

**SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**(Company Registration No. 200105909M)**

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Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”), the Company is required by the SGX-ST to announce its quarterly financial statements in view of the disclaimer of opinions issued by the Company's auditors in the audited financial statements of the Group for the financial year ended 30 September 2020.

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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**Unaudited Condensed Interim Financial Statements  
for the Second Quarter and Six Months Ended 31 March 2023**

SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 200105909M)

(A) Condensed interim statement of profit or loss and other comprehensive income

	Note	Group					
		2Q2023	2Q2022	Change	1H2023	1H2022	Change
		(unaudited)	(unaudited)		(unaudited)	(unaudited)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%		
Revenue	4	13,434	7,845	71	42,901	13,080	>100
Cost of sales		(8,514)	(4,190)	>100	(22,529)	(8,286)	>100
<b>Gross profit</b>		<b>4,920</b>	<b>3,655</b>	35	<b>20,372</b>	<b>4,794</b>	>100
Other operating income		160	115	39	491	141	>100
Distribution expenses		(84)	(60)	40	(277)	(121)	>100
Administrative expenses		(1,520)	(1,253)	21	(3,201)	(2,748)	16
Other operating expenses		(83)	(12)	>100	(1,378)	(91)	>100
Finance expenses		(107)	(414)	(74)	(171)	(836)	(80)
<b>Profit before income tax</b>		<b>3,286</b>	<b>2,031</b>	62	<b>15,836</b>	<b>1,139</b>	>100
Income tax expense	7	(232)	(211)	10	(426)	(422)	1
<b>Profit for the period</b>		<b>3,054</b>	<b>1,820</b>	68	<b>15,410</b>	<b>717</b>	>100
<b>Other comprehensive loss</b>							
<i>Items that will may be reclassified</i>							
<i>Subsequently to profit or loss:</i>							
Exchange differences on translation of foreign operations		(198)	(107)	85	(668)	(187)	>100
<b>Total comprehensive income for the period, net of tax</b>		<b>2,856</b>	<b>1,713</b>	67	<b>14,742</b>	<b>530</b>	>100
<b>Profit per share attributable to owners of the Company</b>							
Basic and diluted (cents) <sup>[1]</sup>		<b>0.11</b>	<b>0.18</b>	(44)	<b>0.52</b>	<b>0.07</b>	>100
<b>Total comprehensive income for the period attributable to owners of the Company</b>							
Basic and diluted (cents) <sup>[1]</sup>		<b>0.10</b>	<b>0.17</b>	(41)	<b>0.50</b>	<b>0.05</b>	>100

<sup>[1]</sup> Basic profit per share is calculated on the Group's profit for the respective periods attributable to owners of the Company divided by the weighted average number of ordinary shares in issue of 2,885,405,038 and 2,943,905,038 for 2Q2023 and 1H2023 respectively (2Q2022 and 1H2022: 984,280,038).

Diluted profit per share is calculated on the same basis as basic profit per share as there were no dilutive potential ordinary shares in the respective periods.

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(B) Condensed interim statements of financial position

	Note	Group		Company	
		As at	As at	As at	As at
		31.03.2023 (unaudited) S\$'000	30.09.2022 (unaudited) S\$'000	31.03.2023 (unaudited) S\$'000	30.09.2022 (unaudited) S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	23,101	24,155	-	-
Right-of-use assets		2,251	2,183	-	-
Intangible assets		50	-	-	-
Investments in subsidiaries		-	-	9,464	9,464
Other receivables		37	40	-	-
<b>Total non-current assets</b>		<b>25,439</b>	<b>26,378</b>	<b>9,464</b>	<b>9,464</b>
<b>Current assets</b>					
Cash and bank balances		21,339	11,299	2,754	827
Trade and other receivables		8,596	12,727	2,779	4,002
Inventories		17,560	7,672	-	-
<b>Total current assets</b>		<b>47,495</b>	<b>31,698</b>	<b>5,533</b>	<b>4,829</b>
<b>Total assets</b>		<b>72,934</b>	<b>58,076</b>	<b>14,997</b>	<b>14,293</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Loans and borrowings	10	3,587	4,038	-	426
Financial guarantee liabilities		1,077	1,077	1,077	1,077
Trade and other payables		9,603	10,377	5,605	5,539
Lease liabilities		475	452	-	-
Income tax payable		191	56	-	-
<b>Total current liabilities</b>		<b>14,933</b>	<b>16,000</b>	<b>6,682</b>	<b>7,042</b>
<b>Non-current liabilities</b>					
Loans and borrowings		5,083	5,799	-	-
Other payables		110	106	-	-
Lease liabilities		1,698	1,727	-	-
Deferred tax liabilities		1,999	2,090	-	-
<b>Total non-current liabilities</b>		<b>8,890</b>	<b>9,722</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>23,823</b>	<b>25,722</b>	<b>6,682</b>	<b>7,042</b>
<b>EQUITY</b>					
<b>Capital and reserves</b>					
Share capital	9	55,261	53,246	55,261	53,246
Other reserves		2,354	3,022	-	-
Accumulated losses		(8,504)	(23,914)	(46,946)	(45,995)
Equity attributable to owners of the Company		49,111	32,354	8,315	7,251
<b>Total equity and liabilities</b>		<b>72,934</b>	<b>58,076</b>	<b>14,997</b>	<b>14,293</b>
<b>Basic and diluted net asset value per share (cents)</b>					
		<b>1.52</b>	<b>1.18</b>	<b>0.26</b>	<b>0.27</b>

[1] Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current period reported on and immediately preceding financial year.

SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES  
(Company Registration No. 201508913H)

(C) Condensed interim statements of changes in equity

Group	Share capital	Merger deficit	Translation reserve	Revaluation reserve	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 01.10.2022 (unaudited)</b>	53,246	(3,454)	(8,746)	12,617	2,605	(23,914)	32,354
Profit for the period	-	-	-	-	-	15,410	15,410
Other comprehensive loss	-	-	(668)	-	-	-	(668)
Total comprehensive income/ (loss) for the period, net of tax	-	-	(668)	-	-	15,410	14,742
Issuance of new shares, representing transactions with owners, recognised directly in equity	2,015	-	-	-	-	-	2,015
<b>Balance at 31.03.2023 (unaudited)</b>	55,261	(3,454)	(9,414)	12,617	2,605	(8,504)	49,111

Group	Share capital	Merger deficit	Translation reserve	Revaluation Reserve	Capital Reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 01.10.2021 (audited)</b>	46,246	(3,454)	(7,791)	9,418	2,605	(49,065)	(2,041)
Profit for the period	-	-	-	-	-	717	717
Other comprehensive loss	-	-	(187)	-	-	-	(187)
Total comprehensive income/ (loss) for the period, net of tax	-	-	(187)	-	-	717	530
Issuance of new shares, representing transactions with owners, recognised directly in equity	-	-	-	-	-	-	-
<b>Balance at 31.03.2022 (unaudited)</b>	46,246	(3,454)	(7,978)	9,418	2,605	(48,348)	(1,511)



