SEN YUE HOLDINGS LIMITED
森跃控股有限公司

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

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 Six Months and Full Year Ended 30 September 2021

SEN YUE HOLDINGS LIMITED
森跃控股有限公司

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

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

		Group					
		2H2021 (unaudited)	2H2020 (unaudited)	Change	FY2021 (unaudited)	FY2020 (audited)	Change
	Note	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	4	25,696	59,497	(57)	55,548	175,106	(68)
Cost of sales		(17,584)	(60,121)	(71)	(44,055)	(169,027)	(74)
Gross profit/(loss)		**8,112**	**(624)**	n.m.	**11,493**	**6,079**	89
Other operating income		552	1,343	(59)	1,141	1,924	(41)
Distribution expenses		(211)	(414)	(49)	(601)	(1,130)	(47)
Administrative expenses		(3,703)	(4,685)	(21)	(7,930)	(9,366)	(15)
Other operating expenses		26	(2,596)	n.m.	(72)	(2,661)	(97)
Impairment loss recognised on financial assets		(5)	(16,591)	n.m.	(797)	(36,524)	(98)
Finance expenses		(934)	(824)	13	(1,612)	(2,104)	(23)
Profit/(Loss) before income tax		**3,837**	**(24,391)**	n.m.	**1,622**	**(43,782)**	n.m.
Income tax (expense)/income	7	(44)	60	n.m.	(364)	(297)	23
Profit/(Loss) for the period/year		**3,793**	**(24,331)**	n.m.	**1,258**	**(44,079)**	n.m.
Other comprehensive (loss)/ income							
Items that will not be reclassified subsequently to profit or loss:							
Revaluation of properties		(4,153)	2,276	n.m.	(4,153)	2,473	n.m.
Remeasurement of deferred tax – Change in tax rates		(70)	-	(100)	(70)	-	(100)
Items that will may be reclassified Subsequently to profit or loss:							
Exchange differences on translation of foreign operations		100	221	(55)	(140)	(269)	(48)
Total comprehensive loss for the period/year, net of tax		**(330)**	**(21,834)**	(98)	**(3,105)**	**(41,875)**	(92)
Profit/(Loss) per share attributable to owners of the Company							
Basic and diluted (cents) [1]		**0.39**	(2.47)	n.m.	**0.13**	**(4.48)**	n.m.
Total comprehensive loss for the period/year attributable to owners of the Company							
Basic and diluted (cents) [1]		**(0.03)**	**(2.22)**	(98)	**(0.32)**	**(4.25)**	(93)

n.m. denotes not meaningful

[1] Basic profit/(loss) per share is calculated on the Group's profit/(loss) for the respective periods attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the respective periods. Diluted profit/(loss) per share is calculated on the same basis as basic profit/(loss) per share as there were no dilutive potential ordinary shares in the respective periods.

SEN YUE HOLDINGS LIMITED
森跃控股有限公司

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

(B) Condensed interim statements of financial position and statement of financial position

	Note	Group		Company	
		As at 30.09.2021 (unaudited)	As at 30.09.2020 (audited/ restated)	As at 30.09.2021 (unaudited)	As at 30.09.2020 (audited/ restated)
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	21,991	28,853	-	-
Right-of-use assets		1,701	2,487	-	-
Subsidiaries		-	-	8,887	12,241
Other receivables		49	406	1,856	2,221
Financial assets at fair value through profit or loss		4,546	4,157	-	-
Total non-current assets		28,287	35,903	10,743	14,462
Current assets					
Cash and bank balances		16,539	7,321	125	91
Trade and other receivables		7,569	8,857	21	37
Inventories		1,929	9,028	-	-
Total current assets		26,037	25,206	146	128
Total assets		**54,324**	**61,109**	**10,889**	**14,590**
LIABILITIES					
Current liabilities					
Loans and borrowings	10	21,153	27,131	571	1,000
Trade and other payables		23,662	19,283	6,026	4,966
Lease liabilities		491	736	-	-
Derivative financial instruments		-	46	-	-
Income tax payable		199	104	-	-
Total current liabilities		45,505	47,300	6,597	5,966
Non-current liabilities					
Loans and borrowings		577	658	-	-
Lease liabilities		2,118	2,703	-	-
Other payables		113	103	-	-
Deferred tax liabilities		1,198	2,427	-	-
Total non-current liabilities		4,006	5,891	-	-
Total liabilities		49,511	53,191	6,597	5,966
EQUITY					
Capital and reserves					
Share capital	9	46,246	46,246	46,246	46,246
Reserves		845	5,208	-	-
Accumulated losses		(42,278)	(43,536)	(41,954)	(37,622)
Equity attributable to owners of the Company		4,813	7,918	4,292	8,624
Total equity and liabilities		**54,324**	**61,109**	**10,889**	**14,590**
Net asset value per ordinary share (cents)		**0.49**	**0.80**	**0.44**	**0.88**

SEN YUE HOLDINGS LIMITED
森跃控股有限公司

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

(C) Statements of changes in equity

Group	Share capital S$'000	Merger deficit S$'000	Translation reserve S$'000	Revaluation reserve S$'000	Capital reserve S$'000	Accumulated losses S$'000	Total equity S$'000
Balance at 01.10.2020 (audited)	**46,246**	**(3,454)**	**(7,584)**	**13,641**	**2,605**	**(43,536)**	**7,918**
Profit for the year						1,258	**1,258**
Other comprehensive loss	-	-	(140)	(4,223)	-	-	**(4,363)**
Total comprehensive income/(loss) for the year, net of tax	-	-	(140)	(4,223)	-	1,258	**(3,105)**
Balance at 30.09.2021 (unaudited)	**46,246**	**(3,454)**	**(7,724)**	**9,418**	**2,605**	**(42,278)**	**4,813**

Group	Share capital S$'000	Merger deficit S$'000	Translation reserve S$'000	Revaluation Reserve S$'000	Capital Reserve S$'000	Retained earnings/ (Accumulated losses) S$'000	Total equity S$'000
Balance at 01.10.2019 (audited)	**40,255**	**(3,454)**	**(7,315)**	**11,168**	**2,605**	**543**	**43,802**
Loss for the year	-	-	-	-	-	(44,079)	**(44,079)**
Other comprehensive income/(loss)	-	-	(269)	2,473	-	-	**2,204**
Total comprehensive income/(loss) for the year, net of tax	-	-	(269)	2,473	-	(44,709)	**41,875**
Issue of share capital representing transactions with owners, recognised directly in equity	5,991	-	-	-	-	-	**5,991**
Balance at 30.09.2020 (unaudited)	**46,246**	**(3,454)**	**(7,584)**	**13,641**	**2,605**	**(43,536)**	**7,918**

(C) Statements of changes in equity (cont'd)

Company	Share capital	Accumulated losses	Total
	S$'000	S$'000	S$'000
Balance at 01.10.2020 (audited)	**46,246**	**(37,622)**	**8,624**
Loss for the year, representing total comprehensive loss for the year	-	(4,332)	(4,332)
Balance at 30.09.2021 (unaudited)	**46,246**	**(41,954)**	**4,292**

