



SOON LIAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200416295G)

RESPONSE TO QUERIES RAISED BY THE SINGAPORE EXCHANGE REGULATION IN RELATION TO RESIGNATIONS AND RETIREMENTS OF DIRECTORS AND RESIGNATION OF CHIEF FINANCIAL OFFICER

The board of directors (the “**Board**” or the “**Directors**”) of Soon Lian Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Singapore Exchange Regulation (the “**SGX RegCo**”) had raised queries in relation to the following:

- (a) the Company’s announcement dated 27 February 2020 in relation to the resignation of Mr Tan Yee Chin (“**Mr Tony Tan**”), as Executive Director, and Chairman and Chief Executive Officer (“**CEO**”) of the Company;
- (b) the Company’s announcement dated 14 April 2020 in relation to the resignation of Ms Ng Kim Ying as the Chief Financial Officer (“**CFO**”) and Company Secretary of the Company;
- (c) disclosure in the Company’s Annual Report for the financial year ended 31 December 2019 (“**Annual Report 2019**”) issued on 15 April 2020 that, at the forthcoming annual general meeting of the Company (“**AGM**”), (i) Mr Yap Kian Peng (Independent Non-Executive Director of the Company) will be retiring by rotation pursuant to Regulation 104 of the Company’s Constitution; and (ii) Mr Lim Chee San (Independent Non-Executive Director of the Company) will be retiring pursuant to Regulation 114 of the Company’s Constitution; and
- (d) the Company’s announcement dated 21 April 2020 in relation to the resignation of Mr Lee Sen Choon, as the Lead Independent Non-Executive Director of the Company.

In relation to the queries raised by the SGX RegCo, the Company wishes to provide its responses as follows:

Query 1: Please provide the background behind the changes in the Board composition and the management team.

Company's response

The reasons for the resignations of each of Mr Tony Tan, Ms Ng Kim Ying, Mr Lee Sen Choon, as well as Mr Yap Kian Peng and Mr Lim Chee San (collectively, the “**Resignees**”) are set out in the announcements made by the Company on 27 February 2020, 14 April 2020, 21 April 2020 and 29 April 2020 (“**Cessation Announcements**”) respectively. Please refer to the Cessation Announcements for further information.

Query 2: Did any of the resignees or outgoing directors raise any concerns when each of them resigned or decided to retire (where applicable)?

Company's response

Mr Tony Tan, a long serving Executive Director of the Company, had served as the Chairman and CEO of the Company for the past 15 years since December 2004. With his resignation on 25 February 2020, he subsequently ceased to act as the Chairman and CEO of the Company with effect from 8 April 2020. His brothers, Mr Tan Yee Ho and Mr Tan Yee Leong, had been appointed as the new Chairman of the Board and the new CEO of the Company, respectively, with effect from 8 April 2020. Some of the Resignees have provided comments in relation to operational and financing aspects of a company's business that come with a major change in the leadership of a company. The new Chairman and the new CEO both expressed their confidence of securing the relevant support from the Group's customers, suppliers and principal bankers to continue the operations of the Group. Please see response (ii) below under Query 3.

As set out in each of the Cessation Announcements, each of the Resignees has confirmed, among others, that there are no “*unresolved differences in opinion on material matters between the person and the board of directors, including matters which would have a material impact on the group or its financial reporting*”. Please refer to the aforementioned Cessation Announcements for further information.

Query 3: Please state whether the Group's operations have been or will be affected?

Company's response

- (i) On 7 April 2020, the Company announced the particulars of the appointments of Mr Tan Yee Leong as the new CEO of the Company, and Mr Tan Yee Ho as the new Chairman of the Board, effective 8 April 2020, as required under Rule 704(6)

of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). Both Mr Tan Yee Leong and Mr Tan Yee Ho are Executive Directors of the Company since 18 December 2004, and have been with the Group since it commenced operations in 1984. Each of them has more than 35 years of experience in the aluminum alloy products industry. As set out in the aforementioned announcements on 7 April 2020, the then Board of the Company has considered and accepted the recommendations of the then Nominating Committee of the Company to appoint each of Mr Tan Yee Leong as the CEO of the Company and Mr Tan Yee Ho as the Chairman of the Board, after reviewing their respective qualifications, work and relevant industry experience, as well as past contributions to the Group as Executive Directors of the Company.

- (ii) The Board wishes to highlight that the management of the Company is engaging in discussions with the Group’s major customers, major suppliers and principal bankers to provide assurance on the continued viability of the Group under the new leadership of Mr Tan Yee Leong and Mr Tan Yee Ho. The Board confirms that the Group’s operations remain relatively unaffected since the cessation of the former Chairman and CEO of the Company, Mr Tony Tan. The Board would also like to highlight that Mr Tan Yee Leong and Mr Tan Yee Ho have been overseeing the procurement and sales departments of the Group, respectively, since the Group was listed in 2007, and both functions are essential for the Group’s business and operations.
- (iii) With regards to the cessation of Ms Ng Kim Ying as the CFO and the Company Secretary of the Company, the Company has set out in its announcement on 14 April 2020 that Ms Ng Kim Ying will be serving a two (2) months’ notice period and her last day of employment will be 7 June 2020. Ms Ng Kim Ying will remain as CFO and Company Secretary of the Company, and will continue to ensure smooth functioning of the operations of the finance team of the Group, until the effective date of her resignation (i.e. 8 June 2020). The Company has commenced the search for a replacement and targets to appoint suitable finance personnel to take over Ms Ng Kim Ying’s duties and responsibilities as the CFO of the Company, before end May 2020. Ms Ng Kim Ying will work closely with the CEO of the Company and the new finance personnel (once identified) to ensure an orderly and smooth transition.

Section 171(4) of the Companies Act (Chapter 50) of Singapore provides that the office of secretary shall not be left vacant for more than six (6) months at any one time. As such, the Company will appoint a new Company Secretary within six (6) months from the effective date of the resignation of Ms Ng Kim Ying as the Company Secretary of the Company.

The Company will update its shareholders and make the necessary announcement(s) as and when the new finance personnel and/or a new Company Secretary of the Company is/are appointed.

- (iv) As set out in the Company's announcement on 21 April 2020 in relation to the change in the composition of the Board and the Board Committees, the Company has informed that it has commenced the selection process of identifying suitable candidates for the appointment of new Independent Non-Executive Directors. The Board and the Nominating Committee of the Company will assess each candidate based on the essential and desirable competencies for a particular appointment, and will nominate the most suitable candidate for appointment to the Board. The Company will appoint the requisite number of new Independent Non-Executive Directors with the required competencies, to be in compliance with the Companies Act (Chapter 50) of Singapore, the Catalist Rules and the Code of Corporate Governance, as announced by the Company on 21 April 2020. The Company will update its shareholders and make the necessary announcement(s) as and when new Independent Non-Executive Directors are to be appointed, as required under Rule 704(6) of the Catalist Rules.

The Company will continue to provide necessary updates to its shareholders via SGXNet in compliance with the Catalist Rules.

By Order of the Board

Tan Yee Ho
Executive Chairman
29 April 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.