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(C) Condensed interim statements of changes in equity (cont'd)

Company	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
<b>Balance at 01.10.2022 (unaudited)</b>	<b>53,246</b>	<b>(45,995)</b>	<b>7,251</b>
Loss for the period, representing total comprehensive loss for the period	-	(951)	(951)
Issuance of new shares, representing transactions with owners, recognised directly in equity	2,015	-	2,015
<b>Balance at 31.03.2023 (unaudited)</b>	<b>55,261</b>	<b>(46,946)</b>	<b>8,315</b>

Company	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
<b>Balance at 01.10.2021 (audited)</b>	<b>46,246</b>	<b>(48,135)</b>	<b>(1,889)</b>
Profit for the period, representing total comprehensive income for the period	-	21	21
Issuance of new shares, representing transactions with owners, recognised directly in equity	-	-	-
<b>Balance at 31.03.2022 (unaudited)</b>	<b>46,246</b>	<b>(48,114)</b>	<b>(1,868)</b>

SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES

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(D) Condensed interim consolidated statement of cash flows

	Group	
	1H2023 (unaudited) S\$'000	1H2022 (unaudited) S\$'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>15,836</b>	<b>1,139</b>
<b>Adjustments for:</b>		
Bad debts written off on other receivables	3	-
Depreciation of property, plant and equipment ("PPE")	1,093	1,116
Depreciation of right-of-use assets ("ROU assets")	241	220
(Reversal of)/ allowance for expected credit loss on trade receivables	(265)	12
Increase in fair value of financial assets at fair value through profit or loss	-	(52)
(Reversal of)/ Allowance for impairment loss on inventories	(110)	61
Gain on disposal of PPE	(16)	-
Gain on lease modifications	(73)	-
Post-employment benefits	12	-
Interest expenses	171	836
Interest income	(77)	(19)
Effects of exchange rate changes	(192)	55
	<b>16,623</b>	<b>3,368</b>
<b>Changes in working capital:</b>		
Inventories	(9,778)	(2,264)
Trade and other receivables	4,666	1,326
Trade and other payables	(935)	(3,486)
<b>Cash generated from/ (used in) operations</b>	<b>10,576</b>	<b>(1,056)</b>
Tax paid	(714)	(657)
<b>Net cash from/ (used in) operating activities</b>	<b>9,862</b>	<b>(1,713)</b>
<b>Cash flows from investing activities</b>		
Interest received	77	19
Proceeds from disposal of plant and equipment	27	-
Purchase of plant and equipment	(636)	(215)
Expenditure on intangible assets	(50)	-
<b>Net cash used in investing activities</b>	<b>(582)</b>	<b>(196)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(17)	(23)
Repayment of bank borrowings	(1,167)	(46)
Principal payment of lease liabilities	(246)	(273)
Proceeds from issuance of shares	2,015	-
<b>Net cash from/ (used in) financing activities</b>	<b>585</b>	<b>(342)</b>



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(D) Condensed interim consolidated statement of cash flows (cont'd)

	Group	
	1H2023	1H2022
	(unaudited)	(unaudited)
	S\$'000	S\$'000
<b>Net increase/ (decrease) in cash and cash equivalents</b>	9,865	(2,251)
Cash and cash equivalents at beginning of financial period	11,261	16,360
Effects of exchange rate changes on cash and cash equivalents	176	38
<b>Cash and cash equivalents at end of financial period</b>	<b>21,302</b>	<b>14,147</b>
<b>Group</b>		
<b>Cash and cash equivalents as per statement of financial position comprising:</b>		
Cash at bank	16,213	13,589
Fixed deposits with financial institutions	5,126	742
Cash and cash equivalents as per statement of financial position	21,339	14,331
Fixed deposits pledged with financial institutions	(37)	(38)
Bank overdraft	-	(146)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>21,302</b>	<b>14,147</b>

## SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 200105909M)

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### (E) Notes to the unaudited condensed interim financial statements

#### 1 Corporate information

Sen Yue Holdings Limited (“Company”, together with its subsidiaries, the “Group”) is a company incorporated in Singapore. The Company’s registered office is at 3 Jalan Pesawat, Singapore 619361. The Company is listed on the Catalyst Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

As at the date of this announcement, the immediate and ultimate holding company is Electroloy Metal Pte. Ltd. (“Electroloy”), a company incorporated in Singapore.

These unaudited condensed interim consolidated financial statements as at and for the second quarter (“2Q2023”) and six months ended 31 March 2023 (“1H2023”) comprise the Company and its subsidiaries (together referred to as the “Group”).

The principal activity of the Company is that of an investment holding company. The Group is organised into the following main business segments:

- (a) Metal components and tool and die (“Metal Components”);
- (b) Electro deposition coating (“ED Coating”); and
- (c) Commodities.

The Company and its wholly-owned subsidiary, SMC Industrial Pte Ltd (“SMCI”) were under judicial management during the financial period from 1 October 2021 to 17 August 2022. During this period, the judicial managers (“JMs”) took over the management of the affairs and business of the Company and SMCI from the Board of Directors (“Board”). The judicial management orders were discharged on 17 August 2022, and subsequently the JMs have been re-appointed as Scheme Managers.

#### 1.1 Event During the Financial Period

##### (i) Application of Subscriptions of new shares by Investors

The JMs had on 1 April 2022 on behalf of the Company, entered into three separate definitive subscription agreements with Electroloy, Jiangmenshi Changxin Technology Limited (“Jiangmenshi”) and Di Lingbin (“Mr. Di”) (collectively the “Investors”) for an aggregated cash consideration of S\$9.02 million, comprising individually a “Proposed Subscription” and collectively “Proposed Subscriptions”. The Proposed Subscriptions comprising 1,750,000,000 shares (“Subscription Shares”) issued and allotted to Electroloy and an aggregate of 503,750,000 Subscription Shares issued and allotted to Jiangmenshi and Mr. Di, at an issue price of S\$0.004 per Subscription Share have been completed on 5 August 2022 and 23 November 2022 respectively.

Following the completion of the Proposed Subscription with Jiangmenshi and Mr. Di, the Company has allotted 503,750,000 new ordinary shares for an aggregate cash consideration of S\$2.02 million to Jiangmenshi and Mr. Di on 23 November 2022. Accordingly, the issued and paid-up capital of the Company has since increased from S\$53.25 million comprising 2,734,280,038 ordinary shares to S\$55.26 million comprising 3,238,030,038 shares as at the date of this announcement.

All new ordinary shares issued to Jiangmenshi and Mr. Di rank *pari passu* in all respects with the then existing shares for any dividends, rights, allotments or other distributions.



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**(E) Notes to the unaudited condensed interim financial statements**

**1 Corporate information (cont'd)**

**1.1 Event During the Financial Period (cont'd)**

**(ii) Loan restructuring with a Principal Lender**

The Group recorded bank borrowings owing to one of the principal lenders for an aggregate amount of S\$17.46 million as at the ascertainment date on 31 March 2021. The bank borrowings were secured by the following:

1. Corporate guarantee given by the Company;
2. Personal guarantee by Mr. Koh Mia Seng, one of the directors of the Company;
3. Mortgage over the leasehold building at No. 3 Jalan Pesawat, Singapore 619361; and
4. Assignment of four keymen life insurance policies.