Company	Share capital	Accumulated losses	Total
	S$'000	S$'000	S$'000
Balance at 01.10.2019 (audited)	**40,255**	**(13,579)**	**26.676**
Loss for the year, representing total comprehensive loss for the year	-	(24,043)	**(24,043)**
Issue of share capital representing transactions with owners, recognised directly in equity	5,991	-	**5,991**
Balance at 30.09.2020 (audited)	**46,246**	**(37,622)**	**8,624**

SEN YUE HOLDINGS LIMITED
森跃控股有限公司

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

(D) Statement of cash flows

	Group	
	FY2021 (unaudited)	FY2020 (audited)
	S$'000	S$'000
Cash flows from operating activities		
Profit/(Loss) before income tax	**1,622**	**(43,782)**
Adjustments for:		
Bad debts written off	21	-
Depreciation of property, plant and equipment	3,091	2,893
Depreciation of right-of-use assets	521	755
Expected credit loss on trade receivables	797	36,524
(Reversal of)/Fair value loss on derivative financial instruments	(46)	46
Increase in fair value of financial assets at fair value through profit or loss	(397)	(96)
(Reversal of)/ impairment loss on inventories	(1,821)	1,790
Impairment loss on goodwill	-	338
Impairment loss on property, plant and equipment	-	621
Impairment loss on right of use assets	-	918
Loss/(Gain) on disposal of plant and equipment	44	(5)
Plant and equipment written off	7	1
Post-employment benefits	7	29
Interest expenses	1,612	2,104
Interest income	(30)	(187)
Effects of exchange rate changes	(125)	67
	5,303	2,016
Changes in working capital:		
Inventories	8,920	3,102
Trade and other receivables	827	7,225
Trade and other payables	4,379	4,990
Cash used in operations	**19,429**	**17,333**
Tax paid	(719)	(757)
Net cash generated from operating activities	**18,710**	**16,576**
Cash flows from investing activities		
Interest received	30	313
Proceeds from disposal of plant and equipment	60	6
Purchase of plant and equipment [(1)]	(1,363)	(537)
Net cash used in investing activities	**(1,273)**	**(218)**
Cash flows from financing activities		
Interest paid	(1,612)	(2,230)
Repayment of bank borrowings	(1,075)	(2,694)
Principal payment of lease liabilities	(566)	(697)
Decrease in pledged deposits with financial institutions	3,021	1,038
Trade bills	(4,726)	(17,905)
Net proceeds from issuance of new shares	-	5,991
Net cash used in financing activities	**(4,958)**	**(16,497)**

(D) Statement of cash flows (cont'd)

	Group	
	FY2021 (unaudited)	**FY2020 (audited)**
	S$'000	**S$'000**
Net decrease in cash and cash equivalents	**12,479**	**(139)**
Cash and cash equivalents at beginning of financial period	3,862	4,000
Effects of exchange rate changes on cash and cash equivalents	18	1
Cash and cash equivalents at end of financial year	**16,359**	**3,862**
Group		
Cash and cash equivalents as per statement of financial position comprising:		
Cash at bank	16,009	4,261
Fixed deposits with financial institutions	530	3,060
Cash and cash equivalents as per statement of financial position	16,539	7,321
Fixed deposits pledged with financial institutions	(39)	(3,060)
Bank overdraft	(141)	(399)
Cash and cash equivalents as per consolidated statement of cash flows	**16,359**	**3,862**

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

1 Corporate information

Sen Yue Holdings Limited (the "**Company**") is a company incorporated in Singapore. The address of the Company's registered office is 3 Jalan Pesawat, Singapore 619361. The Company is listed on the Catalist Board of the SGX-ST.

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

These unaudited condensed interim consolidated financial statements as at and for the six months and full year ended 30 September 2021 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 ("**ED Coating**"); and
(c) Commodities.

1.1 Events during the Financial Year

(a) 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 Foo Kon Tan Advisory Services Pte. Ltd. in respect of potential relationships that the former Executive Chairman of the Company, Mr. Koh Mia Seng, may have with certain companies that have dealings with the Group. As at the date of this announcement, the investigation of CAD is still in progress. Please refer to Note 35 of the Company's FY2020 Annual Report or the Company's announcement dated 27 January 2021 for more information.

(b) On April 1, 2021, the Singapore High Court has granted the Interim Judicial Management Application to place the Company and its subsidiary SMC Industrial Pte Ltd ("**SMCI**") under interim judicial management. Subsequently on 10 May 2021, the High Court of Singapore granted judicial management application against the Company and SMCI. Mr. Chee Yoh Chuang and Mr. Lin Yueh Hung have been appointed as the judicial managers ("**JM**") of the Company and SMCI.

(c) SMCI and the Company was under judicial management during the financial year ended 30 September 2021.

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

2 Basis of Preparation

The unaudited condensed interim financial statements for the six months ("**2H2021**") have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore and full year ended 30 September 2021 ("**FY2021**") have been prepared in accordance with SFRS(I). 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 last audited annual financial statements for the year ended 30 September 2020 ("**FY2020**").

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 and full year 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	*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*	Deferred indefinitely, early application is still permitted
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	-	1 January 2022
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-Current*	1 January 2023
SFRS(I) 17 and Amendments to SFRS(I) 17	*Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 1-2 and SFRS(I) Practice Statement 2	*Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1	*Disclosure of Accounting Policies and SFRS(I) Practice Statement to Making Materiality Judgements*	1 January 2023
Amendments to SFRS(I) 1-8	*Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12	*Deferred Tax related to Assets and Liabilities arising from a Single Transactions*	1 January 2023

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

2 Basis of Preparation (cont'd)

2.1 New and amended standards adopted by the Group (cont'd)

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.

2.2 Use of judgements and estimates

The preparation of the unaudited condensed financial statements 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 financial statements as at and for FY2020.

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:

- Impairment of goodwill;
- Calculation of expected credit loss allowance;
- Allowance for inventories;
- Impairment in value of investment in subsidiaries;
- Depreciation of property, plant and equipment and amortisation of intangible asset;
- Fair value measurements and valuation processes; and
- Impairment of plant and equipment and right-of-use assets.

2.2 Going concern assumption

On 15 July 2022, a meeting of the creditors of the Company and SMCI respectively, was convened to consider and, if thought fit, approve a scheme of arrangement pursuant to Section 210 of the Companies Act 1967 read with Section 117 of the Insolvency, Restructuring and Dissolution Act 2018 ("**IRDA**") (the "**Schemes**"). A critical milestone to enable the Company to continue as going concern would be the successful implementation of the Scheme and the ability of the Company to secure white knight investors. As at the date of this announcement, the status is as follows:

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

2 Basis of Preparation (cont'd)

2.2 Going concern assumption (cont'd)

(a) The Schemes have been unanimously approved by the Creditors on 15 July 2022 and were sanctioned by the Court on 28 July 2022, subsequently came into effect on 2 August 2022 upon the filing of the Orders of Court sanctioning the Schemes with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**").

