SEN YUE HOLDINGS LIMITED
森跃控股有限公司



SHAPING THE FUTURE TOGETHER

SUSTAINABILITY REPORT 2023

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This sustainability report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").

This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Ms. Tay Sim Yee, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048512, telephone (65) 6232 3210.

BOARD STATEMENT

The last sustainability report for Sen Yue Holdings Limited ("**Sen Yue**" or the "**Company**" and together with its subsidiaries, the "**Group**") was published for the financial year ended 30 September 2020 ("**FY2020**"). Following the discharge from judicial management orders on 17 August 2022, the reconstituted Board of Directors (the "**Board**") together with the new management team took over the reins in the management of the business operations from the judicial managers and hence, the Group will resume its sustainability reporting from the financial year ended 30 September 2023 ("**FY2023**").

As we strive to recalibrate our business operations with the evolving business environment in a bid to grow prudently and sustainably, we have also commenced the reassessment of the environmental, social, and governance ("**ESG**") material factors that would potentially have an impact on our economic performance. These ESG material factors will be taken into consideration in the determination of the Group's strategic direction and policies, ensuring they are relevant and current for our business operations and expansion plans to safeguard the interests of key stakeholders and, concurrently, enhance economic sustainability.

We are pleased to present the sustainability report for FY2023, and we will be exploring the assessment of climate-related risks and opportunities with the ESG material factors in a phased approach as we refine the Group's strategy to strengthen our business fundamentals. More disclosures relating to climate-related risks and opportunities with the ESG material factors will be made in the subsequent annual sustainability reports.

Currently, we have in place a governance structure where the Board monitors, reviews, and considers sustainability issues, as well as oversees the management on the relevance and adequacy of the Group's practices as part of the Group's strategy formulation. A Sustainability Working Team comprising key management executives and supported by representatives from various departments and reporting to the Executive Chairman and Chief Executive Officer is also in place.

The Board and the management team acknowledge the importance of effective implementation to manage and overcome the economic and ESG impacts on our business operations. The Group is committed to conducting our business responsibly to deliver sustainable values to our key stakeholders.

This sustainability report discusses our sustainability initiatives and performance with regards to the Group's three business segments: (i) Metal Components, (ii) ED Coating, and (iii) Commodities, with operations in Singapore, Malaysia, and Indonesia for FY2023.

Notwithstanding that the reconstituted Board and new management are relatively new to the Group, we remain committed to upholding our integrity and business ethics in accordance with the rules and regulations of the respective countries in which our subsidiary companies operate and have business dealings. The Board maintains oversight over sustainability practices, managing sustainability risks and opportunities, while ensuring all material ESG matters with respect to our business are addressed in this sustainability report.

This sustainability report has been prepared with reference to the 2021 Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards ("**GRI Standards**") and in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). We have chosen the GRI framework as it is a well-known and globally recognised sustainability reporting standard.

BOARD STATEMENT

While external assurance has not been sought for the sustainability report, an internal review of our sustainability reporting processes was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors by our internal auditor, on a cycle basis, as part of the internal audit plan.

This sustainability report will be published and made available on the Company's corporate website at www.senyueholdings.com and the SGXNet at https://www.sgx.com/securities/company-announcements.

We welcome stakeholders to provide us with feedback and suggestions on this report. You may contact us through our investor relations email at enquiry@senyueholdings.com.

MR. YAP MENG SING
Executive Chairman and Chief Executive Officer

30 January 2024

ABOUT SEN YUE HOLDINGS

Sen Yue Holdings Limited ("**Sen Yue**" or the "**Company**" and together with its subsidiaries, the "**Group**") is an established metallurgical solutions provider for products used across a diverse range of industries including audio-visual, automotive, bicycles, electrical & electronics, luggage & power tools, micromotor, screw & fastener, and general hardware. The main business activities of the Group can be classified into three broad business segments: (i) Metal Components, (ii) Electrodeposition ("**ED**") coating, and (iii) Commodities.