Pursuant to the Schemes, the secured claim for an aggregate amount of S\$12.18 million have been restructured under a Restructured Facility Agreement with salient terms provided below:

- The Group agrees to repay the Principal Lender of S\$1.20 million upon the execution of the Restructured Facility Agreement (the “**Upfront Sum**”). The Group has repaid the Upfront Sum on 25 August 2022.
- The Group will repay the balance of S\$6.80 million (“**Balance Sum**”) together with the applicable interest (as set out below) by way of 59 equal monthly principal payments at S\$0.11 million per month.
- Interest will be charged on the Balance Sum at the prevailing Singapore Dollars 3-month SORA (Singapore Overnight Rate Average) plus 2% per annum. Default interest shall be payable at the rate of 3.5% per annum above the aforementioned prescribed interest rate (both before and after judgement) on all sums payable and not paid when due or upon demand, as the case may be.
- The principal lender shall be entitled to retain the entire proceeds of four keyman insurance policies and shall have the absolute discretion to either terminate or continue to maintain the policies.

The provisional sum of unsecured claims for an aggregate amount of S\$5.28 million which has been concluded and finalised shall include the bank balances or overdrafts with the principal lender in October 2022.

**(iii) Redemption of outstanding amount with CIMB Bank Berhad, Singapore Branch**

The Group had on 31 October 2022 fully redeemed the outstanding amount under revolving credit facility amounting to S\$0.44 million comprising of interest charges and miscellaneous charges of approximately S\$15,000. As at the date of this announcement, the mortgage pledged over a freehold land and building of a subsidiary has been discharged.

**SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

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**(E) Notes to the unaudited condensed interim financial statements**

**2 Basis of Preparation**

The unaudited condensed interim financial statements for the second quarter and six months ended 31 March 2023 and its comparatives for the second quarter (“**2Q2022**”) and six months ended 31 March 2022 (“**1H2022**”) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the unaudited annual financial statements for FY2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

Please refer to outstanding audit matters arising from latest audited financial statements discussed under Section F, Note 1.1(a).

**2.1 New and amended standards adopted by the Group**

The following standards have been issued and are relevant to the Group and the Company, but not yet effective:

		Effective for annual financial periods beginning on or after
SFRS(I) 10 and SFRS(I) 1-28	<i>Amendments to SFRS(I) 10 and SFRS(I) 1-28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture</i>	Deferred indefinitely, early application is still permitted
Amendments to SFRS(I) 16	<i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-1	<i>Non-current Liabilities with Covenants</i>	1 January 2024

The adoption of the abovementioned standards is not expected to have any material impact on the financial statements of the Group and the Company in the period of initial application.

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### (E) Notes to the unaudited condensed interim financial statements (cont'd)

#### 2 Basis of Preparation (cont'd)

##### 2.2 Use estimates and assumptions

The preparation of the unaudited condensed interim financial statements for 1H2023 and 1H2022 in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated unaudited financial statements as at and for FY2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Calculation of expected credit loss allowance;
- Allowance for inventories;
- Impairment in value of investment in subsidiaries;
- Depreciation of property, plant and equipment;
- Fair value measurements and valuation processes; and
- Impairment of plant and equipment and right-of-use ("ROU") assets

#### 3 Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES

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### (E) Notes to the unaudited condensed interim financial statements (cont'd)

#### 4 Segment and Revenue Information

For the purpose of resource allocation and assessment of segment performance, the Group's Chief Executive Officer ("CEO") who is the chief operating decision maker have focused on the business operating units which in turn, are segregated based on the types of goods supplied and services provided.

The Metal Components segment, ED Coating segment and Commodities segment offer different products and services, they are, hence, managed separately as they require different technology and marketing strategies. For each of the segments, the CEO reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- (a) Metal Components – includes manufacturing and sales of perforated materials, speaker nets, tool, die and other metal components;
- (b) ED Coating – includes ED coating services and secondary process; and
- (c) Commodities – trading of e-waste raw materials, commodities, which include copper, stainless steel, and other special alloys.

There are varying levels of integration between the Metal Components and ED Coating reportable segments. This integration includes ED Coating services for metal component, shared customers, sale of equipment and provision of maintenance services and rental of industrial properties. Inter-segment pricing is determined on an arm's length basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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(E) Notes to the unaudited condensed interim financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

The following is an analysis of the Group's revenue and results by reportable segment:

4.1 Reportable Segments

	Group			
	Revenue		Segments results	
	2Q2023	2Q2022	2Q2023	2Q2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
Metal Components	624	1,020	38	278
ED Coating	3,725	3,950	881	1,112
Commodities	9,319	3,273	2,939	811
Inter-Segment Elimination	(234)	(398)	(1)	(2)
	<b>13,434</b>	<b>7,845</b>	<b>3,857</b>	<b>2,199</b>
<b>Unallocated items:</b>				
Other operating income			77	(52)
Other operating expenses			(77)	55
Administrative expenses			(569)	(167)
Finance cost			(2)	(4)
Profit before income tax			3,286	2,031
Income tax expense			(232)	(211)
<b>Profit after income tax</b>			<b>3,054</b>	<b>1,820</b>

	Group			
	Revenue		Segments results	
	1H2023	1H2022	1H2023	1H2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
Metal Components	1,327	1,868	62	115
ED Coating	7,538	7,948	1,741	2,318
Commodities	34,511	3,905	15,148	(776)
Inter-Segment Elimination	(475)	(641)	(7)	-
	<b>42,901</b>	<b>13,080</b>	<b>16,944</b>	<b>1,657</b>
<b>Unallocated items:</b>				
Other operating income			133	129
Other operating expenses			(83)	(79)
Administrative expenses			(1,160)	(555)
Finance cost			2	(13)
Profit before income tax			15,836	1,139
Income tax expense			(426)	(422)
<b>Profit after income tax</b>			<b>15,410</b>	<b>717</b>

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(E) Notes to the unaudited condensed interim financial statements and full year financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

4.1 Reportable Segments (cont'd)

	Group	
	As at 31.03.2023 (unaudited) S\$'000	As at 31.03.2022 (unaudited) S\$'000
<b>Segment assets</b>		
Metal Components	6,422	6,227
ED Coating	22,325	18,999
Commodities	40,180	25,525
Total segment assets	68,927	50,751
Unallocated assets <sup>#</sup>	4,007	553
<b>Consolidated total assets</b>	<b>72,934</b>	<b>51,304</b>
<b>Segment liabilities</b>		
Metal Components	1,147	1,154
ED Coating	3,333	2,656
Commodities	17,058	43,049
Total segment liabilities	21,538	46,859
Unallocated liabilities <sup>^</sup>	2,285	5,956
<b>Consolidated total liabilities</b>	<b>23,823</b>	<b>52,815</b>

<sup>#</sup> Unallocated assets are mainly related to a portion of the cash and cash equivalents and property, plant and equipment which are utilised by more than one segment of the Group.