(b) The JM had on 1 April 2022 entered into three definitive subscription agreements to raise capital for an aggregated cash consideration of S$9.02 million with Electroloy Metal Pte. Ltd. ("**Electroloy**"), Jiangmenshi Changxin Technology Limited ("**Jiangmenshi**") and Di Lingbin ("**Mr. Di**") (individually a "**Proposed Subscription**" and collectively "**Proposed Subscriptions**"). The cash consideration of S$7.00 million for the Proposed Subscription with Electroloy has been received on 5 August 2022 and the balance cash consideration of S$2.02 million with other subscribers, Jiangmenshi and Mr Di, is expected to receive by 31 December 2022.

(c) As the Company is making its progress to normalcy under the helm of new management and new constitution of the Board, the judicial management orders placed on SMCI and the Company have been discharged on 17 August 2022.

(d) The Company has utilised the proceeds from the placement exercise with Electroloy, as well as its internally generated funds to fulfill its obligation to repay 50% its debts pursuant to the Scheme. The Company may explore available equity or debt securities to meet its funding requirements.

In light of the abovementioned developments above, the Board believes that the use of the going concern assumption in the preparation for unaudited financial statements for FY2021 is appropriate after taking into considerations the following measures and assumptions:

1. The Group is able to preserve and maintain its revenue streams from its business operations over the next 12 months;

2. The Group and the Company are able to explore other available equity or debt securities to meet its funding requirements;

3. The Group will continue to review and assess the Group's existing business strategies and overall financial performance of the Group and carry out re-organisation and restructuring as and when appropriate; and

4. The Group generated positive cashflow from its operating activities in FY2021.

If the Group and the Company are unable to continue as a going concern, adjustments would have to be made to the accompanying financial statements to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. The accompanying financial statements do not reflect these adjustments.

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

3 Seasonal Operations

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

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, and are managed separately because they require different technology and marketing strategies. For each of the segments, the Group's 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;

(c) Commodities – trading of e-waste raw materials, commodities, which include copper, stainless steel, 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 Group's 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.

(E) Notes to the unaudited condensed interim financial statements and full year 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	
	2H2021 (unaudited)	2H2020 (unaudited)	2H2021 (unaudited)	2H2020 (unaudited)
	S$'000	S$'000	S$'000	S$'000
Metal Components	1,497	706	(10)	279
ED Coating	5,666	4,644	1,167	184
Commodities	18,533	54,147	3,552	(23,697)
	25,696	**59,497**	**4,709**	**(23,234)**
Unallocated items:				
Other operating income			-	37
Administrative expenses			(859)	(837)
Other operating expenses			-	(337)
Finance cost			(13)	(20)
Profit/(Loss) before income tax			3,837	(24,391)
Income tax expense (income)			(44)	60
Profit/(Loss) after income tax			**3,793**	**(24,331)**

	Group			
	Revenue		Segments results	
	FY2021 (unaudited)	FY2020 (audited/ restated)	FY2021 (unaudited)	FY2020 (audited/ restated)
	S$'000	S$'000	S$'000	S$'000
Metal Components	2,872	2,461	1,329	970
ED Coating	12,424	10,761	2,225	796
Commodities	40,252	161,884	143	(43,522)
	55,548	**175,106**	**3,697**	**(41,756)**
Unallocated items:				
Other operating income			26	39
Administrative expenses			(2,067)	(1,681)
Other operating expenses			-	(343)
Finance expenses			(34)	(41)
Profit/(Loss) before income tax			1,622	(43,782)
Income tax expense			(364)	(297)
Profit/(Loss) after income tax			**1,258**	**(44,079)**

(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	
	Segments results	
	As at 30.09.2021 (unaudited)	As at 30.09.2020 (audited/ restated)
	S$'000	S$'000
Segment assets		
Metal Components	5,994	5,836
ED Coating	17,940	17,657
Commodities	29,661	37,500
Total segment assets	53,595	60,993
Unallocated assets#	729	116
Consolidated total assets	**54,324**	**61,109**
Segment liabilities		
Metal Components	1,313	1,333
ED Coating	2,394	2,780
Commodities	44,083	47,513
Total segment liabilities	47,790	51,626
Unallocated liabilities^	1,721	1,565
Consolidated total liabilities	**49,511**	**53,191**

Unallocated assets are mainly related to a portion of the cash and cash equivalents which are utilised by more than one segment of the Group.

^ 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.

(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)

	Metal Components	ED Coating	Commodities	Unallocated	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Other segment information:					
2H2021 (unaudited)					
Group					
Additions to property, plant and equipment	140	903	-	-	**1,043**
Additions to ROU assets	-	605	31	-	**96**
Depreciation of property, plant and equipment	27	322	1,168	16	**1,533**
Depreciation of ROU assets	-	50	227	-	**277**
Loss allowance for receivables	-	(5)	10	-	**5**
Impairment loss on property, plant and equipment	-	-	-	-	**-**
Impairment loss on ROU assets	-	-	-	-	**-**
Impairment loss on goodwill	-	-	-	-	**-**
Revaluation of properties	-	-	(4,153)	-	**(4,153)**
Reversal of fair value loss on derivative financial instruments	-	-	(46)	-	**(46)**
Fair value gain of financial Assets at FVTPL	-	-	(433)	-	**(433)**
2H2020 (unaudited)					
Group					
Additions to property, plant and equipment	-	97	8	-	**105**
Additions to ROU assets	-	55	61	-	**116**
Depreciation of property, plant and equipment	28	170	863	14	**1,075**
Depreciation of ROU assets	-	23	732	-	**755**
Loss allowance for receivables	(12)	-	16,603	-	**16,591**
Impairment loss on property, plant and equipment	-	-	621	-	**621**
Impairment loss on ROU assets	-	-	918	-	918
Impairment loss on goodwill	-	-	338	-	338
Revaluation of properties	-	652	1,624	-	**2,276**
Fair value loss on derivative financial instruments	-	-	46	-	46
Fair value gain of financial Assets at FVTPL	-	-	(58)	-	(58)

(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)

	Metal Components	ED Coating	Commodities	Unallocated	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Other segment information:					
FY2021 (unaudited)					
Group					
Additions to property, plant and equipment	146	1,119	98	-	**1,363**
Additions to ROU assets	-	65	31	-	**96**
Depreciation of property, plant and equipment	55	651	2,369	16	**3,091**
Depreciation of ROU assets	-	50	471	-	**521**
Loss allowance for receivables	(25)	(5)	827	-	**797**
Impairment loss on property, plant and equipment	-	-	-	-	**-**
Impairment loss on ROU assets	-	-	-	-	**-**
Impairment loss on goodwill	-	-	-	-	**-**
Revaluation of properties	-	-	(4,153)	-	**(4,153)**
Fair value loss on derivative financial instruments	-	-	(46)	-	**(46)**
Fair value gain of financial Assets at FVTPL	-	-	(397)	-	**(397)**
FY2020 (audited/restated)					
Group					
Additions to property, plant and equipment	-	454	83	-	**537**
Additions to ROU assets	-	55	61	-	**116**
Depreciation of property, plant and equipment	54	665	2,160	14	**2,893**
Depreciation of ROU assets	-	23	732	-	**755**
Loss allowance for receivables	37	-	36,487	-	**36,524**
Impairment loss on property, plant and equipment	-	-	621	-	**621**
Impairment loss on ROU assets	-	-	918	-	**918**
Impairment loss on goodwill	-	-	338	-	**338**
Revaluation of properties	-	652	1,821	-	**2,473**
Fair value loss on derivative financial instruments	-	-	46	-	**46**
Fair value gain of financial Assets at FVTPL	-	-	(96)	-	**(96)**

