

GENERAL ANNOUNCEMENT::SGX REGCO URGES CAUTION WHEN DEALING IN SEVAK LIMITED SHARES

Issuer & Securities

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SEVAK LIMITED

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SINGAPORE EXCHANGE REGULATION PTE. LTD.

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SURVEILLANCE

Description (Please provide a detailed description of the event in the box below)

SGX RegCo urges caution when dealing in Sevak Limited shares

Singapore Exchange Regulation ("SGX RegCo") urges investors and potential investors to exercise caution when dealing in the shares of Sevak Limited ("Sevak").

The share price of Sevak had climbed steadily from \$2.51 on 17 September 2018 to \$4.05 on 19 October 2018, a rise of \$1.54 or 61%, despite a general decline in the broad market. In particular, between 4 October 2018 and 16 October 2018, when the STI declined 233.09 points or 7.13%, Sevak's share price rose from \$3.30 to \$3.80, an increase of \$0.50 or 15%.

On 11 October 2018, SGX RegCo issued a trading query to Sevak on unusual price movements in its shares that day. SGX RegCo observed that despite the STI falling as much as 96.28 points or 3.07%, Sevak's share price had risen by \$0.08 or 2.24%. Sevak responded that apart from its previous announcements regarding its share buy-backs from the market, it was not aware of any reasons that could explain the unusual price

movements.

SGX RegCo had noted that during the price rise of 61% between 17 September and 19 October 2018, Sevak's share buy-back account had contributed more than 70% of the market traded volume for the stock.

From 22 October 2018 to 25 January 2019, after Sevak ceased its share buy-back activities, a group of clients was observed to account for more than 70% of the buy volume of Sevak shares. These clients appear to be connected to one another. In particular, between 14 December 2018 and 25 January 2019, the closing price of Sevak shares remained steady around \$3.80 when the general market experienced volatility.

It is further observed that since 17 September 2018, Sevak's market capitalization has increased by approximately \$14.8 million to reach \$44.4 million on 25 January 2019.

On 24 January 2019, Sevak announced that it had submitted an application to SGX-ST to exit the Watch List.

SGX RegCo is reviewing the trades in Sevak shares and will take the necessary actions.

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