The **Metal Components** segment involves the manufacturing and sales of perforated metal components, tool and die, and other consumer electronics-related metal components. It is complemented by the **ED Coating** segment that involves various surface coating technologies including electrodeposition coating, powder coatings, spray-painting, and silk-screening services, and secondary processes in-house, to provide aesthetic finishes for products across a diverse range of industries.

The **Commodities** segment is streamlined to provide waste management solutions, treatment, and recycling of industrial waste, electronic waste, and lithium-ion batteries for the electric vehicle industry.

Sen Yue is listed on the Catalist board of the Singapore Exchange Securities Trading Limited under the stock code **5BS**.



GROUP STRUCTURE



BUSINESS OPERATIONS

The Group worked towards fulfilling its obligations for all outstanding statutory matters since the discharge of the judicial management order ("**JMO**") on the Company and its wholly-owned subsidiary, SMC Industrial Pte Ltd ("**SMCI**") on 17 August 2022.

In the financial year ended 30 September 2023 ("**FY2023**"), the Group accomplished the following notable developments:

- fulfilled our obligations to publish the outstanding financial reports for the past two financial years during the JMO, while keeping shareholders updated with the current year's financial reports;
- successfully transitioned into electronic waste ("**e-waste**") recovery and recycling of lithium-ion batteries for the electric vehicle ("**EV**") battery industry with the receipt of the relevant and necessary licenses and permits endorsed by local authorities for the Group's lithium-ion batteries recycling operations in Singapore;
- submitted the trading resumption proposal to the Singapore Exchange Regulation on 31 August 2023; and
- termination of the Scheme of Arrangement and discharged upon the final cash payment distributed to the Scheme Creditors on 29 September 2023.

The anticipated global economic recovery post-pandemic had been gradual as inflationary pressure on operating costs escalated, which intensified competition and undermined the financial performance of businesses.

During FY2023, the Group continued to reinforce our focus to drive growth in the Commodities segment through our services in the recovery and recycling of lithium-ion batteries for the EV battery industry. Despite declining prices for key battery materials including lithium, cobalt, and nickel since early 2023, the Group managed to record a commendable revenue growth in FY2023. This improvement in the Commodities segment cushioned the decline in revenue contribution of the Metal Components and ED Coating segments amid a slowdown in the automotive industry and higher operating costs.

Overall, the Group recorded a 60.8% increase in revenue from S$41.04 million in FY2022 to S$65.99 million in FY2023, and the aggregate segmental results increased by 41.7% from S$13.99 million in FY2022 to S$19.82 million in FY2023.

BUSINESS OPERATIONS

ANALYSIS OF CONTRIBUTIONS BY BUSINESS SEGMENTS

(S$'000)	Revenue		Variance	Segment Results		Variance
	FY2023	FY2022		FY2023	FY2022	
Metal Components	**2,813**	3,262	(13.8%)	**73**	146	(50.0%)
ED Coating	**14,246**	15,315	(7.0%)	**2,654**	3,785	(29.9%)
Commodities	**50,635**	23,634	>100%	**17,233**	9,815	+75.6%
Inter-segment elimination	**(1,705)**	(1,170)	+45.7%	**(139)**	241	N.M.
Total	**65,989**	**41,041**	**+60.8%**	**19,821**	**13,987**	**+41.7%**

Note: N.M. denotes not meaningful.

The Group's core business operations comprising (i) Metal Components, (ii) ED Coating, and (iii) Commodities, share an aligned interest in the automotive industry with the establishment of our operations in the recovery and recycling of lithium-ion batteries for the EV battery industry.

Having steered the Commodities segment back to profitability, we will continue to explore opportunities to further enhance the Group's competencies and competitiveness amongst our core business segments to benefit our customers sustainably in the long term.

METAL COMPONENTS

Our Metal Components business segment is primarily involved in the design, manufacturing, and sales of perforated metal components, tool and die, and other consumer electronics-related metal components.

With an established track record of more than 20 years through our wholly-owned subsidiary companies based in Malaysia and Indonesia, our team of experienced engineers work with our customers at the initial stage of the product development cycle, engaging in co-designing and co-engineering to ensure the tooling improves the manufacturability of the components.