<sup>^</sup> Unallocated liabilities are mainly related to the Group's loans and borrowings from external parties which are utilised by more than one segment of the Group, as well as tax payable and trade and other creditors accounted by the Company which are not allocated to any segment of the Group.

**SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**(Company Registration No. 200105909M)**

**(E) Notes to the unaudited condensed interim financial statements (cont'd)**

**4 Segment and Revenue Information (cont'd)**

**4.1 Reportable Segments (cont'd)**

	Metal Components S\$'000	ED Coating S\$'000	Commodities S\$'000	Unallocated S\$'000	Total S\$'000
<b>Other segment information:</b>					
<b>Group</b>					
<b><u>2Q2023 (unaudited)</u></b>					
Additions to PPE	-	131	283	-	414
Depreciation of PPE	686	163	(313)	6	542
Depreciation of ROU assets	-	18	108	-	126
Bad debts written off - trade	-	-	-	-	-
Reversal of loss allowance for receivables	-	-	(10)	-	(10)
Fixed asset written off	-	-	3	-	3
Fair value gain of financial assets at FVTPL	-	-	-	-	-
<b><u>2Q2022 (unaudited)</u></b>					
Additions to PPE	11	29	-	1	41
Depreciation of PPE	14	154	382	4	554
Depreciation of ROU assets	-	-	111	-	111
Bad debts written off - trade	-	-	-	-	-
(Reversal of)/Loss allowance for receivables	(12)	-	24	-	12
Fixed asset written off	-	-	-	-	-
Fair value gain of financial assets at FVTPL	-	-	(17)	-	(17)
<b><u>1H2023 (unaudited)</u></b>					
Additions to PPE	-	346	290	-	636
Depreciation of PPE	699	340	38	16	1,093
Depreciation of ROU assets	-	31	210	-	241
Bad debts written off - trade	-	-	-	-	-
Reversal of loss allowance for receivables	-	(91)	(174)	-	(265)
Fixed asset written off	-	-	3	-	3
Fair value gain of financial assets at FVTPL	-	-	-	-	-
<b><u>1H2022 (unaudited)</u></b>					
Additions to PPE	38	176	-	1	215
Depreciation of PPE	27	317	764	8	1,116
Depreciation of ROU assets	-	-	220	-	220
Bad debts written off - trade	-	-	-	-	-
(Reversal of)/Loss allowance for receivables	(12)	-	24	-	12
Fixed asset written off	-	-	-	-	-
Fair value gain of financial assets at FVTPL	-	-	(52)	-	(52)

SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 200105909M)

(E) Notes to the unaudited condensed interim financial statements and full year financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

4.2 Disaggregation of Revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

Group	Metal	ED Coating	Commodities	Total
	Components			
	S\$'000	S\$'000	S\$'000	S\$'000
<b>2Q2023 (unaudited)</b>				
<b>Primary geographical markets</b>				
Singapore	244	4	9,319	9,567
Malaysia	273	2,675	-	2,948
People's Republic of China	1	-	-	1
Indonesia	-	813	-	813
Philippines	-	-	-	-
Others	105	-	-	105
	<b>623</b>	<b>3,492</b>	<b>9,319</b>	<b>13,434</b>
<b>Major products/service line</b>				
Sale of goods	623	-	9,319	9,942
Revenue from the provision of electro-deposition coating services	-	3,492	-	3,492
	<b>623</b>	<b>3,492</b>	<b>9,319</b>	<b>13,434</b>
<b>Timing of revenue recognition</b>				
At a point in time	<b>623</b>	<b>3,492</b>	<b>9,319</b>	<b>13,434</b>
<b>2Q2022 (unaudited)</b>				
<b>Primary geographical markets</b>				
Singapore	-	-	3,275	3,275
Malaysia	1,020	2,868	-	3,888
People's Republic of China	-	-	-	-
Indonesia	-	685	-	685
Philippines	-	-	(3) <sup>^</sup>	(3)
Others	-	-	-	-
	<b>1,020</b>	<b>3,553</b>	<b>3,272</b>	<b>7,845</b>
<b>Major products/ service line</b>				
Sale of goods	1,020	-	3,272	4,292
Revenue from the provision of electro-deposition coating services	-	3,553	-	3,553
	<b>1,020</b>	<b>3,553</b>	<b>3,272</b>	<b>7,845</b>
<b>Timing of revenue recognition</b>				
At a point in time	<b>1,020</b>	<b>3,553</b>	<b>3,272</b>	<b>7,845</b>

<sup>^</sup> credit notes issued in relation to final settlement adjustment.



SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 200105909M)

(E) Notes to the unaudited condensed interim financial statements and full year financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

4.2 Disaggregation of Revenue (cont'd)

Group	Metal	ED Coating	Commodities	Total
	Components			
	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H2023 (unaudited)</b>				
<b>Primary geographical markets</b>				
Singapore	584	8	34,511	35,103
Malaysia	533	5,437	-	5,970
People's Republic of China	1	-	-	1
Indonesia	-	1,625	-	1,625
Philippines	-	-	-	-
Others	202	-	-	202
	<b>1,320</b>	<b>7,070</b>	<b>34,511</b>	<b>42,901</b>
<b>Major products/service line</b>				
Sale of goods				
Revenue from the provision of electro-deposition coating services	1,320	-	34,511	35,831
	-	7,070	-	7,070
	<b>1,320</b>	<b>7,070</b>	<b>34,511</b>	<b>42,901</b>
<b>Timing of revenue recognition</b>				
At a point in time	<b>1,320</b>	<b>7,070</b>	<b>34,511</b>	<b>42,901</b>
<b>1H2022 (unaudited)</b>				
<b>Primary geographical markets</b>				
Singapore	-	-	3,908	3,908
Malaysia	1,868	5,893	-	7,761
People's Republic of China	-	-	-	-
Indonesia	-	1,414	-	1,414
Philippines	-	-	(3) <sup>^</sup>	(3)
Others	-	-	-	-
	<b>1,868</b>	<b>7,307</b>	<b>3,905</b>	<b>13,080</b>
<b>Major products/service line</b>				
Sale of goods				
Revenue from the provision of electro-deposition coating services	1,868	-	3,905	5,773
	-	7,307	-	7,307
	<b>1,868</b>	<b>7,307</b>	<b>3,905</b>	<b>13,080</b>
<b>Timing of revenue recognition</b>				
At a point in time	<b>1,868</b>	<b>7,307</b>	<b>3,905</b>	<b>13,080</b>

<sup>^</sup> credit notes issued in relation to final settlement adjustment.

**SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**(Company Registration No. 200105909M)**

**(E) Notes to the unaudited condensed interim financial statements (cont'd)**

**5 Financial Assets and Financial Liabilities**

**Fair value measurement**

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts and fair values of financial assets and financial liabilities of the Group as at 30 September 2022 and 31 March 2023, including their levels in the fair value hierarchy are as follows:

Group	Carrying amount		
	Amortised cost	Other financial liabilities not measured at fair value	Total
	S\$'000	S\$'000	S\$'000
<b><u>31.3.2023 (unaudited)</u></b>			
Trade and other receivables	4,283	-	4,283
Cash and cash equivalents	21,339	-	21,339
	<b>25,622</b>	<b>-</b>	<b>25,622</b>
Loan and borrowings	-	8,670	8,670
Leases liabilities	-	2,173	2,173
Trade and other payables	-	9,713	9,713
Financial guarantee liabilities	-	1,077	1,077
	<b>-</b>	<b>21,633</b>	<b>21,633</b>
<b><u>30.09.2022 (unaudited)</u></b>			
Trade and other receivables	5,133	-	5,133
Cash and cash equivalents	11,299	-	11,299
	<b>16,432</b>	<b>-</b>	<b>16,432</b>
Loan and borrowings	-	9,837	9,837
Leases liabilities	-	2,179	2,179
Trade and other payables	-	10,483	10,483
Financial guarantee liabilities	-	1,077	1,077
	<b>-</b>	<b>23,576</b>	<b>23,576</b>

SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 200105909M)

(E) Notes to the unaudited condensed interim financial statements (cont'd)

5 Financial Assets and Financial Liabilities (cont'd)

	Carrying amount		
	Amortised cost	Other financial liabilities not measured at fair	
		value	Total
	S\$'000	S\$'000	S\$'000
<b>Company</b>			
<b>31.3.2023 (unaudited)</b>			
Trade and other receivables	2,779	-	2,779
Cash and cash equivalents	2,754	-	2,754
	<b>5,533</b>	-	<b>5,533</b>
Loans and borrowings	-	-	-
Trade and other payables	-	5,605	5,605
Financial guarantee liabilities	-	1,077	1,077
	-	<b>6,682</b>	<b>6,682</b>
<b>30.09.2022 (unaudited)</b>			
Trade and other receivables	4,002	-	4,002
Cash and cash equivalents	827	-	827
	<b>4,829</b>	-	<b>4,829</b>
Loans and borrowings	-	426	426
Trade and other payables	-	5,539	5,539
Financial guarantee liabilities	-	1,077	1,077
	-	<b>7,042</b>	<b>7,042</b>

SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES  
(Company Registration No. 200105909M)

(E) Notes to the unaudited condensed interim financial statements (cont'd)

6 Profit/(Loss) Before Income Tax

6.1 Significant Items

	Group					
	2Q2023	2Q2022	Change	1H2023	1H2022	Change
	(unaudited)	(unaudited)		(unaudited)	(unaudited)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Bad debts written off	3	-	n.m.	3	-	n.m.
Loss allowance/ (Reversal of) for trade receivables	10	12	(17)	(265)	12	n.m.
Depreciation of:						
- PPE <sup>(1)</sup>	543	554	(2)	1,093	1,116	(2)
- ROU assets <sup>(1)</sup>	126	111	14	241	220	10
Employee benefits expense	1,975	2,034	(3)	4,358	4,251	3
Raw materials, changes in finished						
goods and work-in-progress recognised as cost of sales	8,514	4,176	>100	22,529	8,286	>100
Increase in fair value of financial assets at FVTPL	-	(17)	n.m.	-	(52)	n.m.
(Reversal)/Impairment loss on inventories	(25)	(2)	>100	(110)	61	n.m.
Gain on disposal of plant and equipment	(16)	-	n.m.	(16)	-	n.m.
Net foreign exchange loss/ (gain)	80	(211)	n.m.	1,375	(79)	n.m.
Interest expenses	107	414	(74)	171	836	(80)
Interest income	(56)	(9)	>100	(77)	(19)	n.m.

<sup>(1)</sup>Included in cost of sales and administrative expenses.

**SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**(Company Registration No. 200105909M)**

**(E) Notes to the unaudited condensed interim financial statements (cont'd)**

**7 Income Tax Expense**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the unaudited condensed interim consolidated statement of profit or loss are:

	Group			
	2Q2023 (unaudited)	2Q2023 (unaudited)	1H2023 (unaudited)	1H2022 (unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
Tax expense on operations	232	211	426	422

**8 Property, Plant and Equipment**

**8.1 Valuation of Freehold Land and Building ("Property Assets")**

The management undertook annual review of the carrying amounts of Property Assets under property, plant and equipment for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken by the Group.

The fair value of the Group's Property Assets is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the comparison method and the depreciated replacement cost method of valuation to determine the fair value of the properties.

During the financial period under review, the Group reviewed the fair value of the Group's Property Assets for financial reporting purposes based on valuation report as at 30 September 2022. Accordingly, the management has assessed that the recoverable amount of the Group's Property Assets is above its carrying value and concluded that the Group's Property Assets are not impaired.

**SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**(Company Registration No. 200105909M)**

**(E) Notes to the unaudited condensed interim financial statements (cont'd)**

**9 Share Capital**

	<b>Group and Company</b>			
	<b>As at 31.03.2023</b>		<b>As at 30.09.2022</b>	
	<b>(unaudited)</b>		<b>(unaudited)</b>	
	<b>No. of shares</b>	<b>S\$'000</b>	<b>No. of shares</b>	<b>S\$'000</b>
At the beginning of the financial period	2,734,280,038	53,246	984,280,038	46,246
Issuance of new shares	503,750,000	2,015	1,750,000,000	7,000
At the end of the financial period	<u>3,238,030,038</u>	<u>55,261</u>	<u>2,734,280,038</u>	<u>53,246</u>

On 23 November 2023, an aggregate of 503,750,000 placement shares were allotted and issued to the subscribers, Jiangmenshi and Mr. Di at an issue price of S\$0.004 for each placement share, in accordance with the terms of the Subscription Agreement. Please refer to Section E, Note 1.1(i) for more details.

The Company did not hold any treasury shares as at 31 March 2023 and 30 September 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2023 and 30 September 2022.

The Company did not have any outstanding options and convertible securities as at 31 March 2023 and 30 September 2022.

**10 Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2023</b>	<b>30.09.2022</b>	<b>31.03.2023</b>	<b>30.09.2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Secured</b>				
Loan	6,516	7,683	-	426
Trade bills	2,154	2,154	-	-
	<u>8,670</u>	<u>9,837</u>	<u>-</u>	<u>426</u>
Classified as:				
- Current	3,587	4,038	-	426
- Non-current	5,083	5,799	-	-
	<u>8,670</u>	<u>9,837</u>	<u>-</u>	<u>426</u>

**Details of any collateral**

The Group's restructured term loan as at reporting date are secured by:

- (i) legal mortgage over a leasehold property; and
- (ii) corporate guarantee given by the Company.

Please refer to Section E, Note 1.1(ii) for the developments subsequent to prior year ended 30 September 2022.

