



SOON LIAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200416295G)

**RESPONSES TO QUERIES FROM SHAREHOLDERS IN RESPECT OF THE COMPANY'S
ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The Board of Directors (the “**Board**”) of Soon Lian Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the queries raised by shareholders in respect of the Company’s annual report for the financial year ended 31 December 2020, and wishes to provide its responses to the queries from shareholders below:

Query 1

The revenue from China and Taiwan improved by more than 100% and 44% respectively in FY2020 as compared to FY2019 due to the stronger contribution from precision engineering segments. What is the Board’s strategy to grow the revenue from these markets in FY2021?

Company’s response

The COVID-19 pandemic and its aftermath has caused and will continue to cause disruptions, resulting in uncertainties surrounding the Group’s business, including its relationships with its existing and future customers, suppliers and employees.

In the short term, we will focus on business stability by strengthening internal capabilities via improving process efficiency and talent management.

The Group will be adding and improving its equipment to expand capacity and achieve greater precision. This will lay the groundwork for the Group to overcome challenges and capitalise on opportunities in these uncertain times. Once there is greater visibility of resolution for the COVID-19 pandemic and greater economic stability, the Group will be more proactive in exploring growth opportunities and expanding our regional network.

Query 2

Who is responsible for the overseas markets?

Company’s response

All our customers are being serviced by dedicated sales teams. We have very strong and experienced sales teams in our offices in Singapore, Malaysia, China and Taiwan. On average, our sales managers have more than 10 years relevant experience in the aluminium alloy products industry.

The sales managers report to the Chief Executive Officer (the “**CEO**”) and the CEO will set annual key performance indicators to all sales managers at the beginning of the financial year, and performance will be monitored accordingly.

Query 3

Please share the business plans for the next 3 years.

Company's response:

Singapore will continue to remain as the Group's base, with opportunities to strengthen its support for local and regional marine and semiconductor customers.

With the positive outlook for the global semiconductor industry, the Group will allocate more resources to grow the operations in Malaysia, China and Taiwan as these subsidiaries are predominantly supporting the semiconductor and precision engineering industry.

We are cautiously optimistic of the coming financial years as the sustained demand for our precision engineering and marine segments and our improved capabilities enable us to pursue business stability and strengthen our foundations for the upturn. We will remain vigilant for challenges and opportunities alike to build sustainable returns for our stakeholders.

Query 4

There is minimal expansion to the Group's operation since the Company listing in 2007. Please explain.

Company's response:

Ever since the Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited in 2007, the Group has expanded its presence into China (2011) and Taiwan (2015).

The Board continues to explore opportunities to expand the Group's operations in existing markets or to expand into new markets. However, due to the uncertainties created by the COVID-19 pandemic, the Board is cautious and will embark on expansion plans when the timing is right.

Query 5

The Company should consider the benefits of all shareholders. Looking forward to receiving the dividend from the Company in FY2021.

Company's response:

The Board acknowledges the importance of dividend payments to all shareholders.

The Board considers numerous factors, such as the Group's profit growth, cash position, projected capital requirements for business growth and other factors the Board may deem appropriate in determining the frequency and amount of dividends declared.

The Board did not recommend any dividends to be paid in respect of FY2020 as the Board deems it appropriate to conserve funds for the Group's business activities and further expansion.

The Board will continue to monitor the financial position of the Group and will recommend for dividends payment when they deem it appropriate to do so.

By Order of the Board

Tan Yee Ho
Executive Chairman
26 April 2021

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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. Lee Khai Yinn, SAC Capital Private Limited at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.