

**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 queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 3 September 2020 relating to the Company's Full Year Results Announcement for the year ended 30 June 2020 ("FY2020") released on 30 August 2020. The Company's replies to the queries are as follows :

**SGX-ST QUERY**

1. In FY2020, Property, Plant and Equipment ("PPE") amounted to \$96.1mil, as compared to \$69.4mil in FY2019. Please provide details of the increase in PPE of \$26.7mil in FY2020.

**COMPANY'S RESPONSE**

The increase in PPE of \$26.7 million in FY2020, is mainly due to the increase in re-valuation surplus of \$15.0 million arising from leasehold building, the Right-Of-Use ("ROU") assets of \$14.3 million arising from the adoption of SFRS(I) 16 Leases and new additions of PPE of \$0.5 million, but offset by the impairment loss of \$0.8 million due to closure of outlets in Malaysia, and, depreciation charge of \$2.3 million.

**SGX-ST QUERY**

2. In paragraph 8, the Company disclosed that in 4Q2020, "the actual increase in other operating expenses [of 35.8%, as compared to FY2019], was due to the impairment loss on assets which includes other receivables of \$5.4 million." To provide details on these "other receivables" and the identity of this debtor and reasons for the significant impairment.

**COMPANY'S RESPONSE**

The impairment loss on other receivables relate to amount due from Cocosa Export S.A. ("Cocosa Export"), a former subsidiary of the Group and amount due from a related party, Conservas Y Congelados Y Compania Limitada ("CYC") being a company owned by the non-controlling shareholder of Cocosa Export. As Cocosa Export had been placed under liquidation in accordance with a Chilean court order in November 2019, the Group has since assessed that the recoverable amount of Cocosa Export and CYC to be credit impaired. Accordingly, the Board has decided to make full impairment on other receivables in relation to Cocosa Export and CYC in FY2020.

**By Order of the Board**

Chan Lai Yin  
Company Secretary

6 September 2020