>
Impairment loss on goodwill	(718)	-	(718)	<b>(b)</b>
Finance costs	(1,148)	(1,148)	-	
Profit before tax	2,260	2,260	-	
Tax credit	57	57	-	
<b>Profit for the financial year</b>	<b>2,317</b>	<b>2,317</b>	<b>-</b>	
<b>Profit attributable to:</b>				
Equity holders of the company	2,317	2,317	-	
Non-controlling interest	-	-	-	
<b>Profit for the financial year</b>	<b>2,317</b>	<b>2,317</b>	<b>-</b>	
<b>Other comprehensive income:</b>				
Revaluation of property, plant and equipment, net of tax	8,840	8,829	11	<b>(c)</b>
Currency translation differences arising from consolidation	17	28	(11)	<b>(c)</b>
Other comprehensive income for the financial year, net of tax	8,857	8,857	-	
<b>Total comprehensive income for the year</b>	<b>11,174</b>	<b>11,174</b>	<b>-</b>	
<b>Total comprehensive income attributable to:</b>				
Equity holders of the company	11,174	11,174	-	
Non-controlling interest	-	-	-	
	<b>11,174</b>	<b>11,174</b>	<b>-</b>	

## Consolidated Statement of Cash Flows

<b>Group</b>	<b>Audited Financial Statements S\$'000</b>	<b>Preliminary Results S\$'000</b>	<b>Variance S\$'000</b>	<b>Refer to Explanatory Note</b>
Net cash generated from operating activities	3,865	5,293	(1,428)	<b>(d), (e)</b>
Net cash generated from investing activities	5,448	5,590	(142)	<b>(e)</b>
Net cash used in financing activities	(13,176)	(14,746)	1,570	<b>(d)</b>

### **Explanatory Note:**

- (a) Variances arising from reclassification between the line items for the audited financial statements and preliminary results.
- (b) Allocation of impairment loss on trade and other receivables and impairment loss on goodwill reported under other operating expenses.
- (c) The difference was due to reclassification of accounts.
- (d) The differences were mainly due to reclassification of rental concession granted during the year included in cash flows from financing activities to operating activities resulting in a decrease in net cash flows used in financing activities and a corresponding reduce in net cash flows generated from operating activities.
- (e) The changes were due to the amount paid for the purchase of property, plant and equipment resulting in a decrease in net cash flows generated from investing activities and a corresponding increase in net cash flows generated from operating activities.

The Company would like to highlight to Shareholders that there are other reclassifications made to certain line items in the Audited Financial Statements which do not have any net impact on the Group's financial results. The Board is hence of the opinion that these reclassifications are not material, except for the reclassifications set out in above explanatory note.

Shareholders are advised to read the Audited Financial Statements set out in the Company's annual report for FY2021 in its entirety, which will be despatched in due course.

### **By Order of the Board**

Chan Lai Yin  
Company Secretary

14 October 2021