Regulatory Announcement

10 February 2021

SGX RegCo's Statement on Sen Yue Holdings Limited's Independent Review Report

Singapore Exchange Regulation ("SGX RegCo") refers to the announcements made by Sen Yue Holdings Limited (the "Company" or "Sen Yue") on 10 February 2021, in relation to findings by independent reviewer, Foo Kon Tan Advisory Services Pte Ltd ("FKT").

On 15 May 2020, the Company announced that FKT was appointed to conduct a detailed review of the credit terms extended and background of certain customers, as concerns were raised in respect of potential relationships that the Executive Chairman of the Company, Mr Koh Mia Seng ("Mr Koh"), may have with certain companies that have dealings with the Group.

On 18 June 2020, the Company announced a summary of FKT's interim findings, which indicated existing or close relationship between Mr Koh and certain customers of its wholly-owned subsidiary SMC Industries Pte ltd ("SMCI") (the "FKT Report"). On 22 October 2020, the Company further announced that the scope of the independent review was extended following Mr Koh's responses to the FKT Report.

On 27 January 2021, the Company announced that Mr Chim Suan Kit Mark (Chairman of the Audit Committee) and Mr Neo GIm Kiong (Executive Director and CEO), 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 this report, 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). The CAD also interviewed Mr Koh and staff of SMCI, namely Mr Koh Wen An and Ms Priscilla Loh.

In FKT's final report and addendum as announced on 10 February 2021, FKT concluded that, *inter alia*, Mr Koh indirectly controls seven companies through his various nominees, and the transactions between SMCI and these companies are interested person transactions (IPTs). These transactions amounted to 117.4% to 287.4% of the Group's net tangible assets for the financial years from 2015 to 2020. The non-disclosure of the interested person transactions by Mr Koh resulted in the Company's potential breaches of Catalist Rules 905, 906 and 907.

In addition, Mr Koh has potentially breached his fiduciary duties as a director, for causing the Company to breach the Catalist Rules. FKT also highlighted possible criminal offence in relation to at least one bank remittance advice to Mr Koh.

SGX RegCo will look into the rule breaches and refer the breaches and possible criminal offences to the relevant law enforcement and other authorities.

Disclosure is fundamentally important to the operation of a fair and efficient market and SGX RegCo expects SGX-listed issuers and their boards to uphold high disclosure standards. IPT transactions often involve company insiders and can be particularly vulnerable to abuse. Disclosure of such transactions is therefore of great relevance to investors. SGX RegCo will not tolerate the non-disclosure of IPT transactions regardless of size or value and we will take the necessary enforcement actions against errant parties.

Sen Yue will continue to be suspended until it submits a trading resumption proposal that addresses (i) the findings highlighted in the FKT Reports; (ii) the Company's ability to operate as a going concern; and (iii) the viability of its remaining business.

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