(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 Components S$'000	ED Coating S$'000	Commodities S$'000	Total S$'000
2H2021 (unaudited)				
Primary geographical markets				
Singapore	-	-	16,304	**16,304**
Malaysia	1,497	4,361	-	**5,858**
People's Republic of China	-	-	-	**-**
Indonesia	-	1,305	-	**1,305**
Japan	-	-	-	**-**
Korea	-	-	(199)^	**(199)^**
Philippines	-	-	2,399	**2,399**
Taiwan	-	-	-	**-**
Others	-	-	29	**29**
	1,497	**5,666**	**18,533**	**25,696**
Major products/service line				
Sale of goods	**1,497**	**5,666**	**18,533**	**25,696**
Timing of revenue recognition				
At a point in time	**1,497**	**5,666**	**18,533**	**25,696**
^ credit notes issued in relation to final settlement adjustment during 2H2021				
2H2020 (unaudited)				
Primary geographical markets				
Singapore	-	-	9,460	**9,460**
Malaysia	706	3,957	3,544	**8,207**
People's Republic of China	-	-	12,846	**12,846**
Indonesia	-	687	443	**1,130**
Japan	-	-	4,991	**4,991**
Korea	-	-	12,250	**12,250**
Philippines	-	-	1,228	**1,228**
Taiwan	-	-	5,866	**5,866**
Others	-	-	3,519	**3,519**
	706	**4,644**	**54,147**	**59,497**
Major products/service line				
Sale of goods	**706**	**4,644**	**54,147**	**59,497**
Timing of revenue recognition				
At a point in time	**706**	**4,644**	**54,147**	**59,497**

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 Components S$'000	ED Coating S$'000	Commodities S$'000	Total S$'000
FY2021 (unaudited)				
Primary geographical markets				
Singapore	-	-	25,578	**25,578**
Malaysia	2,872	9,872	1,342	**14,086**
People's Republic of China	-	-	1,650	**1,650**
Indonesia	-	2,552	337	**2,889**
Japan	-	-	187	**187**
Korea	-	-	3,750	**3,750**
Philippines	-	-	6,693	**6,693**
Taiwan	-	-	364	**364**
Others	-	-	351	**351**
	2,872	**12,424**	**40,252**	**55,548**
Major products/service line				
Sale of goods	**2,872**	**12,424**	**40,252**	**55,548**
Timing of revenue recognition				
At a point in time	**2,872**	**12,424**	**40,252**	**55,548**
FY2020 (unaudited)				
Primary geographical markets				
Singapore	-	-	19,371	**19,371**
Malaysia	2,461	8,511	17,436	**28,408**
People's Republic of China	-	-	37,707	**37,707**
Indonesia	-	2,250	443	**2,693**
Japan	-	-	15,250	**15,250**
Korea	-	-	36,145	**36,145**
Philippines	-	-	1,228	**1,228**
Taiwan	-	-	27,151	**27,151**
Others	-	-	7,153	**7,153**
	2,461	**10,761**	**161,884**	**175,106**
Major products/service line				
Sale of goods	**2,461**	**10,761**	**161,884**	**175,106**
Timing of revenue recognition				
At a point in time	**2,461**	**10,761**	**161,884**	**175,106**

(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)

A breakdown of sales:

	Group		Increase/ (Decrease)
	FY2021 (unaudited)	FY2020 (unaudited)	
	S$'000	S$'000	%
(a) Sales reported for first half of year	29,852	115,609	(74)
(b) Operating loss after tax before deducting minority interests reported for first half year	(2,535)	(19,748)	(87)
(c) Sales reported for second half of year	25,696	59,497	(57)
(d) Operating profit/ (loss) after tax before deducting minority interests reported for second half year	3,793	(24,331)	n.m.

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 2020 and 30 September 2021, including their levels in the fair value hierarchy are as follows:

	Carrying amount				Fair value
	Amortised cost	Fair value through profit or loss	Other financial liabilities	Total	Level 2
Group	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
30.09.2021 (unaudited)					
Trade and other receivables	7,257	-	-	7,257	-
Cash and cash equivalents	16,539	-	-	16,539	-
Financial assets at fair value through profit or loss	-	4,546	-	4,546	4,546
	23,796	**4,546**	**-**	**28,342**	
Loan and borrowings	-	-	21,730	21,730	-
Finance leases			119	119	-
- Trade and other payables	-	-	23,821	23,821	-
	-	**-**	**45,670**	**45,670**	

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

5 Financial Assets and Financial Liabilities (cont'd)

	Carrying amount				Fair value
	Amortised cost	Fair value through profit or loss	Other financial liabilities	Total	Level 2
Group	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
30.09.2020 (audited)					
Trade and other receivables	8,467	-	-	8,467	-
Cash and cash equivalents	7,321	-	-	7,321	-
Financial assets at fair value through profit or loss	-	4,157	-	4,157	4,157
	15,788	**4,157**	**-**	**19,945**	
Loan and borrowings	-	-	27,789	27,789	-
Trade and other payables	-	-	19,386	19,386	-
Finance leases			563	563	-
Derivative financial instruments	-	-	46	46	-
	-	**-**	**47,784**	**47,784**	
Company					
30.09.2021 (unaudited)					
Trade and other receivables	1,867	-	-	1,867	-
Cash and cash equivalents	125	-	-	125	-
	1,992	**-**	**-**	**1,992**	-
Loans and borrowings	-	-	571	571	-
Trade and other payables	-	-	6,026	6,026	-
	-	**-**	6,597	6,597	
30.09.2020 (audited)					
Trade and other receivables	2,233	-	-	2,233	-
Cash and cash equivalents	91	-	-	91	-
	2,324	**-**	**-**	**2,324**	-
Loans and borrowings	-	-	1,000	1,000	-
Trade and other payables	-	-	4,966	4,966	-
	-	**-**	**5,966**	**5,966**	-

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)