Leveraging on our range of in-house capabilities and facilities, we provide a comprehensive range of services to our customers, particularly in tool and die as well as metal stamping, where we customise specified metals into required parts as components for fabrication or assembly to form part of the larger components of our customers' end products. Our customers span diverse industries including office automation, consumer audio, and automotive.

ED COATING

Our ED Coating business segment provides various surface coating technologies, including electrodeposition ("**ED**") coating, powder coatings, spray-painting and silk-screening services, and secondary processes, in-house to provide aesthetic finishes for products across a diverse range of industries. Our customer base spans industries including audio-visual, automotive, bicycles, electrical & electronics, luggage & power tools, micromotor, screw & fastener, and general hardware.

We continue to keep ourselves abreast with more advanced and environmentally friendly surface coating technologies to achieve better efficiency and effectiveness to meet the stringent requirements of our customers, who are reputable brand manufacturers.

BUSINESS OPERATIONS

Our proprietary surface coating process – our ED coating service, is one of our key competitive strengths. ED coating is particularly critical for the automotive sector as it ensures rust prevention performance is formed both on the outer surface and the complicated internal structures of the automobile. Whilst an automotive coating film may appear thin, it consists of layers with various functions including design performance for beautiful appearance, weather resistance performance, anti-chipping performance, and rust prevention performance. ED coating is also known as a versatile and eco-friendly surface finishing method.

During FY2023, we commissioned the hot-dip zinc galvanizing line for corrosive protection service. We believe this cost-competitive coating solution for corrosion protection would broaden the Group's customer base.

Our facilities are certified with ISO9001:12015 on quality management systems, and IAFT 16949:2016, which is a global quality management system standard for our automotive industry. We are accredited for our competencies in consistently meeting the evolving requirements of our customers.

COMMODITIES

Our Commodities business segment provides waste management solutions, treatment, recovery, and recycling of industrial waste, electronic waste, and lithium-ion batteries for the electric vehicle industry.

Based in Singapore with an established track record of more than 25 years, SMCI is committed to offering recovery and recycling solutions and services to our customers to address increasing concerns about waste generation, in particular, electronic and lithium-ion battery waste.

With a continual focus on improving our process and technology to make recycling both convenient and affordable, we are focused on ensuring waste is recycled and integrated back into the supply chain, where it belongs.

One of our key e-waste management services is 'battery recycling' where the recycling process typically begins with the receipt of one of the following waste sources:

1. discarded electrical or electronic equipment such as spent lithium-ion batteries from portable devices;

2. battery manufacturing waste generated by manufacturer(s) that made battery for electric vehicles/energy storage systems; and

3. end-of-life battery modules generated from scraped electric vehicles.

Additional steps are required for end-of-life batteries at recycling facilities, where they undergo testing, discharging, and disassembly.