**11 Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

## SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES

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### (F) Other information required pursuant to Appendix 7C of the Catalyst Rules

#### OTHER INFORMATION

##### 1 Review

The unaudited condensed interim consolidated statement of financial position of Sen Yue Holdings Limited and its subsidiaries as at 31 March 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period then ended 31 March 2023 and the explanatory notes have not been audited or reviewed.

At the FY2021 AGM held on 13 January 2023, the past auditor of the Company, Crowe Horwath First Trust LLP (“**Crowe**”) did not seek re-appointment as auditor. As at the date of this announcement, the Group is in the progress of formalising the appointment of the new auditor, subject to approval of the Company’s shareholders at an extraordinary general meeting to be convened. Correspondingly, the prior year comparatives as at 30 September 2022 have not been audited. The Company will make the necessary announcement if there are any material variances between the audited and unaudited financial statements following the completion of the statutory audit of the Group’s financial statements for the full year ended 30 September 2022.

##### 1.1 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

- (a) Crowe has issued a disclaimer of opinion on the consolidated financial statements of the Group for the financial year ended 30 September 2021. The basis for the disclaimer of opinion was in relation to the following:

- (i) *Opening balances – Sales/purchase transactions with certain customers/ suppliers*
- (ii) *Revenue and cost of sales*

The disclaimers of opinion were relating to legacy issues carried forward.

During the financial year ended 30 September 2020, the Company has engaged Foo Kon Tan Advisory Services Pte Ltd (“**FKT**”) to conduct an independent review in relation to the concerns raised in respect of potential relationships that the former Executive Chairman of the Company, Mr. Koh Mia Seng (“**Mr. Koh**”), may have interested party transaction with the Group. FKT disclosed in its report the high risk that some transactions between SMCI, a wholly-owned subsidiary of the Company, and the seven identified companies (“**Identified Entities**”) were interested person transactions and were not conducted on an arms’ length basis and/or may not be bona fide.

The Company has since ceased dealing with the Identified Entities and has discontinued the non-ferrous metal trading business.

**SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**(Company Registration No. 200105909M)**

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**(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)**

**1 Review (cont'd)**

**1.1 (a) Updates on the efforts taken to resolve each outstanding audit issue (cont'd)**

**(iii) Ongoing investigation**

In view of FKT's recommendation and as disclosed in the Company's announcement on 27 January 2021, the Company filed a report with the Commercial Affairs Department ("CAD") in relation to the matters highlighted by FKT. As at the date of this announcement, the investigation of CAD is still in progress. For more information, please refer to the Company's announcement dated 27 January 2021.

**(iv) Joint venture ("JV") arrangement**

SMCI has engaged a legal advisor to advise the Board on the above matter and will update shareholders on the same in due course. Electroloy, being one of the parties to the tripartite JV agreement, has become the major corporate shareholder of the Group following the completion of the subscription agreement. Consequently, re-negotiation of the terms to the JV agreement between SMCI and Electroloy may subject to shareholders' approval via general meeting.

As at the date of this announcement, the construction of the smelting facility has been suspended since FY2021.

**(v) Existence, valuation and completeness of inventories**

The disclaimer of opinion was in relation to inventories reported by SMCI.

Crowe was appointed as statutory auditors via the extraordinary general meeting held on 21 July 2022. Despite that Crowe attended the full inventories count exercise of SMCI on 3 October 2022, it was impractical for the management to perform alternative procedures to validate the inventory quantities as at 30 September 2021 due to constraint caused by substantial time lapse from the balance sheet date to the date of the date of physical inventories count. Moreover, Crowe was not granted access to the audit working papers of the predecessor auditor.

Cost of finished goods and work-in-progress goods includes an appropriate share of production overheads and labour cost based on normal operation capacity. As disclosed in Note 12 to the financial statement of Annual Report 2021, the carrying amount of the finished goods balance was S\$12,000 and hence, the cost of conversion of finished goods was believed to be immaterial and hence was not included in the cost of finished goods.

Allowance for inventories obsolescence amounting to S\$1.73 million were reversed after the management's review of sales transactions during the financial year under audit and concluded that they had been either over-provided or realised during the financial year ended 30 September 2021. The management has also assessed and concluded that the provision for inventory obsolescence was not necessary based on the review of sales transactions subsequent to the financial year where the inventories were sold above their carrying amounts. The management will assess the valuation of the inventories in accordance with SFRS(I) 1-2 *Inventories* on an ongoing basis and will make necessary provision, if necessary.



**SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

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**(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)**

**1 Review (cont'd)**

**1.1 (a) Updates on the efforts taken to resolve each outstanding audit issue (cont'd)**

**(vi) Valuation and impairment assessment of non-financial assets**

**(a) Valuation of leasehold factory building (“Leasehold Factory”)**

The disclaimer of opinion was in relation to Leasehold Factory held by SMCI at 3 Jalan Pesawat Singapore 619361.

Management has engaged an independent valuer to determine the fair value of the Leasehold Factory which is required to be revalued based on the Group’s accounting policy. As at 30 September 2021, the balance tenure of the Leasehold Factory was 6.25 years and it was further understood that the lease extension after the expiry of the existing term is highly unlikely as Jurong Town Corporation may have redevelopment plans for the vicinity. Due to the nature of the lease and relatively shorter balance tenure lease, the management has reviewed the valuation model and concurred that basis and assumptions used by the certified valuer are appropriate.

**(b) Impairment assessment of PPE and ROU assets**

An asset is impaired when its carrying amount exceeds its recoverable amount. The management assessed the indication of impairment in accordance with para 12 – 14 of SFRS(I)1-36 *Impairment of Assets* and concluded that the carrying amount of the PPE and ROU recorded by SMCI were lower than its recoverable amount. Hence, no further impairment losses were provided for PPE and ROU.

The management must act prudently in respect of any reversal of impairment losses for PPE and ROU. As disclosed in Note 5 to the financial statement of Annual Report 2021, there was lack of strong indicators suggesting the impairment loss already provided in the book may have partly or fully reversed or to determine an appropriate amount of reversal to be recognised in the profit and loss.

As evident in this announcement, SMCI has turned around to get back into the black with good amount of waste supplies to be processed, while making good progress to normalcy. Accordingly, the management has revised its estimates used in the discounted future cashflow and determined that the recoverable amount of plant and equipment and ROU assets through value in use is higher than its carrying amount had no impairment loss been recognised in prior periods. As at 30 September 2022, a reversal of impairment loss of S\$0.32 million and S\$0.66 million was made for in respect of the Group’s plant and equipment and ROU assets respectively in FY2022.

**SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES**

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**(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)**

**1 Review (cont'd)**

**1.1 (a) Updates on the efforts taken to resolve each outstanding audit issue (cont'd)**

**(c) Impairment assessment of investment in subsidiaries**

Management incurred additional impairment losses for cost of investment in dormant subsidiaries which are not cash-generating units and some with negative net tangible assets (“NTA”) in FY2021. Accordingly, management believed that the recoverable amount of the respective investment in subsidiaries was close to the NTA reported by the respective subsidiaries. Hence, the management assessed that it was appropriate to determine impairment losses with respect to cost of investment based on net assets approach.

