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Anacle Systems Limited

安科系統有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Stock Code: 8353)

PROFIT WARNING

This announcement is made by Anacle Systems Limited (the "**Company**", together with its subsidiaries as the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the latest available financial information, for the six months ended 30 November 2022 (the "**Period**") the Group expects to record a net loss of not more than S\$3,000,000 as compared to a net profit after tax of S\$ 1,948,664 for the corresponding period in 2021.

The turnaround from profit to loss was due to (i) economic headwinds causing a decrease in revenue by approximately three million Singapore Dollars (ii) manpower resources to implement Singapore's new Goods and Services Tax rules into Simplicity® software; (iii) an increase in business development costs for our expansion to in the Australia market; (iv) an increase in staff training; (v) additional costs associated with the implementation of improved information security controls in preparation for SOC 2 certification.

As at the date hereof, the Group is still in the process of finalising its results for the Period. The information contained in this announcement is only based on the preliminary assessment of the consolidated management accounts of the Group made by the Board with reference to the information currently available to the Board and is not based on any figure or information which has been audited or reviewed by the auditors of the Company or reviewed by the audit committee of the Board and may be subject to adjustments where necessary. The finalised interim results for the Period are expected to be published on 4 January 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

For and on behalf of
Anacle Systems Limited
Lau E Choon Alex
Executive Director and Chief Executive Officer

Singapore, 23 December 2022

As at the date of this announcement, the Board comprises Mr. Lau E Choon Alex (Chief Executive Officer) and Mr. Ong Swee Heng (Chief Operating Officer) as executive Directors; Mr. Lee Suan Hiang (Chairman), Prof. Wong Poh Kam and Dr. Chong Yoke Sin as non-executive Directors; and Mr. Alwi Bin Abdul Hafiz, Mr. Mok Wai Seng and Mr. Chua Leong Chuan Jeffrey as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at www.anacle.com.

* for identification purpose only