6 Profit Before Income Tax

6.1 Significant Items

	Group					
	2H2021 (unaudited) S$'000	2H2020 (unaudited) S$'000	Change %	FY2021 (unaudited) S$'000	FY2020 (audited/ restated) S$'000	Change %
Bad debts written off	-	-	n.m.	21	-	n.m.
Expected credit loss on trade receivables	5	16,591	n.m.	797	36,524	(98)
Depreciation of:						
- property, plant and equipment [(1)]	1,534	1,075	43	3,091	2,893	7
- right-of-use assets [(1)]	277	565	(51)	521	755	(31)
Employee benefits expense	4,300	5,268	(18)	9,803	11,302	(13)
Raw materials, changes in finished goods and work-in-progress recognised as cost of sales	10,994	46,744	(76)	29,159	155,680	(81)
Fair value loss on derivative financial instruments	(46)	46	n.m.	(46)	46	n.m.
Increase in fair value of financial assets at fair value through profit or loss	(397)	(58)	n.m.	(397)	(96)	n.m.
(Reversal)/Impairment loss on inventories	(10)	1,840	n.m.	(1,821)	1,790	n.m.
Impairment loss on goodwill	-	338	(100)	-	338	(100)
Impairment loss on property, plant and equipment	-	621	(100)	-	621	(100)
Impairment loss on right of use assets	-	918	(100)	-	918	(100)
(Gain)/Loss on disposal of plant and equipment	(27)	-	n.m.	44	(5)	n.m.
Plant and equipment written-off	1	1	n.m.	7	1	n.m.
Net foreign exchange (gain)/loss	(38)	(339)	(89)	(176)	(274)	(36)
Interest expenses	934	824	13	1,612	2,104	(23)
Interest income	(21)	(72)	(71)	(30)	(187)	(84)

[(1)] Included in cost of sales and administrative expenses.

(E) Notes to the unaudited condensed interim financial statements and full year 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 condensed interim consolidated statement of profit or loss are:

	Group			
	2H2021 (unaudited)	2H2020 (unaudited)	FY2021 (unaudited)	FY2020 (audited)
	S$'000	S$'000	S$'000	S$'000
Current tax expense				
- Current year	541	142	861	499
- Overprovision in respect of prior years	(47)	(46)	(47)	(46)
	494	96	814	453
Deferred tax expense				
- Current year	-	(31)	-	(31)
- Origination and reversal of temporary differences	(118)	(16)	(118)	(16)
- Overprovision in respect of prior years	(332)	(109)	(332)	(109)
	(450)	(156)	(450)	(156)
Tax expense/(credit) on operations	**44**	**(60)**	**364**	**297**

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.

On 30 September 2021, the Group has reviewed the fair value of the Group's Property Assets for financial reporting purposes, which has been determined based on the Property Assets' highest and best use. Management has assessed that the recoverable amount of the Group's Property Assets is below its carrying value. Correspondingly, the carrying amount of the Property Assets is adjusted to the revalued amount as at 30 September 2021.

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

9 Share Capital

	Group and Company			
	As at 30.9.2021 (unaudited)		As at 30.9.2020 (audited)	
	No. of shares	S$'000	No. of shares	S$'000
At the beginning of the financial period	984,280,038	46,246	864,280,038	40,255
Issuance of new shares	-	-	120,000,000	5,991
At the end of the financial period	984,280,038	46,246	984,280,038	46,246

The Company did not hold any treasury shares as at 30 September 2021 and 30 September 2020.

The Company's subsidiaries do not hold any shares in the Company as 30 September 2021 and 30 September 2020.

The Company did not have any outstanding options and convertible securities as at 30 September 2021 and 30 September 2020.

10 Loans and borrowings

	Group		Company	
	As at 30.09.2021 (unaudited)	As at 30.09.2020 (audited)	As at 30.09.2021 (unaudited)	As at 30.09.2020 (audited)
	S$'000	S$'000	S$'000	S$'000
Secured				
Bank overdrafts	141	399	-	-
Loan	5,381	6,456	571	1,000
Trade bills	16,208	20,934	-	-
	21,730	27,789	571	1,000
Classified as:				
- Current	21,153	27,131	571	1,000
- Non-current	577	658	-	-
	21,730	27,789	571	1,000

Details of any collateral

The Group's term loan facilities, revolving credit facilities, overdraft facility and trade facilities are secured on one or more of the following:

(i) legal mortgage over certain freehold property;
(ii) legal mortgage over a leasehold property;
(iii) deposits pledged with financial institutions;
(iv) corporate guarantee given by the Company;
(v) personal guarantee by a former director;
(vi) assignment of three life insurance policies assured on a former director of the Company;
(vii) assignment of one life insurance policy assured on a former general manager of the subsidiary.

Please refer to Section E, Note 11 for the developments subsequent to year end.

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

11 Subsequent events

In addition to matters discussed under foregoing Section (E), Note 2.3, events after the reporting period includes:

(i) DBS loan restructuring

The Group recorded borrowings and debt securities owing to DBS Bank Limited for an aggregate amount of S$15.65 million as per Statement of Affairs dated 31 March 2021 ("**Loan**"). The Loan was partly secured by the following:

1. Corporate guarantee given by the Company
2. Personal guarantee by the Mr. Koh
3. Mortgage over the leasehold building at No. 3 Jln Pesawat Singapore 619361 ("**Leasehold Building A**")
4. Assignment of life insurance policies (total four policies, the "**Life Insurance Policies**")

Under the Scheme of SMC, the parties entered into Restructured Facility Agreement on 16 August 2022 to restructure the secured Loan of S$8 million into mortgaged loan secured by the Leasehold Building A and be fully repaid over 5 years, and the amount outstanding under the hire purchase agreement are to be paid in full as per the hire purchase agreement. DBS has further agreed in October 2022 to accept the provisional unsecured claim to be admitted under the Scheme of approximately S$5.28 million on the basis that DBS shall be entitled to retain the entire proceeds of the Life Insurance Policies and shall have the absolute discretion to either terminate or continue to maintain the policies. As at 30 September 2021, the fair value of the insurance policies was estimated to be S$4.55 million before taking into account early surrender charges.

(ii) Debts Restructuring Exercise

Please refer to details discussed under Section F, Note 1.1(a) below.

The financial statements contained in this announcement do not include any adjustments in relation to impact of the foregoing debt restructuring under the Scheme.

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

12 Restatements and comparative figures

The audit of the corresponding figures relating to the financial statements for the year ended 30 September 2020 was carried out by Deloitte who expressed a disclaimer of opinion on those financial statements on 15 April 2021.

Certain line items of the prior year statement of financial position and the related notes to the financial statements have been restated to correct prior year reclassification errors, as set out below:

	Group		
	As previously reported S$'000	Restatement S$'000	As Restated S$'000
30 September 2020			
Current liabilities			
Loans and borrowings	27,789	(658)	27,131
Non-current liabilities			
Loans and borrowings	-	658	658

	Company		
	As previously reported S$'000	Restatement S$'000	As Restated S$'000
30 September 2020			
Non-current assets			
Subsidiaries	14,462	(2,221)	12,241
Other receivables	-	2,221	2,221

SEN YUE HOLDINGS LIMITED
森跃控股有限公司

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

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

OTHER INFORMATION

1 Review

The condensed consolidated statement of financial position of Sen Yue Holdings Limited and its subsidiaries as at 30 September 2021 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 six-month period and full year ended 30 September 2021 and certain explanatory notes have not been audited or reviewed.