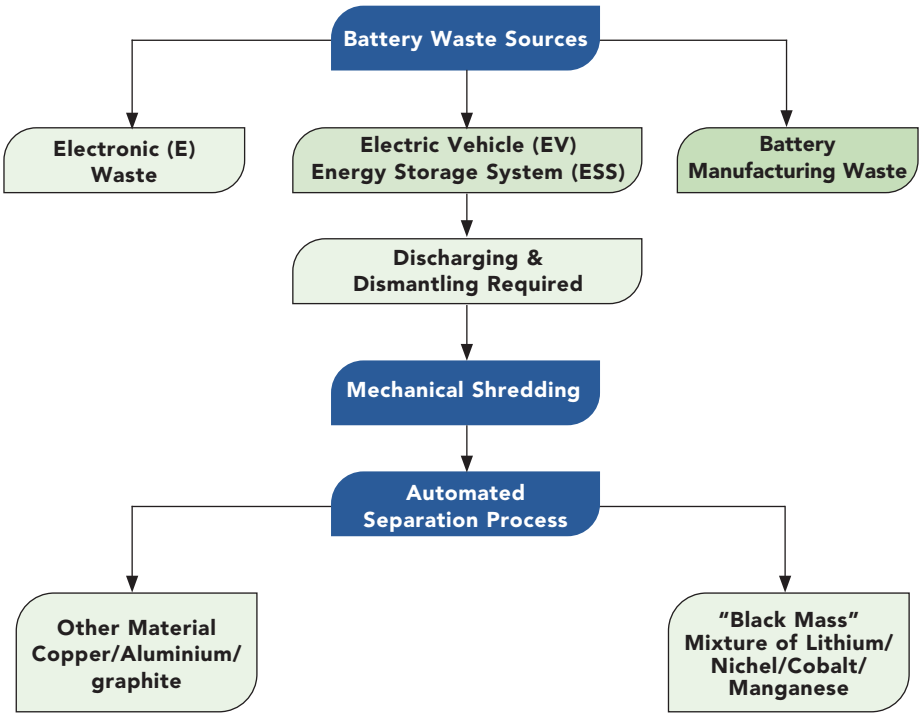
The waste batteries are then subjected to a shredding process, followed by the separation of electrode active material and current collector foil. This process yields multiple material fractions including "black mass", which is in a powder form containing valuable materials such as nickel, cobalt, lithium, and graphite.

Currently, this "black mass" is used as a feedstock by our downstream customers for two processing purposes: (i) hydrometallurgical processing which involves treating the screened "black mass" extensively with acids to dissolve metals, and (ii) pyrometallurgical processing which involves smelting batteries in a furnace to recover cobalt, nickel, and copper in the form of alloys.

The demand for "black mass" is likely to increase as several ongoing research and development in innovative recycling processes are also using the "black mass" as feedstock.

BUSINESS OPERATIONS

The following chart illustrates the general recycling process of battery waste.



We will continue to explore collaborative opportunities through enhancing our competencies to better support our customers with value-adding solutions.

SMCI's operations and facility are accredited with the following:

- certified with ISO 9001:2015 standards by Lloyd's Register Quality Assurance ("**LRQA**") on the recycling and sales of e-waste, ferrous and non-ferrous metals
- licenced by the National Environment Agency of Singapore for the establishment and operations of Lithium-ion Battery Recycling Facility
- licenced by the National Environment Agency of Singapore as a Toxic Industrial Waste Collector
- licenced by the National Environment Agency of Singapore as a Class A General Waste Collector

On 6 December 2023, SMCI entered into a non-binding Memorandum of Collaboration (the "**MOC**") with Konkordia Sdn. Bhd. ("**Konkordia**"), a wholly-owned subsidiary of NanoVerify Sdn. Bhd. under the NanoMalaysia Group, to facilitate the opportunity of SMCI's entry into Malaysia's EV battery recycling industry. In this joint collaboration, SMCI shall contribute comprehensive data on existing and proposed battery recycling technologies, while Konkordia will lead in the understudy of EV battery recycling using a full recovery method, covering aspects including technology identification, process refinement, and the establishment of essential requirements. The feasibility study encompasses environmental and regulatory compliance, as well as financial modeling and the return on investment for the proposed EV battery recycling facility in Malaysia.

The Group will make the relevant update announcements to update shareholders of any material developments in due course.

