SEN YUE HOLDINGS LIMITED
森跃控股有限公司

(Company Registration No. 200105909M)
(Incorporated in Singapore)
(the "Company")

RESPONSE TO SGX QUERY ON UNAUDITED FY2021 FINANCIAL STATEMENTS

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Company's previous announcements dated 29 December 2022 (the "**Announcement**")*

The board of directors ("**Board**" or "**Directors**") of Sen Yue Holdings Limited ("**Company**") refers to the query from the Singapore Exchange Securities Trading Limited ("**SGX-ST**" or "**SGX**") on 30 May 2023 regarding the Company's announcement dated 29 December 2022 on the Material Variances Between Audited Financial Statements and Unaudited Financial Statements for the Full Year Ended 30 September 2021 ("**FY2021**") and wishes to respond to the query as follows:

SGX Query: The main items which cause the significant variance and resulting in the Company's pre-tax profit of $1.6 million to change to a pre-tax loss of $5.16 million are (i) accounting for financial guarantee claims of $4.31 million and (ii) recognition of JM expenses of $2.18 million.

Please provide the reasons why these 2 expenses were not accounted for in the unaudited FY2021 financial statements.

Company's Response:

The audit for FY2021 was still on-going when the Company announced its unaudited financial results announcements on 15 November 2022. The Company has made reference to the Schemes that came into effect on 2 August 2022 and assessed the abovementioned expenses totalling S$6.39 million ("**Adjustments**") as non-adjusting events in FY2021.

As disclosed in page 94 of the Company's FY2021 annual report, the accounting treatment for the Adjustments required the use of critical judgement. The Company took up the Adjustments arose from debt admission by Judicial Managers as financial obligations when the audit was substantially completed at a later date. The Company has clarified and announced the material differences between the audited financial statements and unaudited financial statements for FY2021 on 29 December 2022.

Corresponding to the Adjustments, the Group has reversed a total of S$5.40 million arising from the Adjustments recognised in FY2021 as gain on debt settlements in the unaudited financial year ended 30 September 2022 ("**FY2022**"). For further information, please refer to the Company's FY2022 results announcement dated 23 February 2023.

By Order of the Board

Yap Meng Sing
Executive Chairman
31 May 2023

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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