RESPONSES TO QUESTIONS FROM SHAREHOLDERS IN RELATION TO THE EXTRAORDINARY GENERAL MEETING HELD ON 21 JULY 2022

The Judicial Managers (the "**JMs**") of Sen Yue Holdings Limited (under judicial management) (the "**Company**" and together with its subsidiaries the "**Group**") wish to thank the Shareholders of the Company ("**Shareholders**") for submitting their questions in advance and during the extraordinary general meeting ("**EGM**") held via electronic means on 21 July 2022.

The Company had received the following questions from Shareholders (which have been edited for clarity) relating to the resolutions tabled at the EGM. The Company's responses to the Shareholders' questions are as set out below:

Query 1: Why are there no financial statements published by the Company?

The Company ceased to have any external auditors subsequent to 30 April 2021 after Deloitte & Touche LLP declined to seek re-appointment upon their retirement at the Annual General Meeting of the Company held on 30 April 2021. As the Company was placed in interim judicial management on 1 April 2021 and subsequently in judicial management on 10 May 2021, the audit obligations of the Company to prepare annual financial statements will only commence after the judicial management order granted against it is lifted.

Upon passing of the resolution to appoint Crowe Horwath First Trust LLP ("**Crowe**") as the new auditors at the EGM, Crowe will undertake its audit of the Company's outstanding financial statements for the financial year ended 30 September 2021.

Query 2: Was any price-sensitive information made available to the investor of the Company, Electroloy Metal Pte Ltd in its due diligence that was not disclosed to the Shareholders such as its profitability or the securing of important business contracts?

The information made available by the JMs to Electroloy Metal Pte Ltd ("**Electroloy**") was necessary for its evaluation of the proposed subscription subject to the non-disclosure agreement entered into between the Company and Electroloy in June 2021. The Company will make appropriate announcements where there is material information required to be disclosed to Shareholders, including any price-sensitive information leading up to the Company's resumption of trading.

In the meantime, the shares of the Company on the SGX-ST have been suspended from trading since 4 May 2020. Hence, trading in the Company's shares is not possible.

Query 3: Why wasn't a rights issue contemplated as part of the fundraising exercise as opposed to a placement?

The Company is insolvent and its shares are suspended from trading. It is unlikely that the Company will receive regulatory approvals for a rights issue nor will a rights issue under such circumstances be well received by Shareholders. In light of the foregoing, whilst the option of a right issue was explored, it was not implemented.

Query 4: Since the SGX announcement pertaining to the closing of the FY2020 results, the Group has recorded significantly higher profits. Shouldn't such information be disclosed to all Shareholders, prior to any voting on the subscription of the shares by any potential investors.

The JMs have to act prudently in respect of any disclosure of information, particularly financial information. Neither the Group nor all its subsidiaries' accounts have been audited subsequent to FY2020.

The JMs will only announce the consolidated financial statements of the Group after ensuring that they are materially accurate and relevant assurance have been received from the accounting personnel and professionals of the Group. Please also refer to the response to Query 1 above in relation to the reasons for not publishing the financial statements of the Company.

Query 5: Has the proposed issuance of shares been approved for listing on the SGX-ST? If they are not and given that it is a significant portion of the issued share capital, is it likely that the shares would be delisted later?

No, the new shares are not listed and quoted on SGX-ST. Please refer to paragraph 3.7 of the circular dated 6 July 2022 ("**Circular**") for more details.

Query 6: How was the issue price of S$0.004 per Subscription Share derived and do the Chairman / JMs of the meeting deem it reasonable to all Shareholders, especially in the situation where the potential investor has received substantial financial information, with regard to the various subsidiaries within the group? If the same financial information is disclosed to all Shareholders and the public, is there a possibility that other Shareholders or potential investors may offer a higher price for the shares?

The JMs conducted a process to solicit interests and investments in the Company prior to entering into the proposed subscription. The executive director and CEO were fully aware of the process but did not introduce any viable investors for the Company. Based on the proposals received, the JMs, in consultation with the Committee of Creditors, determined that the proposed subscription be put forward to the Shareholders for approval.

As for the subscription price and terms, the Shareholders may refer to the independent financial advisor's ("**IFA**") opinion at Appendix A of the Circular for an independent evaluation.

Query 7: Is the S$0.004 subscription price a discount to the net tangible assets of the Sen Yue group? With the significantly higher profits, did the JMs consider other options including a rights issue?

No, it is at a premium.

Please refer to paragraph 6(a) of the IFA's opinion which states "*the Issue Price represents a significant premium of 841.9% to the adjusted NAV per Share, after taking into account the impairment loss and professional fees incurred by the Company in connection with the judicial management, the Schemes and undertaking the Proposed Transactions*;"

Shareholders should also refer to the IFA opinion for other factors which have been considered and evaluated.

Please refer to the response to Query 3 above in relation to the considerations for undertaking a rights issue.

Query 8: For the accounts receivable of SMC which were highlighted in the report issued by Foo Kon Tan Advisory Services Pte Ltd in late 2020, since April 2021, have any amounts recovered?

No recovery has been received so far. The Company has commenced legal proceedings in China against various debtors. The JMs will continue to be guided by legal counsel in its course of action regarding these accounts receivable.

Query 9: Is the IFA provided the same financial information received by the potential investor?

The JMs have provided the IFA with the necessary information in deriving at their opinion.

Shareholders should also note our earlier response to Query 4 on the disclosure of financial information pertaining to the Group.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

Submitted by the Judicial Managers
For and On Behalf of the Company

Chee Yoh Chuang and Lin Yueh Hung
c/o RSM Corporate Advisory Pte Ltd
4 August 2022

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*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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