

SAKAE HOLDINGS LTD.

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

CLARIFICATION ON THE SHARE BUY-BACK CONDUCTED ON 27 OCTOBER 2022

The Board of Directors (the “**Board**”) of Sakae Holdings Ltd. (the “**Company**”) refers to the approval given by the Company’s shareholders (“**Shareholders**”) of the adoption of a share buy-back mandate at the Company’s annual general meeting held on 29 October 2021 (the “**Share Buy-back Mandate**”) as well as the Company’s announcement dated 28 October 2022 in relation to its buy-back of 500,000 shares (“**Shares**”) on 27 October 2022 (the “**Share Buy-back**”). Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as in the Share Buy-back Mandate.

On 27 October 2022, in reliance on the Share Buy-back Mandate, the Company’s Chief Financial Officer (“**CFO**”) queued the purchase of Shares, at a price of up to S\$0.118 (“**Share Buy-back Purchase Price**”), through the Company’s account with UOB Kay Hian Pte. Ltd. The Share Buy-back Purchase Price of S\$0.118 was a mistake by the CFO which exceeded the maximum purchase price approved to be paid for each Share (in the case of a Market Purchase) under the Share Buy-back Mandate (“**Market Purchase Maximum Price**”). Under the Share Buy-back Mandate, the Market Purchase Maximum Price should not exceed 105% of the Average Closing Price, which on 27 October 2022 was S\$0.104. By the end of the trading day, the Company had purchased 500,000 Shares at S\$0.118, which represented 113% of the applicable Average Closing Price. The oversight was only realised by the CFO at the end of the trading day.

Immediately upon identifying the mistake, the CFO forthwith notified the Chief Executive Officer and alerted the Board as well as the Singapore Exchange. The Board immediately directed management and CFO to suspend the buying back of Shares pursuant to the Share Buy-back Mandate. The Board wishes to assure Shareholders that:

- (a) the number of Shares purchased (ie. 500,000) pursuant to the Share Buy-back is insignificant, representing only 0.35% of the total issued and paid-up Shares of the Company (excluding Treasury Shares and Subsidiary Holdings) at the relevant time;
- (b) the additional consideration paid, being S\$4,500 (calculated by multiplying the number of Shares purchased, by the difference between the Share Buy-back Purchase Price of S\$0.118 and the Market Purchase Maximum Price of S\$0.109 (being 105% of the Average Closing Price)) will not have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 30 June 2023;
- (c) the Share Buy-back Purchase Price of S\$0.118, while exceeding the Market Purchase Maximum Price of S\$0.109, does not exceed the maximum purchase price approved to be paid for each Share in the case of an Off-Market Purchase (being 120% of the Average Closing Price); and
- (d) none of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Share Buy-back.

The Board states that it takes the Share Buy-back Mandate from the Shareholders seriously and will make improvements to prevent such mistake. The Company will not undertake any buy-back of its Shares pursuant to the Share Buy-back Mandate until such improvements

are in place.

The Company will make further announcements to keep Shareholders informed, as and when there are material updates and developments.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

By Order of the Board

Chan Lai Yin
Company Secretary

31 October 2022