In tandem with the increase in valuation of a leasehold property held by a dormant subsidiary, the recoverable amount of the investment in the subsidiary has increased correspondingly. The management has determined that the recoverable amount of the investments subsidiaries is higher than its carrying amount and hence, recorded a reversal of an impairment of S\$0.58 million in FY2022.

**(vi) Going concern assumption**

The Group reported net profit of S\$15.41 million for 1H2023 (1H2022: S\$0.72million). In tandem with the profits reported by the Group, the Group recorded positive working capital of S\$32.56 million and net assets of S\$49.11 million.

As of the date of this announcement, the Group has utilised the proceeds from the placement exercise with Proposed Subscriptions, as well as its internally generated funds to fulfill its obligation to repay 50% of its debts pursuant to the Schemes.

As at the date of this announcement, the use of the proceeds from issuance of ordinary shares is presented in below table:

Use of proceeds	Allocation of the	Amount utilised as	Balance
	Subscription	at the date of the	
	Proceeds	date of this	
	S\$'000	announcement	S\$'000
Repayment of debts pursuant to	6,993	5,640	1,353
Working capital purpose <sup>(a)</sup>	2,022	2,022	-
<b>Total</b>	<b>9,015</b>	<b>7,662</b>	<b>1,353</b>

*Note (a): Purchase of raw materials of S\$0.66 million and payment of professional fee of S\$1.36 million.*

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**(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)**

**1 Review (cont'd)**

**1.1 (a) Updates on the efforts taken to resolve each outstanding audit issue (cont'd)**

**(vii) Going concern assumption (cont'd)**

In light of the abovementioned developments, the Board believes that the use of the going concern assumption in the preparation for financial statements for 1H2023 is appropriate on the following grounds:

1. the Group reported a commendable profit before tax of approximately S\$15.84 million ;
  2. the Group reported positive working capital of S\$32.56 million as at 31 March 2023;
  3. the Company and SMCI had completed the repayment of first tranche of the Schemes and is making substantial progress into completion of the remaining tranche of the Schemes which came into effect on 2 August 2022;
  4. the Group has raised capital for an aggregate cash consideration of S\$9.02 million by November 2022 following the completion of Subscription Agreement;
  5. the Group recorded strong and healthy cash position of S\$21.34 million as at 31 March 2023 arising from a net positive operating cashflow of S\$9.86 million; and
  6. as at the date of this announcement, no material factors or circumstances exist which indicate the Group is unable to preserve and maintain its revenue streams from its business operations over the next 12 months.
- (b) The Board refers to the outstanding audit issues in relation to JV arrangement. Due to inconsistent understanding of the JV arrangement amongst the parties and different interpretation to the terms of the JV agreement, the Company is unable to determine an appropriate accounting treatment to account for the transactions in relation to the JV arrangement. Consequently, the Company and the Board are unable to determine whether adjustments to the accompanying financial statements might be necessary in respect of this matter. In light of the foregoing, the Board is unable to determine whether the financial statements of the Group were fairly presented.

Save as disclosed, the Board confirm that, to the best of their knowledge, the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

SEN YUE HOLDINGS LIMITED AND ITS SUBSIDIARIES

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(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

2 Review of performance of the Group

2(a) Income Statement

(i) Revenue, cost of sales and gross profit

2Q2023 vs 2Q2022

	Revenue		
	2Q2023	2Q2022	Change
	(unaudited)	(unaudited)	
S\$'000	S\$'000	%	
Metal Components	624	1,020	(39)
ED Coating	3,725	3,950	(6)
Commodities	9,319	3,273	>100
Inter-Segment Elimination	(234)	(398)	(41)
	<b>13,434</b>	<b>7,845</b>	<b>71</b>

1H2023 vs 1H2022

	Revenue		
	1H2023	2H2022	Change
	(unaudited)	(unaudited)	
S\$'000	S\$'000	%	
Metal Components	1,327	1,868	(29)
ED Coating	7,538	7,948	(5)
Commodities	34,511	3,905	>100
Inter-Segment Elimination	(475)	(641)	(26)
	<b>42,901</b>	<b>13,080</b>	<b>&gt;100</b>

In 2Q2023, the Group saw a substantial rise in revenue of S\$5.59 million or 71% from S\$7.85 million in 2Q2022 to S\$13.43 million in 2Q2023. The primary factor behind this growth was the rise in revenue of S\$6.05 million from the Commodities segment. This growth was made possible by the successful transition of the business into lithium battery recycling industry following the lifting of judicial management order placed on the Company and SMCI in August 2022. Accordingly, the Group's revenue increased by S\$29.82 million or 228%, from S\$13.08 million in 1H2022 to S\$42.90 million in 1H2023.

In tandem with the increase in revenue, cost of sales increased by S\$4.32 million from S\$4.20 million in 2Q2022 to S\$8.51 million in 2Q2023. The Group reported an increase in cost of sales by S\$14.24 million in 1H2023 from S\$8.29 million in 1H2022 to S\$22.53 million in 1H2023.

Affected by the decrease in Cobalt price, the Group saw a decrease in its gross profit margin by 10.0 percentage point from 46.6% in 2Q2022 to 36.6% in 2Q2023. In 2Q2022, Cobalt was traded at the price ranging from US\$69,856 to US\$82,158 per tonne, whereas in 2Q2023, the trading price was in the lower range of between US\$34,028 and US\$51,942 per tonne<sup>1</sup>. The Group's gross profit margin improved from 36.7% in 1H2022 to 47.5% in 1H2023, an increase of 10.8 percentage points mainly due to normalisation of business activity in Commodities segment in 1H2023.

Please refer to Section E, Note 4.1 of this announcement for further details.

<sup>1</sup> <https://tradingeconomics.com/commodity/cobalt>

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**(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)**

**2 Review of performance of the Group (cont'd)**

**2(a) Income Statement (cont'd)**

**(i) Other operating income**

**2Q2023 vs 2Q2022**

The Group's other operating income increased from S\$0.12 million in 2Q2022 to S\$0.16 million in 2Q2023. The increase was mainly attributed to: (i) increase in interest income of S\$47,000 resulting from an increase in fixed deposit interest rate; and (ii) a gain of S\$73,000 on lease modification of lease liability. The increase was partially offset by a decrease of S\$17,000 in fair valuation gain from financial assets. The financial assets refer to the four keymen insurance policies that were assigned to the Group's principal lender in October 2022, as mentioned in Section E, Note 1.1(ii).

**1H2023 vs 1H2022**

The Group's other operating income increased significantly from S\$0.14 million in 1H2022 to S\$0.49 million in 1H2023, mainly due to (i) a reversal of impairment loss recognised on trade receivables of S\$0.27 million which was a result of an overall decrease in overdue account receivables; (ii) increase in interest income of S\$58,000 due to an increase in fixed deposit interest rate; and (iii) a gain on lease modification of S\$73,000 arising from adjustment in monthly lease expense, partially offset by a decrease in fair valuation gain from financial assets of S\$52,000.