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) The former independent auditor, Deloitte & Touche LLP ("**Deloitte**"), has issued a disclaimer of opinion on the consolidated financial statements of the Group for the financial year ended 30 September 2020. The basis for the disclaimer of opinion was in relation to the following:

(i) Sales/purchase transactions with certain customers/ suppliers
(ii) Revenue recognition and payment received
(iii) Ongoing investigations
(iv) Going concern assumption
(v) Joint venture ("**JV**") arrangement

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 with certain companies that have dealings with the Group, as referred to disclaimer of opinion (i) and (ii) above. FKT disclosed in its report the high risk that some transactions between SMC Industrial Pte. Ltd. ("**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. Save as disclosed in Section F, Note 6, the Company has since ceased dealing with the Identified Entities.

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, as referred to disclaimer of opinion (iii) above, is still in progress. For more information, please refer to Note 35 of the Company's FY2020 Annual Report or the Company's announcement dated 27 January 2021.

(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)

A critical milestone to enable the Company to continue as going concern would be the successful implementation of the Scheme and the Company's ability to secure white knight investors. As at the date of this announcement, the status is as follows:

- The Schemes have been unanimously approved by the Creditors on 15 July 2022 and were sanctioned by the Court on 28 July 2022, subsequently came into effect on 2 August 2022 upon the filing of the Orders of Court sanctioning the Schemes with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**").

- As mentioned in Section E, Note 2.3, the judicial managers had on 1 April 2021 entered into three definitive subscription agreements to raise capital for an aggregated cash consideration of S$9.02 million. The Company has completed the Proposed Subscription with Electroloy and has received cash consideration of S$7.00 million on 5 August 2022. The balance cash consideration of S$2.02 million with other subscribers is expected to receive by 31 December 2022.

- As the Company is making its progress to normalcy under the helm of new management and new constitution of the Board, the judicial management orders placed on SMCI and the Company have been discharged on 17 August 2022.

- The Company has utilised the proceeds from the placement exercise with Electroloy, as well as its internally generated funds to fulfill its obligation to repay 50% of its debts pursuant to the Scheme. The Company may explore alternative available equity or debt securities to meet its funding requirements.

In light of the above-mentioned developments, the Board is of the opinion that the use of the going concern assumption for FY2021 is appropriate.

Lastly, two subsidiaries of the Company, namely SMCI and SMCI Refinery Pte Ltd entered into a joint venture agreement ("**JV agreement**") with Electroloy and Mr Wang Chun Jian to build a smelting facility in Singapore. The Company is evaluating the options to obtain temporary occupation permit for of the smelting facility under the JV agreement. The Company will also make its effort to resolve the outstanding issues in relation to the JV agreement between SMCI and the JV partners. Electroloy, being one of the parties to the tripartite JV agreement, has since become the immediate and ultimate holding company 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.

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

1 Review (cont'd)

1.1 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

(b) The Board of Directors of the Company ("**Board**") refers to the outstanding audit issues in relation to JV agreement. Due to inconsistent understanding of the JV agreement 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 agreement. 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.

2 Review of performance of the Group

The Group is pleased to announce a turnaround from a net loss position of S$24.33 million in 2H2020 to net profit of S$3.79 million. Correspondingly, the Group reported net profit of S$1.21 million in FY2021 as compared to net loss of S$44.08 million in FY2020.

2(a) Income Statement

(i) Revenue, cost of sales and gross profit

2H2021 vs 2H2020

	Revenue		
	2H2021 (unaudited)	**2H2020 (unaudited)**	**Change**
	S$'000	**S$'000**	**%**
Metal Components	1,497	706	n.m.
ED Coating	5,666	4,644	22
Commodities	18,533	54,147	(66)
	25,696	**59,497**	**(57)**

The Group's revenue decreased by S$33.80 million or 57%, from S$59.50 million for the six months ended 30 September 2020 ("**2H2020**") to S$25.70 million in 2H2021. The decrease in revenue was mainly due to the decrease in revenue contribution from the Commodities segment as a result of discontinuation of non-ferrous metal trading business, cushioned by the increase in revenue contribution from the Metal Components and ED Coating segments mainly attributed to general improvement in overall business activities post-Covid 19.

(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) Revenue, cost of sales and gross profit (cont'd)

Depreciation expense increased by S$0.46 million or 43%, from S$1.08 million in 2H2020 to S$1.53 million in 2H2021, mainly due to increase in upward revaluation adjustments on cost of freehold and leasehold properties made in last financial year as at 30 September 2020 and addition of plant and equipment in 2H2022, resulted in higher depreciation expense.

Depreciation of right-of-use ("**ROU**") assets decreased by S$0.29 million or 51%, mainly due to disposal of ROU assets which resulted in lower depreciation expense.

In tandem with the decrease in revenue, cost of sales decreased by S$42.54 million or 71%, from S$60.12 million in 2H2020 to S$17.58 million in 2H2021.

Revenue from non-ferrous metals fluctuated according to commodities prices and the Group incurred loss in its trading at times due to lack of holding power. As a result of the discontinuation of non-ferrous metal trading business, the Group reported gross profit of S$8.11 million or gross profit margin of 31.6% in 2H2021 as compared to gross loss of S$0.62 million or gross loss margin of 1% in 2H2020.

FY2021 vs FY2020

	Revenue		
	FY2021 (unaudited)	**FY2020 (audited/ restated)**	**Change**
	S$'000	**S$'000**	**%**
Metal Components	2,872	2,461	17
ED Coating	12,424	10,761	15
Commodities	40,252	161,884	(75)
	55,548	**175,106**	**(68)**

The Group reported a decline in revenue by S$119.56 million or 68%, from S$175.11 million in FY2020 to S$55.55 million in FY2021. Revenue from Commodities segment reported significant decline, mainly attributable to the impact of (i) judicial management order placed on SMCI; and (ii) the discontinuation of SMCI's trading of non-ferrous metal business. The decrease in revenue was cushioned by the increase in revenue contribution from the Metal Components and ED Coating segments as a result of general improvement in overall business activities post-Covid 19.

Depreciation expense increased by S$0.20 million or 7%, from S$2.89 million in FY2020 to S$3.09 million in FY2021, mainly due to (i) upward revaluation adjustments on cost of freehold and leasehold properties made in last financial year as at 30 September 2020 and (ii) addition of plant and equipment in FY2021, resulted in net increase in depreciation expense after offsetting the impact of full deprecation of certain plant and equipment in FY2021.

(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) Revenue, cost of sales and gross profit (cont'd)

FY2021 vs FY2020 (cont'd)

In tandem with decrease in ROU assets, depreciation of right-of-use ("**ROU**") assets decreased by S$0.23 million or 31% from S$0.76 million in FY2020 to S$0.52 million in FY2021.

In tandem with the decrease in revenue and after taking into consideration of reversal of overprovision of impairment loss provided for inventories in Commodities segment of S$1.82 million, cost of sales decreased by S$124.97 million or 74%, from S$169.03 million in FY2020 to S$44.06 million in FY2021.

Following the discontinuation of non-ferrous metal trading business, gross profit margin reported by the Group improved by 17.2 percentage point from 3.5% in FY2020 to 20.7% in FY2021. As a result, the Group's gross profit increased from S$6.08 million in FY2020 to S$11.49 million in FY2021.

