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Issuer: Sakae Holdings Ltd.

Stock code: 5D0

Meeting details:

Date: 26 October 2026

Time: 3.00 p.m.

Venue: 28 Tai Seng Street, Sakae Building, Level 7, Singapore 534106

Q1. The group recorded a loss before tax of \$(3.12) million in FY2026. As seen from the consolidated statement of profit or loss, the group's gross profit and rental income (under other operating income) were insufficient to cover administrative and other operating expenses.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
For the financial year ended 30 June 2026			
	Note	Group 2026 \$'000	2025 \$'000
Revenue	4	11,062	12,284
Cost of sales		(4,054)	(4,696)
Gross profit		7,008	7,588
Other operating income and gains	5	4,757	4,358
Administrative expenses		(11,224)	(11,910)
Other operating expenses		(2,556)	(2,529)
Impairment loss on financial assets		—	(109)
Finance costs			
- Interest expense on bank loans		(592)	(831)
- Interest expense on lease liabilities		(515)	(607)
Loss before tax		(3,122)	(4,040)
Tax credit	6	316	13
Loss for the financial year	7	(2,806)	(4,027)

(Source: company annual report; emphasis added)

- (i) **Given the group's continued losses, will the board conduct a strategic review of the long-term viability of Sakae Sushi and Hei Sushi, including their relevance to local consumers, competitive positioning and ability to generate sustainable returns after corporate overheads are included?**

Despite its reported losses, the group continued to broaden and diversify its food-related businesses and acquired Cooking Art Industries Pte. Ltd. (Cooking Art) which specialises in the supply and distribution of Nonya kuehs and pastries.

- (ii) **Can management explain the strategic rationale for acquiring a business specialising in Nonya kuehs and pastries, given the group's existing focus on sushi restaurants? What specific synergies does it expect between the two businesses, and how will these be realised and measured?**

The aggregate consideration for Cooking Art was \$741,000, and the transaction was completed on 2 April 2026. According to the purchase price allocation in Note 12(b) on page 75, Cooking Art had total identifiable net liabilities of \$(134,000). As a result, goodwill of \$875,000 was recognised in the financial statements.

- (iii) What due diligence and valuation methodology did the board rely on to approve the acquisition? In particular, what earnings and cash flow forecasts supported the purchase price, what investment hurdle rate and payback period were applied, and how were the expected synergies quantified?
- (iv) What competitive advantages does Cooking Art possess in its market, particularly in product quality, brand recognition, distribution reach, customer relationships and pricing power? Following the acquisition, will it retain independent management and operating autonomy, or be integrated into the group's existing operations?

Q2. Note 9 (Property, plant and equipment; page 67) shows a \$3.9 million addition to leasehold land during the year. According to Note 26 (Segment information; page 95), this has been attributed to the "Sakae Sushi" operating segment.

9 Property, plant and equipment										
Group	Leasehold building \$'000	Leasehold land \$'000	Outlet premises \$'000	Restaurant equipment \$'000	Renovation \$'000	Furniture and fittings \$'000	Computers \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
Cost or valuation										
At 1 July 2024	90,000	9,869	8,441	6,563	3,858	2,373	2,031	1,355	218	124,708
Additions	—	1,607	2,023	17	185	4	—	72	4	3,912
Disposals/written-off	—	—	(1,339)	(5)	(247)	—	—	—	—	(1,591)
Eliminated on revaluation	(2,085)	—	—	—	—	—	—	—	—	(2,085)
Revaluation increase	85	—	—	—	—	—	—	—	—	85
Exchange differences	—	—	43	40	34	52	41	—	3	213
At 30 June 2025	88,000	11,476	9,168	6,615	3,830	2,429	2,072	1,427	225	125,242
Acquisition of subsidiary	—	—	—	43	—	—	—	162	7	212
Additions	—	3,900	—	—	56	—	1	73	—	4,030
Disposals/written-off	—	—	(2,517)	—	(33)	—	—	—	—	(2,550)
Eliminated on revaluation	(2,100)	—	—	—	—	—	—	—	—	(2,100)
Revaluation increase	600	—	—	—	—	—	—	—	—	600
Exchange differences	—	—	43	50	35	46	33	—	3	210
At 30 June 2026	86,500	15,376	6,694	6,708	3,888	2,475	2,106	1,662	235	125,644

(Source: company annual report; emphasis added)

- (i) Could management clarify the nature of this \$3.9 million addition to leasehold land? Does it relate to the acquisition of a property, an additional leasehold interest or another transaction?
- (ii) What is the intended use of this addition and what specific operational or strategic need does this addition address?

Q3. The company's shares last traded at approximately \$0.075, giving it a market capitalisation of around S\$10 million.



(Source: <https://sg.finance.yahoo.com/quote/5DO.SI/>)

Despite the broader strength of the Singapore equity market, the company's share price has remained largely stagnant over the past several years. The group has also incurred substantial losses attributable to shareholders over the past three financial years

FY2026 – \$(2.81) million

FY2025 – \$(4.03) million

FY2024 – \$(3.03) million

The group's accumulated losses increased from \$(8.4) million as at 1 January 2016 to \$(39.8) million as at 30 June 2026, an increase of \$31.4 million over more than a decade.

The group's financial position is supported by substantial revaluation gains on its building at 28 Tai Seng Street, with the revaluation reserve reaching \$76.1 million. However, the group incurs significant depreciation and interest expenses on loans secured against the asset. These expenses amounted to \$3.0 million in aggregate in FY2026, which management has cited as the reason for the group's loss.

Minority shareholders are concerned about whether the group is generating an adequate economic return from its principal asset and whether continuing with the existing business model remains in shareholders' interests.

- (i) Has the board formally assessed the effectiveness of the current management team and what specific turnaround targets, timelines and performance milestones has the board imposed? What action will it take if management fails to meet them?**

- (ii) Separately, has the board undertaken a formal assessment of whether shareholders would be better served by selling 28 Tai Seng Street and pursuing an orderly wind-down or liquidation, rather than continuing the existing business? Based on the independent valuation of 28 Tai Seng Street, what is the estimated net asset realisable value to shareholders under an orderly sale and wind-down scenario? After accounting for outstanding borrowings, taxes, transaction costs, employee obligations and other liabilities, what amount could potentially be returned to shareholders, and how does this compare with the value implied by the current market capitalisation?

If the board believes continuing operations would deliver greater value to shareholders, especially minority shareholders, what quantified assumptions support that conclusion?

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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