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

CLARIFICATION ANNOUNCEMENT ON THE EDGE ARTICLE DATED 27 MARCH 2020

The board of directors ("**Board**") of Sen Yue Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the article published in The Edge on 27 March 2020 titled "**Sen Yue eyes earnings recovery with e-waste diversification and new smelting facility**" (the "**Article**").

Mr Koh Mia Seng, our Executive Chairman ("**Executive Chairman**") wishes to clarify the following in relation to the Article:

1. By way of background, the interview with the Executive Chairman was conducted on 29 January 2020 in his personal capacity, prior to the recent developments in relation to the Covid-19 outbreak. The Executive Directors had been informed about the interview, although the majority of the Board was not aware of and did not authorise the interview and its contents. The contents of the Article were not provided by the Edge for the Company's review and clearance prior to its publishing.

   The Company refers to its announcement dated 1 April 2020 and wishes to update that it expects that the completion of the smelting facility will be delayed to 30 June 2020.

2. The Article states that Sen Yue is undertaking e-waste diversification in addition to its current business of commodities trading and metal recycling and that the Group "is equally focused on all three now, especially the new business which we are diversifying into".

   The Executive Chairman wishes to clarify that he did not use the term "diversification" in the interview, and instead had said that the smelting facility is part of the Group's e-waste business segment. This is consistent with the disclosures in the Company's announcement dated 18 July 2019 that the e-waste business and the establishment of the smelting facility are part of the waste management business for which the Group had obtained shareholders' approval in 2016, which includes the provision of waste management solutions, the collection, transport, handling, treatment, management and disposal of commercial, hazardous, electronic waste and metal scraps, the recycling and trading of metal scraps and electronic waste, and materials recovery.

3. The Article states that for FY2019, "Sen Yue's earnings tumbled some 99% to $0.2 million compared to earnings of $1.9 million back in FY2018". The Executive Chairman intends to seek clarification with The Edge on whether this statement refers to the Group's profit after tax as the Group's full year results for FY2019 released on 25 November 2019 does not refer to "earnings". On the basis that "earnings" refers to the Group's profit after tax, the Executive Chairman wishes to clarify that the Group's profit after tax in FY2019 was S$0.02 million, and not S$0.2 million as stated in the Article.

4. The Article states that our Executive Chairman expects "Sen Yue to double its average operating margin to 40% from 20%, which should help mitigate the group's worries over rising labour and overhead costs", and quotes him as saying "This is a very good business, with big margins".

   The Executive Chairman wishes to clarify that he had not stated during the interview that the operating margins would double. He had shared that the expected increase in margins would depend on the purchase price of the raw materials and the selling price of the processed materials after undergoing the smelting process which are of a higher purity content.

Following recent developments from the Covid-19 outbreak and the slowdown in the global economy, the Executive Chairman expects that the Group is likely to face downward pressure on its sales and selling price for products. This would also affect products from the smelting operations after completion of the smelting facility. Given the uncertainties arising from the Covid-19 outbreak, the operating margins of the Group business as a whole are likely to be negatively affected.

5. The Article states that one of the names of the Group's joint venture partners is "Electrology Metal". The Executive Chairman wishes to clarify that the name of this joint venture partner as disclosed in the Company's announcement dated 7 October 2019 is "Electrology Metal Pte Ltd".

6. The Article states the Company's joint venture partners for the smelting facility have given the Company a call option with an exercise price of $4 million each, which is inaccurate. The Company wishes to clarify that, as disclosed in paragraph 2(f) of the Company's announcement dated 7 October 2019, the call option exercise price for all shares held by the Company's joint venture partners is the higher of S$4 million or the audited net asset value for the latest completed financial year of the joint venture company. For the avoidance of doubt, if the call option is exercised only in respect of the shares held by one joint venture partner, the aforesaid call option price shall be reduced proportionately.

7. The Article quotes our Executive Chairman as saying that the Company's shares "definitely will surpass that price of [2.9 cents]", "The improvement in share prices will surely be reflected after the opening of our smelting facility" and "have a strong track record when it comes to our share price reflecting investor sentiments".

   In relation to the first two statements, the Executive Chairman wishes to clarify that at the interview, he had generally expressed confidence in the Company's share price when asked, based on the long term prospects of the Company and the recent placement of 120 million new shares at $0.05 per share to Jiangmenshi Changxin Technology. He had not given a specific price reference during the interview and intends to seek clarification from The Edge on the share price quoted.

   The Executive Chairman further wishes to clarify that the statement "have a strong track record when it comes to our share price reflecting investor sentiments" is inaccurate as he had meant strong presence and extensive networks in relation to its commodities business due to its 30 years of operations.

Shareholders and potential investors are reminded to exercise caution while dealing in the shares of the Company. In the event that shareholders and potential investors are in doubt when dealing in the shares of the Company, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

KOH MIA SENG
Executive Chairman
1 April 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. 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. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).