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

(ii) Other operating income

2H2021 vs 2H2020

Other income decreased by S$0.79 million or 59% from S$1.34 million in 2H2020 to S$0.55 million in 2H2021, mainly due to (i) decrease in other income of S$0.60 million from lower amount of Job Support Scheme and foreign worker levy rebate received in 2H2021; (ii) decrease in other income from handling of non-ferrous metal trading business of S$0.14 million; (iii) decrease in foreign exchange gain of S$0.38 million as a result of significant lower revenue denominated in United State Dollar ("**USD**") due to discontinuation of non-ferrous metal business as compared to 2H2020, as well as relatively weakened USD against Singapore Dollar ("**SGD**") in 2H2021 (US$1 approximated to S$1.339 in average) as compared to 2H2020 (US$1 approximated to S$1.401 in average). The decrease in other income was partially offset by increase in fair valuation gain in financial assets of S$0.35 million.

FY2021 vs FY2020

Other income decreased by S$0.78 million or 41%, from S$1.92 million in FY2020 to S$1.14 million in FY2021, mainly due to (i) decrease in handling fee of S$0.35 million charged by SMCI to its customers as a result of the discontinuation of non-ferrous metal trading business, (ii) decrease in other income of S$0.50 million due to lower amount of Job Support Scheme and foreign worker levy rebate received in FY2021, (iii) in tandem with decrease in non-ferrous metal revenue which was predominantly denominated in USD, foreign exchange gain due to weakening of USD against SGD as compared to FY2020 decrease by S$0.17 million; and (iv) decrease in interest income of S$0.16 million as a result of decrease in pledged deposits with financial institutions. The decrease in other income was partially offset by increase in fair valuation gain in financial assets of S$0.35 million.

(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)

(iii) Distribution expenses

In tandem with the decrease in revenue from Commodities segment as a result of the discontinuation of non-ferrous metal trading business, distribution expenses decreased by S$0.20 million or 49%, from S$0.41 million in 2H2020 to S$0.21 million in 2H2021. Correspondingly, the total distribution expenses decrease by S$0.53 million or 47% from S$1.13 million in FY2020 to S$0.60 million in FY2021.

(iv) Administrative expenses

2H2021 vs 2H2020

The Group's administrative expenses decreased by S$0.98 million or 21%, from S$4.69 million in 2H2020 to S$3.70 million in 2H2021, mainly due to (i) decrease in insurance premium of S$0.68 million due to fully amortization of premiums paid for Life Insurance Policies; (ii) decrease in bank charges of S$0.10 million due to decrease in operating activities in Commodities segment; (iii) decrease in staff cost totaled S$0.55 million due to reduction in head counts; and (iv) decrease in audit fee expense of S$0.15 million. The decrease in total administrative expenses was partially offset by (i) increase in professional fees incurred on debt restructuring exercises of S$0.38 million; (ii) general increase in other administrative expenses.

FY2021 vs FY2020

The Group's administrative expenses decreased by S$1.44 million or 15%, from S$9.37 million in FY2020 to S$7.93 million in FY2021, mainly due to (i) decrease in insurance premium of S$0.70 million due to fully amortisation of premiums paid for Life Insurance Policies; (ii) decrease in bank charges of S$0.28 million due to decrease in operating activities in Commodities segment; (iii) decrease in director's remuneration of S$0.26 million due to re-designation of executive chairman to non-executive chairman; (iv) decrease in staff cost totaled S$0.83 million due to reduction in head counts; and (v) decrease in audit fee expense of S$0.11 million. The decrease in total administrative expenses was partially offset by (i) increase in professional fees incurred on debt restructuring exercises of S$0.75 million; (ii) general increase in other administrative expenses.

(v) Other operating expenses

The Group recorded other operating expenses from S$2.60 million in 2H2020 to gain on disposal of property, plant and equipment ("**PPE**") of S$26,000 in 2H2021.

Included in other operating expenses totaled S$2.60 million reported by the Company in 2H2020 mainly consisted of (i) impairment loss on PPE of S$0.62 million (ii) impairment loss provided for amount incurred on JV arrangement of S$0.67 million; (iii) impairment loss on ROU assets of S$0.92 million; and (iv) impairment loss on goodwill acquired through business combination of S$0.34 million. No such expenses were recorded in 2H2021.

(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) Other operating expenses (cont'd)

Correspondingly, other operating expenses decreased by S$2.59 million or 97% from S$2.66 million in FY2020 to S$72,000 in FY2021. After offsetting the gain on disposal of PPE of S$26,000 recorded in 2H2021, net loss on disposal of PPE recorded by the Group in FY2021 was S$44,000.

(vi) Impairment loss recognised on financial assets

Impairment loss recognised on financial assets decreased from S$16.59 million in 2H2020 to S$5,000 in 2H2021. As disclosed in the Company's Annual Report 2020, the impairment loss recognised on financial assets reported by the Group in 2H2020 amounted to S$16.59 million was mainly provided for suspected interested party transactions between SMCI and customers suspected to be indirectly controlled by Mr. Koh, as identified by FKT. No such provision was provided for in 2H2021. Correspondingly, impairment loss recognised on financial assets decreased from S$36.52 million in FY2020 to S$0.80 million in FY2021.

(vii) Finance expenses

Finance expenses increased by 0.11 million or 13% from S$0.82 million in 2H2020 to S$0.93 million in 2H2021 mainly due to default interest, a higher interest component, accrued on defaulted loans.

In tandem with the decrease in revenue from Commodities segment where utilisation of credit facilities was higher to support the trading activities, finance expenses decreased by S$0.49 million from S$2.10 million in FY2020 to S$1.61 million in FY2021.

(viii) Profit/(Loss) for the period

As a result of the aforementioned, the Group reported net profit of S$3.79 million for 2H2021 as compared to net loss of S$24.33 million for 2H2020. Correspondingly, the Group reported net profit S$1.26 million in FY2021, as compared to net loss of S$44.08 million in FY2020.

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

2(b) Statement of financial position

As at 30 September 2021, the Group recorded negative working capital of S$19.47 million (30 September 2020: negative S$22.09 million), and a net asset value per share of 0.49 Singapore cents (30 September 2020: 0.80 Singapore cents).

The Board believes that the use of the going concern assumption in the preparation for unaudited financial statements for FY2021 is appropriate. Please refer to Section E, Note 1 for explanation on going concern assumptions.

(i) Non-current assets

Non-current assets decreased by S$7.62 million or 21%, from S$35.90 million as at 30 September 2020 to S$28.29 million as at 30 September 2021, mainly due to decrease in PPE, ROU assets and non-current receivables, offset by increase in financial assets at fair value through profit or loss.

PPE decreased from S$28.85 million as at 30 September 2020 to S$21.99 million as at 30 September 2021 mainly due to (i) depreciation charges of PPE amounted to S$3.09 million and (ii) downward revaluation of properties of S$5.00 million, partially offset by purchase of plant and equipment of S$1.36 million.

ROU assets decreased from S$2.49 million as at 30 September 2020 to S$1.70 million as at 30 September 2021 mainly due to (i) depreciation charges of S$0.52 million and (ii) derecognition of ROU assets amounted to S$0.36 million as a result of disposal of motor vehicles under finance lease, partially offset by increase in ROU assets of S$96,000 due to renewal of tenancy agreement.

