



SOON LIAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200416295G)

RESPONSE FROM SGX-ST IN RELATION TO APPLICATION FOR EXTENSION OF TIME TO COMPLY WITH RULE 704(7) OF THE CATALIST RULES

1. **INTRODUCTION**

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of Soon Lian Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform that the Company has today received a response from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the Company’s application submitted (through the sponsor) to the SGX-ST for a six (6)-month extension of time for the Company to appoint an additional Independent Director to fill the vacancy in its Audit Committee by 21 January 2021 (from the deadline of 21 July 2020) (the “**Extension of Time**”) (the “**Application**”), so as to comply with Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).
- 1.2 The SGX-ST has informed the Company (through the sponsor) that the SGX-ST has rejected the Application as it found no extenuating reasons to grant the Company the Extension of Time. Accordingly, the SGX-ST has informed that it expects the Company to meet the minimum number of members in its Audit Committee as soon as possible.

2. **BACKGROUND**

- 2.1 On 21 April 2020, the Company announced the resignation of Mr. Lee Sen Choon (“**Mr. Lee**”) as the Lead Independent Director of the Company, with effect from 22 April 2020. Mr. Lee was then the Chairman of the Audit Committee, and a member of the Nominating Committee and the Remuneration Committee.
- 2.2 Immediately following the resignation of Mr. Lee, the Board of the Company comprised four (4) Directors, two (2) of whom were Executive Directors and two (2) were Independent Directors. As Mr. Lee was the Chairman of Audit Committee, following his resignation, the Audit Committee is not able to meet the requirement of Rule 704(7) of the Catalist Rules. Rule 704(7) of the Catalist Rules requires Audit Committee members to make up the minimum number of three (3) members, and provides that in the event of any retirement or resignation which renders the Audit Committee unable to meet the minimum number (not less than three (3)), the issuer should endeavour to fill the vacancy within two (2) months, but in any case, not later than three (3) months. Accordingly, pursuant to Rule 704(7) of the Catalist Rules, the Company is required to appoint an additional Independent Director to fill the vacancy in its Audit Committee by 21 July 2020.

- 2.3 Subsequently on 29 April 2020, the Company announced the retirement of Mr. Yap Kian Peng (“**Mr. Yap**”) and Mr. Lim Chee San (“**Mr. Lim**”) as Independent Directors of the Company, with effect from 19 May 2020 after the close of the annual general meeting of the Company held on the same day (“**AGM**”). At the AGM, (i) Mr. Yap retired by rotation pursuant to Regulation 104 of the Company’s Constitution; and (ii) Mr. Lim retired pursuant to Regulation 114 of the Company’s Constitution. Both Mr. Yap (who had served on the Board for more than nine (9) years) and Mr. Lim (who was appointed as an Independent Director of the Company on 1 July 2019) did not seek for re-election at the AGM.
- 2.4 Following the retirement of Mr. Yap and Mr. Lim, the Board comprised only two (2) Directors, both of whom were Executive Directors.
- 2.5 On 28 May 2020, the Company announced the appointment of Mr. Chin Yew Choong David (“**Mr. Chin**”) as an Independent Director of the Company, with effect from 1 June 2020. Mr. Chin is also appointed as the Chairman of the Nominating Committee, as well as a member of the Audit Committee and the Remuneration Committee.
- 2.6 On 19 June 2020, the Company announced the appointment of Mr. Lam Kwong Fai (“**Mr. Lam**”) as an Independent Director of the Company, with effect from 22 June 2020. Mr. Lam is also appointed as the Chairman of the Audit Committee, as well as a member of the Nominating Committee and the Remuneration Committee.
- 2.7 Following the appointment of Mr. Chin and Mr. Lam, the current Board comprises four (4) Directors, two (2) of whom are Executive Directors and two (2) are Independent Directors.
- 2.8 As at the date of the Application and this announcement, the Company is still not able to meet the requirement of Rule 704(7) of the Catalist Rules as the Audit Committee does not comprise at least three (3) members due to reasons set out in paragraph 3.1 below.

3. **BASES FOR APPLICATION FOR THE EXTENSION OF TIME**

3.1 The Company is seeking the Extension of Time in view of the following:-

- (i) The cessations of the Company’s previous three (3) Independent Directors in April and May 2020 (the “**Cessations**”) occurred in quick succession, and the Company was required to allocate its resources to carrying out concurrent searches for replacements to fill three (3) positions for the Independent Directors.
- (ii) Since the Cessations, the Company has been actively searching for new Independent Directors and has successfully appointed two (2) new Independent Directors (as set out in paragraphs 2.5 and 2.6 of this announcement). Although the Company continues to actively search for a third candidate, the Company has yet to identify one to fill the vacancy as the third Independent Director.
- (iii) The COVID-19 pandemic continues to adversely impact the global economy. The Company has been focusing its efforts on stabilising and improving the Group’s operations to minimise the COVID-19 impact to its business activities and operations.
- (iv) In February 2020, the Company announced the resignation of the former Chairman and Chief Executive Officer, which took effect from 8 April 2020. In April 2020, the Company announced the resignation of the former Chief Financial Officer, which took effect from 8 June 2020. The Company subsequently announced and appointed its new Chairman, Chief Executive Officer, and Group Financial Controller. Due to such changes of the top management, the Company has been focusing its efforts and attention on various operational matters which are of a greater priority to the Group, including ongoing discussions with the Group’s major customers, major suppliers and principal bankers, providing them assurance with the recent change in leadership of the Group.

- (v) While the Company continues to focus its efforts and attention on the aforesaid operational matters (as set out in points (iii) and (iv) above), the Extension of Time will provide more time for the Company to search for a suitable candidate as Independent Director and to conduct the necessary due diligence (such as interviews) on the potential candidates.

4. **OTHER INFORMATION**

- 4.1 The Company is currently working on the appointment of an additional Independent Director to fill the vacancy in its Audit Committee, in compliance with Rule 704(7) of the Catalist Rules.
- 4.2 The Company shall make further announcements as and when there are significant developments in relation to the aforesaid appointment of an additional Independent Director.

By Order of the Board

Tan Yee Ho
Executive Chairman
17 November 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.