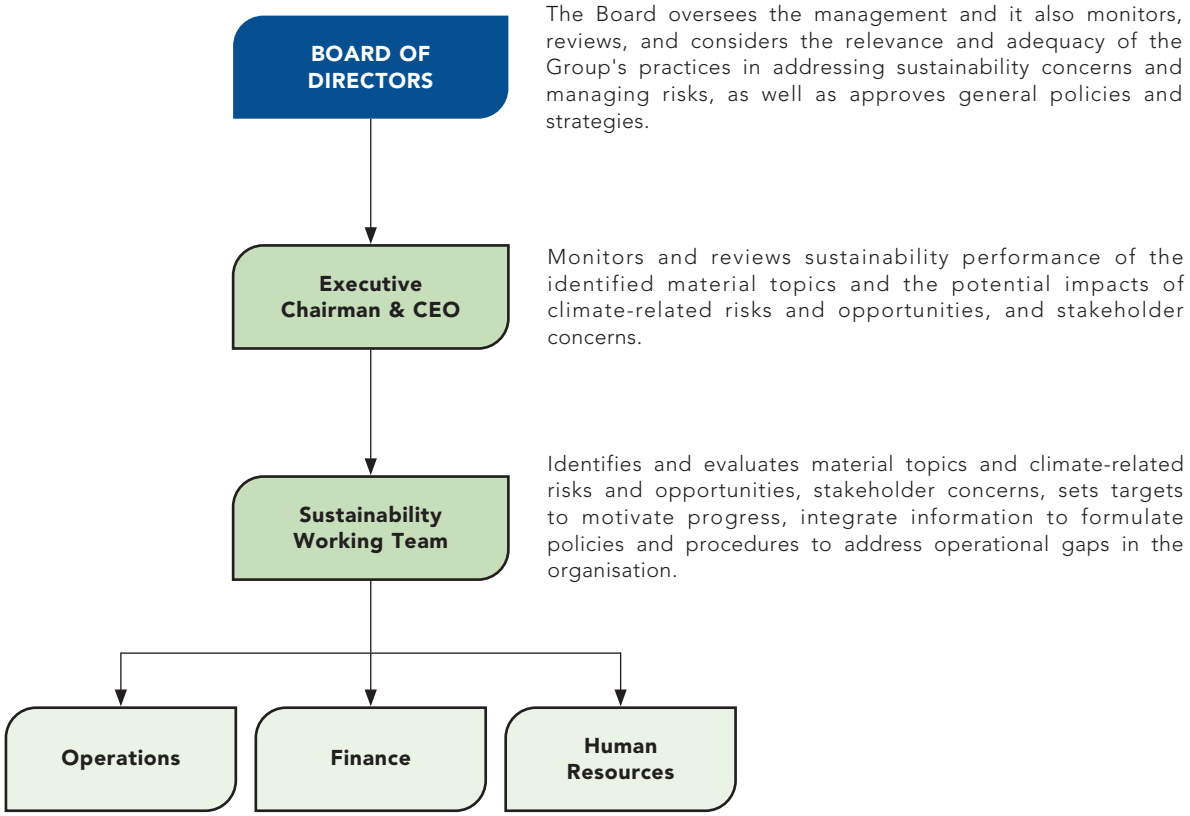
SUSTAINABILITY GOVERNANCE

The sustainability focus for Sen Yue is to deliver sustainable long-term value to our stakeholders: customers, employees, shareholders and investors, and the communities in which we operate. We are committed to ensuring that ESG criteria are integrated into the Group's strategy and business model, as well as our internal policies and processes.

Our Board has oversight of the ESG issues and is supported by the Group's Sustainability Working Team ("**SWT**"), which reports to the Executive Chairman and Chief Executive Officer. The SWT, comprising key management executives and supported by representatives from various departments, is responsible for reviewing the company's sustainability performance, material topics, stakeholder concerns, setting targets for material topics, and establishing systems to collect, verify, monitor, and report the information required for the sustainability report(s). The SWT meets at least once a year to discuss, propose, coordinate, and promote the Group's sustainability practices.

The Board, in turn, will monitor, review, and deliberate on the sustainability issues, as well as the risks and opportunities that could potentially present in our business and/or could have a material impact on the sustainability of our business operations, during board meetings.

SUSTAINABILITY REPORTING STRUCTURE



SUSTAINABILITY GOVERNANCE

STAKEHOLDER ENGAGEMENT

Our Group believes sustainable operations require the regular interaction of both internal and external stakeholders. It is important for the Group to establish efficient communication platforms and achieve mutually beneficial goals.

Despite the Company is currently under trading suspension on the SGX-ST, we are committed to establishing communication and strengthening mutually beneficial relationships with our stakeholders through various communication platforms.