Non-current receivables reported by the Group as at 30 September 2020 entailed down payment placed for the purchase of plant and machineries amounted to S$0.36 million. The above-mentioned down payment was reclassed from non-current receivables to PPE upon delivery of plant and machineries in FY2021. Correspondingly, non-current receivables decreased from S$0.41 million as at 30 September 2020 to S$49,000 as at 30 September 2021.

Financial assets at fair value through profit or loss recorded by the Group relates to keyman life insurance policies purchased by SMCI ("**Insurance Policies**"). Increase in financial assets at fair value through profit or loss of S$0.39 million or 9% from S$4.16 million as at 30 September 2020 to S$4.55 million as at 30 September 2021 was mainly attributed to increase in cash surrender value of the Insurance Policies recorded for FY2021.

(ii) Current assets

Current assets increased by S$0.83 million or 3%, from S$25.21 million as at 30 September 2020 to S$26.04 million as at 30 September 2021, mainly due to decrease in trade and other receivables and inventories, offset by increase in cash and bank balances.

Trade and other receivables decreased by S$1.29 million or 15% from S$8.86 million as at 30 September 2020 to S$7.57 million as at 30 September 2021 mainly due to (i) refund of deposits amounted to S$0.58 million, and (ii) increase in allowance for expected credit loss on receivables of S$0.80 million.

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

2(b) Statement of financial position

(ii) Current assets (cont'd)

Inventories decreased by S$7.10 million or 79%, from S$9.03 million as at 30 September 2020 to S$1.93 million as at 30 September 2021, mainly due to decrease in raw materials on hand of S$3.79 million and decrease in finished goods of S$4.59 million, partially offset by reversal of overprovision of impairment loss on inventories in prior years amounted to S$1.82 million.

Cash and bank balances increased from S$7.32 million as at 30 September 2020 to S$16.54 million as at 30 September 2021. 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.

(iii) Non-current liabilities

Non-current liabilities decreased by S$1.89 million or 32%, from S$5.89 million as at 30 September 2020 to S$4.01 million as at 30 September 2021, mainly due to decrease in non-current lease liabilities and deferred tax liabilities.

Lease liabilities comprised finance leases and ROU liabilities, decreased from S$2.70 million as at 30 September 2020 to S$2.12 million as at 30 September 2021, mainly due to reclassification of current portion of lease liabilities from non-current liabilities to current liabilities as Company repaid its lease liabilities in FY2021.

Deferred tax liabilities decrease from S$2.43 million as at 30 September 2020 to S$1.20 million as at 30 September 2021 mainly due to deferred tax impact arising from downward revaluation of property amounted to S$1.35 million.

(iv) Current liabilities

The Group recorded a decrease in current liabilities by S$1.80 million or 4%, from S$47.30 million as at 30 September 2020 to S$45.51 million as at 30 September 2021, mainly due to decrease in loans and borrowings and lease liabilities, partially offset by increase in trade and other payables.

Trade and other payables increased by S$4.38 million or 23%, from S$19.28 million as at 30 September 2020 to S$23.66 million as at 30 September 2021, mainly due to non-settlement of payables to creditors in Commodities segment and the Company due to on-going debt restructuring exercise when SMCI and the Company were placed under judicial management in FY2021.

Lease liabilities decreased by S$0.25 million or 33%, from S$0.74 million as at 30 September 2020 to S$0.49 million as at 30 September 2021, mainly due to (i) repayment of ROU liabilities and finance leases of S$0.57 million, (ii) de-recognition of ROU assets of 0.36 million as a result of disposal of motor vehicles under finance lease, partially offset by (i) reclassification of lease liabilities from non-current lease liabilities to current lease liabilities of S$0.59 million and (ii) increase in ROU liabilities of S$96,000 as a result of renewal of tenancy agreement.

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

2(b) Statement of financial position

(iv) Current liabilities (cont'd)

Loans and borrowings decreased by S$5.98 million or 22% from S$27.13 million as at 30 September 2020 to S$21.15 million as at 30 September 2021, mainly due to (i) repayment of trade bills and term loans amounted to S$4.76 million and S$0.97 million respectively; and (ii) repayment of bank overdraft of S$0.26 million.

2(c) Statement of cash flows

Net cash generated from operating activities in FY2021 was S$18.71 million. This was mainly due to (i) decrease in trade and other receivables of S$0.83 million, (ii) decrease in inventories of S$8.92 million, (iii) profit before changes in working capital of S$5.30 million, and (iv) increase in trade and other payables of S$4.38 million.

Net cash used in investing activities in FY2021 was S$1.27 million, mainly due to purchase of plant and equipment of S$1.36 million, offset by proceed from disposal of property, plant and equipment and interest income of S$60,000 and S$30,000 respectively.

Net cash used in financing activities in FY2021 was S$4.96 million, mainly due to (i) interest paid to financial institutions of S$1.61 million, (ii) repayment of bank loans of S$1.08 million, (iii) repayment of trade bills of S$4.73 million, (iv) repayment of lease liabilities of S$0.57 million, offset by (v) decrease in pledged deposits with financial institutions of S$3.02 million.

As a result, the Group generated cash and cash equivalents of S$12.48 million in FY2021. The cash and cash equivalents as at 30 September 2021 amounted to S$16.36 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

Not applicable. This announcement relates to the financial results for FY2021.

Please refer to Section E, Note 11 for subsequent events after current reporting period.

(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 dividend had been declared or recommended for FY2021.

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.

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 FY2021

The Company referred to independent review conducted by FKT as disclosed by Company's announcement dated 10 February 2021. During FY2021, the Company noted transactions between SMCI and Tai Zhou Yi Ze Metal Co. Ltd ("**TZY**"), one of the Identified Entities identified by FKT, for an aggregate amount of S$0.93 million during 1H2021.

As disclosed in FKT's report, FKT is of the view that TZY is indirectly controlled by Mr. Koh and the transactions between SMCI and TZY are interested person transactions, which may be resulted in potential breach of Catalist Rules 905, 906 and 907. The transactions were entered into during the period when Mr. Koh was an Executive Chairman of the Group. Mr. Koh was relieved of his role and duties as Executive Director in January 2021.

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

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.

8 Review of the performance of the Group – turnover and earnings

Please refer to Section F(2a) of this announcement.

9 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules

Save as disclosed in table below, there is no relative of a director or chief executive officer or substantial shareholder of the issuer occupying a managerial position in the issuer or any of its principal subsidiaries pursuant to Rule 704(13) of the Catalist Rules.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Koh Wen An	27	Son of Mr. Koh Mia Seng, a non-executive director and a substantial shareholder of the Company	Assistant Operation Manager of SMCI since June 2019. Responsible for day-to-day operations of lithium battery recycling business.	Resigned on 1 March 2021

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

10 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 FY2021.

ORDER OF THE BOARD
SEN YUE HOLDINGS LIMITED

Yap Meng Sing
Executive Chairman and CEO

Singapore
15 November 2022