

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. (“Company” or together with its subsidiaries, the “Group”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 21 February 2020 relating to the Company’s Second Quarter and/or Six Months Results Announcement for the year ended 30 June 2020 (“2QFY2020 Results Announcement”) released on 14 February 2020. The Company wishes to provide clarification as follow:

SGX-ST QUERY

1. We note that in the Statement of Financial Position, the Company disclosed a significant decrease in “equity investments at fair value through profit or loss” from \$10.5 million on 30 June 2019 to \$2.3 million as at 31 December 2019.
 - a. Please disclose what these “equity investments” refer to;
 - b. Disclose the reasons for the significant decrease in fair value on 31 December 2019 (“HY2020”); and
 - c. Disclose if Listing Rule 704(17) is applicable, and if so, how has the Company complied with Listing Rule 704(17).

COMPANY’S RESPONSE

- (a) The equity investments relate to the Group and Company’s investments in Griffin Real Estate Investment Holdings Pte Ltd (“GREIH”) and Gryphon Capital Management Pte Ltd (“GCM”).
- (b) The equity investments of the Group and Company as at 31 December 2019 stood at S\$2.3 million and S\$ nil respectively as compared to \$10.5 million and S\$6.8 million respectively as at 30 June 2019. The significant decrease is mainly due to the Company has received a net return of S\$8.1 million in relation to the partial return of capital from its investments in GREIH and GCM. At the Group level, the amount of S\$6.8 million has been offset against investment in GREIH and GCM in accordance with SFRS(I). At the Company level, S\$1.35 million has been recognised as gain on liquidation of investments and the said gain on liquidation of investments has been eliminated at Group level.
- (c) The Listing Rule 704(17) is not applicable as the transaction is not an acquisition.

The Board of Directors of the Company (the “Board”) has made announcements in relation to the matters concerning the Company’s associate companies - GREIH and GCM on 21 January 2013, 1 February 2013, 8 February 2013, 16 February 2013, 20 February 2013, 22 February 2013, 7 March 2013, 3 May 2013, 3 December 2013, 27 August 2014, 24 September 2014, 22 December 2015, 15 January 2016, 1 July 2016, 6 April 2017, 7 April 2017, 21 April 2017, 5 May 2017, 9 May 2017, 10 July 2017, 8 September 2017, 29 November 2017, 2 July 2018, 29 August 2019 and 12 September 2019.

SGX-ST QUERY

2. For the 6 months' ended 31 December 2019, the Company recorded S\$8.1 million of "proceeds from liquidation of equity investments at FVTPL". Please disclose what these proceeds of S\$8.1 million refer to.

COMPANY'S RESPONSE

The Company has received a net return of S\$8.1 million on 27 September 2019 in relation to the partial return of capital from its investments in GREIH and GCM.

By Order of the Board

Douglas Foo Peow Yong
Executive Chairman

25 February 2020