We are committed to understanding the concerns of our stakeholders, and seeking to address them adequately, and aligning our key stakeholders to participate in the Group's renewed journey since the discharge of the JMO in August 2022.

We endeavour to strengthen our communication channels with our stakeholders as one of the approaches to enhance our Group's assessment in risk management and strategy development and achieve aligned sustainable goals for the long term.

Our engagements with our key stakeholders are summarised as follows:

Key Stakeholders	Areas of Concerns	Communication Platforms	Our Initiatives
Board of Directors	• Effectiveness of internal policies and processes • Compliance with relevant laws and regulations	• Board meetings • Updates via electronic communication (emails, phone calls, virtual meetings)	▶ Regular updates on corporate activities, developments, and financial performance ▶ Seek guidance and approval from the Board on all material proposed developments
Employees	• Career stability • Competitive remuneration and incentives • Training and education opportunities • Pleasant and safe working environment	• Regular internal communication through staff meetings and electronic communication (emails, phone calls, virtual meetings) • Regular review of working environment and welfare • Performance appraisal • Employee feedback	▶ Ensure effective implementation of human resources policies, internal systems and procedures ▶ Regular internal meetings to review safety and healthy work environment ▶ Annual review on performance

SUSTAINABILITY GOVERNANCE

Key Stakeholders	Areas of Concerns	Communication Platforms	Our Initiatives
Shareholders and investment community	• Financial performance • Dividends and/or investment returns • Market presence • Sustainability • Good corporate governance	• Announcements on SGXNet • General meetings • Company's corporate website • Emails • Annual reports and sustainability reports	▶ Ensure all public disclosures on corporate results and developments are disclosed accurately and timely via official announcements as and when required ▶ Conduct general meetings with shareholders at least once a year ▶ Ensure sustainable business operations
Suppliers/Business Partners	• Timely payment and adherence to agreed terms • Competitive pricing • Quality of goods and services	• Regular meetings • Trade shows/exhibitions • Electronic communication (emails, phone calls, virtual meetings)	▶ Regular review, assessment, and feedback ▶ Ensure compliance with safety standards and environmental laws and regulations
Governments and Regulators	• Regulatory compliance • Occupational health and safety compliance • Environmental compliance • Socioeconomic issues	• Meetings when required • Electronic communication (emails, phone calls) • Through external professionals and agencies • Announcements on SGXNet	▶ Ensure compliance with applicable laws and regulations in respective countries of operations ▶ Regular communication with external professionals and agencies ▶ Meeting relevant authorities when necessary

MATERIALITY ASSESSMENT

The Group carried out an internal review of the relevance of the material topics against the latest requirements of the GRI Standards and the Catalist Rules in FY2023. We explored the criteria of material analysis based on industry standards and reviewed peer benchmarking based on companies with similar operations and management awareness. These material topics were also presented to the Board for review and approval for their inclusion in this sustainability report.

