SEN YUE HOLDINGS LIMITED
Registration Number 200105909M
(Incorporated in the Republic of Singapore)

INVESTIGATION BY THE COMMERCIAL AFFAIRS DEPARTMENT

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*Capitalised terms not defined herein shall have the meanings ascribed to them in the Notice of Compliance ("**NOC**") dated 18 June 2020 issued by the SGX RegCo to the Company and the Company's announcements dated 18 June 2020, 14 July 2020, 5 August 2020,16 September 2020 and 22 October 2020, 29 December 2020 and 13 January 2021 (the "**Announcements**").*

The Board of Directors (the "**Board**") of Sen Yue Holdings Limited (the "**Company**" and together with its subsidiaries (the "**Group**") wishes to announce that further to the Announcements, the Board had reviewed the findings of FKT's report ("**FKT Report**").

The key findings of the FKT Report included *inter alia,* that there was certain non-disclosure of interested person transactions ("**IPTs**") and FKT recommended that the Company lodge a report with the appropriate authorities and request the appropriate authorities to carry out a full investigation in light that (i) there are reasons to believe that there are certain fraudulent and/or fictitious transactions (ii) there is a high risk that some of the transactions between SMCI and certain companies may be fraudulent and/or fictitious transactions and (iii) there is evidence that criminal offences may have been committed.

In view of FKT's recommendation, Mr Chim Suan Kit Mark (Chairman of the Audit Committee) and Mr Neo Gim Kiong (Executive Director and CEO) ("**Mr Neo**"), have on behalf of the Company, filed a report with the Commercial Affairs Department ("**CAD**") on 5 January 2021 in relation to the matters highlighted by FKT. Following the submission of the report to the CAD, the CAD has on 27 January 2021 issued an order to the Company pursuant to Section 20 of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition) to produce certain documents and information in relation to offences under the Penal Code (Cap. 224) and the Securities and Futures Act (Cap. 289) pursuant to the Criminal Procedure Code for financial years ended 30 September 2015 to 2020.

As at the date of this announcement, Mr Koh Mia Seng ("**Mr Koh**"), the Non-Executive Chairman of the Company and certain staff of SMCI (namely Mr Koh Wen An and Ms Priscilla Loh) are still being interviewed by the CAD officers. As such, the Company has not been informed by Mr Koh and/or such staff of SMCI that they have been formally charged or arrested by the CAD, nor have any of their passports been impounded, nor were there any restrictions or conditions imposed by the CAD on such employees or directors of the Group. The Group also intends to provide full cooperation with the CAD to assist the said investigation and will make further updates as and when appropriate.

The Nominating Committee ("**NC**") has considered the findings made in the FKT Report and the responses of Mr Koh to the said findings (which the NC considers to be unsatisfactory). The NC is therefore of the view that Mr Koh is not suitable to remain as a director of the Company and its subsidiaries as the findings in the FKT Report put into question his character and integrity. Subject to the SGX RegCo's concurrence, the NC had recommended to the Board that Mr Koh's resignation as a director of the Company and its subsidiaries be procured, failing which an extraordinary general meeting should be convened pursuant to Section 152 of the Companies Act to remove Mr Koh as a director of the Company and its subsidiaries.

The NC is in the midst of consulting with the SGX RegCo regarding the removal of Mr Koh from the Board in light of paragraph 4.2 of the Notice of Compliance requiring the composition of the Board to remain unchanged until completion of the Independent Review and satisfactory resolution of FKT's findings. The Company will provide updates on the outcome of its consultation with the SGX Regco in due course.

In the meantime, following the NC's recommendation, Mr Koh had been suspended from all executive functions from 8 January 2021 and Mr Neo has assumed Mr Koh's duties and responsibilities in the

Group. Following the announcement on 13 January 2021, Mr Koh had been redesignated from Executive Chairman to Non-Executive Chairman.

While the CAD investigation has no direct impact on the Group's operations in light of Mr Koh's redesignation to Non-Executive Chairman, the Group still faces challenges in its business operations arising from the amounts due and outstanding to SMCI's creditors. Please refer to the Company's announcements dated 15 July 2020, 14 September 2020, 16 September 2020, 1 October 2020, 6 October 2020, 3 November 2020, 11 November 2020, 25 November 2020, 29 December 2020 and 14 January 2021 for further information.

The Board is in the midst of preparing an update to shareholders in relation to the details of the findings and executive summary of the FKT Report and Mr Koh's responses to the findings of FKT and will release a further announcement in this regard.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

NEO GIM KIONG
Executive Director and CEO

27 January 2021

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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