**(ii) Other operating expenses**

Other operating expenses increased by S\$1.30 million from S\$0.12 million in 1H2022 to S\$1.38 million in 1H2023, mainly due to an increase in unrealised foreign exchange losses of S\$1.38 million. The increase was a result of the weakening of the United State Dollar ("USD") against Singapore Dollar ("SGD") in 1H2023, where US\$1 was equivalent to approximately S\$1.327 as at 31 March 2023, compared to FY2022 where US\$1 was equivalent to approximately S\$1.434 as at 30 September 2022.

**(iii) Finance expenses**

In tandem with lower borrowing, finance expenses decreased by S\$0.31 million or 74% from S\$0.41 million in 2Q2022 to S\$0.11 million in 2Q2023. Accordingly, the Group saw a decrease in finance expenses of S\$0.67 million or 80% from S\$0.84 million in 1H2022 to S\$0.17 million in 1H2023.

Included in finance expenses reported in 1H2022 were interest expenses accrued on defaulted loans. No such expense was recorded in 1H2023.

**(iv) Distribution expenses**

In tandem with the increase in revenue from the Commodities segment, distribution expenses increased by S\$0.016 million from S\$0.12 million 1H2022 to S\$0.28 million in 1H2023.

The increase in distribution expenses in 2Q2023 as compared to 2Q2022 was not material.

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**(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)**

**2 Review of performance of the Group (cont'd)**

**2(a) Income Statement (cont'd)**

**(v) Administrative expenses**

The Group's administrative expenses increased by S\$0.27 million or 21% from S\$1.25 million in 2Q2022 to S\$1.52 million in 2Q2023, mainly due to general increase in other administrative expenses including workers' salaries as Commodities segment's business operations are normalised. Accordingly, the Group reported an increase in administrative expenses of S\$0.45 million or 16% from S\$2.75 million in 1H2022 to S\$3.20 million in 1H2023.

**(vi) Profit/ (loss) for the three months and half year**

As a result of the aforementioned, the Group reported net profit of S\$3.05 million for 2Q2023 (2Q2022: S\$1.82 million) and net profit of S\$15.41 million in 1H2023 (1H2022: S\$0.72 million).

**2(b) Statement of financial position**

As at 31 March 2023, the Group recorded positive working capital of S\$32.56 million (30 September 2022: S\$15.70 million) and basic net asset value per share of 1.52 Singapore cents (30 September 2022: 1.18 Singapore cents).

**(i) Current assets**

Current assets increased by S\$15.78 million or 50%, from S\$31.70 million as at 30 September 2022 to S\$47.50 million as at 31 March 2023, mainly due to increase in inventories and cash and bank balances, offset by decrease in trade and other receivables.

Trade and other receivables decreased by S\$4.13 million or 32% from S\$12.73 million as at 30 September 2022 to S\$8.60 million as at 31 March 2023, mainly due to the decrease in prepayment for waste supplies of S\$3.90 million under the tripartite agreement following the receipts of waste supplies in 1H2023, offset by the increase in tax recoverable of S\$0.52 million. The Group recorded a decrease in trade receivables of S\$1.34 million mainly due to the collection received during 1H2023.

Inventories increased by S\$9.89 million or 129%, from S\$7.67 million as at 30 September 2022 to S\$17.56 million as at 31 March 2023, mainly due to increase in e-waste raw materials purchased under the tripartite agreement of S\$5.42 million and increase in e-waste finished goods of S\$4.36 million in 1H2023.

Cash and bank balances increased from S\$11.30 million as at 30 September 2022 to S\$21.34 million as at 31 March 2023. Please refer to Section F, Note 2(c) below on statement of cash flows for explanations on the increase in cash and cash equivalents of the Group.

**(ii) Non-current assets, current liabilities and non-current liabilities**

Intangible assets of S\$50,00 reported by the Group as at 31 March 2023 referred to new purchase of inventories management software and is currently under construction stage. The Group saw a decrease in trade payables and loans in general as a result of repayment. Saved as disclosed, there were no other significant changes noted for non-current assets, current liabilities and non-current liabilities between 31 March 2023 and 30 September 2022 reported thereon.

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**(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)**

**2(c) Statement of cash flows**

Net cash from operating activities in 1H2023 was S\$9.86million. This was mainly due to (i) decrease in trade and other receivables of S\$4.67 million; (ii) profit before changes in working capital of S\$16.62 million; offset by (iii) increase in inventories of S\$9.78 million, and (iv) decrease in trade and other payables of S\$0.94 million.

Net cash used in investing activities in 1H2023 was S\$0.58 million, mainly due to the purchase of plant and equipment of S\$0.64 million, downpayment paid for intangible asset of S\$50,000, partially offset by interest income of S\$77,000.

Net cash from financing activities in 1H2023 was S\$0.59 million, mainly due to (i) repayment of lease liabilities of S\$0.25 million; (ii) repayment of bank loans of S\$1.17 million, partially offset by (iii) proceeds from issuances of shares of S\$2.02 million.

As a result, the Group generated cash and cash equivalents of S\$9.87 million in 1H2023. The cash and cash equivalents as at 31 March 2023 amounted to S\$21.30 million.

**3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect has been previously disclosed to shareholders.

**4 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Company has stated in its announcements on 23 February and 18 April 2023, that it is aware of the volatility prevailing in the commodities market and anticipates it to persist in the near term. With weakening demand for cobalt and an oversupply situation that are putting downward pressure on its prices, the Group expects a softening of profit margins in the Commodities segment over the next 12 months.

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**(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)**

**5 Dividend information**

**5a. Current Financial Period Reported on**

**Any dividend recommended/declared for the current financial period reported on?**

No.

**If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.**

No dividend had been declared or recommended for 1H2023 as it is crucial for the Company to preserve cash to fulfil its obligation under the Schemes.

**5b. Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?**

None.

**5c. Date Payable**

Not applicable.

**5d. Books Closure Date**

Not applicable.

**5e. A breakdown of total annual dividend for the latest full year and the previous full year.**

Not applicable.

**6 Interested person transactions ("IPTs")**

The Group has not obtained a general mandate from shareholders for interested person transaction.

There were no interested person transactions conducted under the IPT Mandate pursuant to Rule 920 that were more than S\$100,000 in 2Q2023.

**7 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

The Company confirms that it has procured all the required undertakings under Rule 720(1) of the Catalist Rules from all the Directors and Executive Officers of the Company in the format set out in Appendix 7H of the Catalist Rules.



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**(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)**

**8 Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules**

The Board of Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the financial statements of the Group for the three and six-month period ended 31 March 2023 to be false or misleading in any material aspect.

**9 Disclosure pursuant to Rule 706A of the Catalist Rules**

The Company did not acquire or dispose shares in an entity which will result in that entity in becoming or ceasing to be, a subsidiary or associated company of the Company, or result in a change in the Company's shareholding percentage in a subsidiary or associated company during 2Q2023.

**ORDER OF THE BOARD**

**SEN YUE HOLDINGS LIMITED**

Yap Meng Sing  
Executive Chairman and CEO

Singapore  
5 May 2023