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

APPLICATION FOR FURTHER EXTENSION OF TIME TO THE SGX-ST AND OTHER UPDATES

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*Capitalised terms not defined herein shall have the meanings ascribed to them in the Company's announcements in relation to the Company's Application for Extension of time dated 27 November 2020, 23 December 2020, 29 December 2020, 6 January 2021, 14 January 2021, 1 February 2021 and 19 February 2021, (the "**Announcements**").*

A. APPLICATION FOR FURTHER EXTENSION OF TIME

The Board of Directors (the "**Board**") of Sen Yue Holdings Limited (the "**Company**" and together with its subsidiaries (the "**Group**")) wishes to update that further to the Announcements, the Company has on 28 February 2021 submitted an application to the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") for a further extension of time in respect of Catalist Rule 705(1) based on the approval in principle dated 24 December 2020, to announce the unaudited results for the financial year ended 30 September 2020 ("**FY2020**") from 28 February 2021 to 17 March 2021 ("**Further Extension**").

The reasons for the application of the Further Extension are as follows:

(i) **Company requires more time to prepare the unaudited FY2020 results announcement to avoid any potential material variances between the unaudited and audited results.**

As at the date of the application, the audit of the financial statements for all the Group companies (save for SMC Industrial Pte Ltd ("**SMCI**") and the Company) has been completed.

The Company is required to consolidate the results of SMCI in preparing the FY2020 unaudited results announcement. SMCI has only managed to finalise its management accounts this week after taking into consideration the matters brought up by Deloitte & Touche LLP, the Company's external auditors ("**Auditors**") in relation to additional impairment allowances required for SMCI, which affected the finalisation of the consolidated financial statements of the Group.

In order to allow sufficient time for the Board of Directors of the Company to review the results and the financial position of the Group and to minimise any material variances between the unaudited and audited FY2020 results of the Group, the Company is seeking additional time to carefully review and prepare the unaudited FY2020 results announcement.

(ii) **Time needed to assess whether the Group is able to continue as a going concern.** As disclosed in the Company's past announcements, SMCI and/or the Company have been receiving letters of demands from SMCI's creditors for amounts due and outstanding. One of the key matters requiring greater clarity for the preparation of the Group's FY2020 financial results is whether the Group can continue as a going concern.

In this regard, although the operations of the Group's subsidiaries (other than SMCI) are progressing well, the Group's ability to continue as a going concern is dependent on the support of SMCI's two principal bank lenders which loan facilities are secured, among others, by corporate guarantees issued by the Company.

The Company needed to secure a further extension of time from the two principal bank lenders in its submission of suitable repayment proposals, which had first been made in December 2020 and revised in February 2021 following receipt of further letters of demand from both banks in January 2021. The additional time was required as the financial ability of the Group to make repayments needed to be continually reassessed in light of the demands from SMCI's creditors, the Group's business operations and cashflow, and potential fund-raising options.

On 26 February 2021, DBS Bank Ltd has informed the Company that it is not agreeable to the repayment proposal submitted by the Group.

In light of the foregoing developments, the Auditors and the Board also need more time to review and consider the cashflow forecast prepared by the SMCI management in its going concern assessment.

(iii) **The Board needs more time for review.** The Board needs to consider the going concern assessment, the implication of any significant outstanding matters highlighted by the Auditors on the FY2020 results of the Group and any actions required to be taken following the findings of Foo Kon Tan Advisory Services Pte Ltd announced on 10 February 2021. As such, the Board anticipates that further time will be required in order to provide a fair and balanced view of the Group's FY2020 financial position to shareholders.

B. OTHER UPDATES

(i) The Company had on 30 December 2020 applied to the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") to hold its FY2020 annual general meeting ("**AGM**") by 15 April 2021 and file its annual return by 15 May 2021 under the Companies Act (Cap. 50) of Singapore following the grant of the Waivers by the SGX RegCo (details of which can be found in the announcements dated 27 November 2020, 29 December 2020 and 6 January 2021). The Company wishes to inform shareholders pursuant to the requirements of the approval in principle dated 24 December 2020 issued by the SGX RegCo that ACRA has granted an extension of 60 days with a deadline to hold the AGM by 1 April 2021. To comply with ACRA's AGM deadline by 1 April 2021, the Company is working towards issuing its FY2020 Annual Report and FY2020 Sustainability Report by 17 March 2021. Simultaneous with the foregoing, the Company intends to submit another application to ACRA for the extension of time to hold the AGM by 15 April 2021 (being the date by which the Company is required to hold its AGM pursuant to the approval in principle dated 24 December 2020) and file the annual return by 15 May 2021, in light of the Further Extension.

(ii) Further to the Announcements dated 23 December 2021, 1 February 2021 and 19 February 2021 in relation to the execution by the Company's wholly-owned subsidiary, SYH Resources Pte. Ltd. ("**SYHR**") of a non-binding memorandum of understanding ("**MOU**") in relation to certain proposed transactions (details of which are found in the Announcement dated 23 December 2021), the Board wishes to update that the parties have mutually agreed to terminate the MOU as the Definitive Documents have not been signed by the extended Expiry Date of 28 February 2021. In the meantime, the Group is in discussions with third parties to collaborate on potential e-waste projects, and will make further announcements via the SGXNet when there is progress on these discussions.

(iii) In addition, SMCI has on 26 February 2021 received a statutory demand dated 25 February 2021 issued pursuant to Section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 from the lawyers acting for Sembcorp Marine Integrated Yard Pte Ltd ("**SMIY**"). The salient points of the statutory demand are set out below:

(a) SMCI owes SMIY the sum of S$186,176.85 for offcut electrical copper cables and scrap electrical copper provided by SMIY to SMCI under a service agreement between SMIY and SMCI dated 30 January 2019;

(b) Although proposals were made to satisfy the aforesaid amount owed by way of instalments, the Company had failed to pay the sums due on the dates proposed;

(c) If payment is not made within 3 weeks from the date of the letter, SMCI shall be deemed unable to pay its debts under Section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 and shall be liable to be compulsorily wound up under Section 125(1)(e) of the aforesaid act without further reference to SMCI. In such event, SMIY will look to SMCI to bear all legal costs incurred by SMIY. The Company is reviewing

the above statutory demand and will update Shareholders as and when further material developments occur.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

NEO GIM KIONG
Executive Director and CEO
28 February 2021

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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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