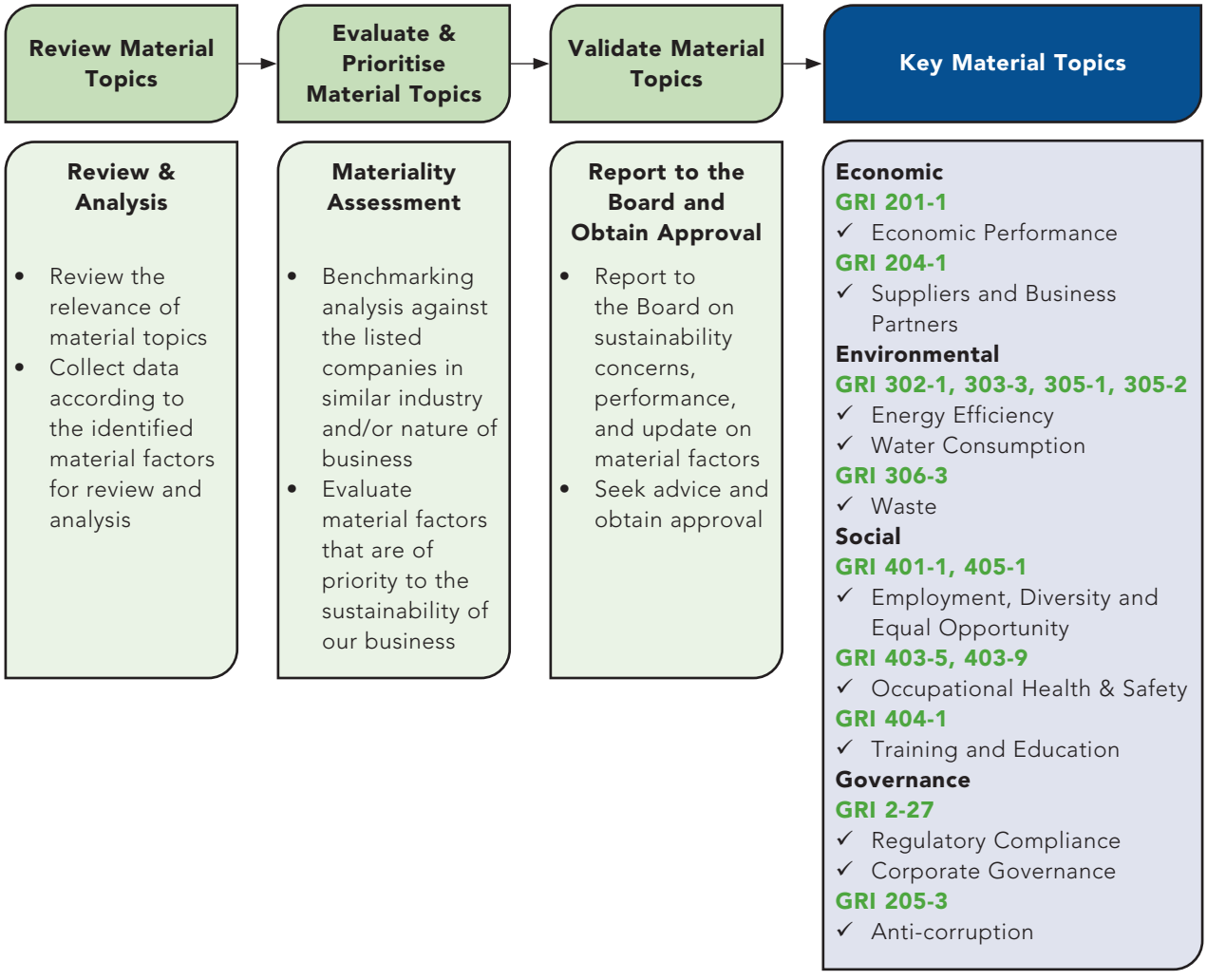
As we strive to overcome challenges and conduct our business operations, we ensure that data has been collected according to the relevant material topics identified to facilitate analysis of our performance in FY2023. In the year under review, we have expanded our coverage to include environmental and governance material topics, which cover energy efficiency, water consumption, waste, employment, and diversity and equal opportunity in the Group's operations.

Nevertheless, we will continue to improve interactions with our stakeholder group related to the material topics identified as we continue to refine our operations and begin to explore and review the impact of climate-related risks and opportunities on our businesses in a progressive manner.

SUSTAINABILITY GOVERNANCE

The GRI Standards that have been referenced in this sustainability report include GRI 2 General Disclosures 2021, GRI 3 Material Topics 2021, GRI 201 Economic Performance 2016, GRI 204 Procurement Practices 2016, GRI 205 Anti-Corruption 2016, GRI 302 Energy 2016, GRI 303 Water and Effluents 2018, GRI 305 Emissions 2016, GRI 306 Waste 2020, GRI 401 Employment 2016, GRI 403 Occupational Health and Safety 2018, GRI 404 Training and Education 2016. GRI 405 Diversity and Equal Opportunity 2016, and GRI 205 Anti-corruption 2016.

The sustainability reporting process and specific disclosures for each GRI Standard reported under the various material topic are set out in the chart below.



MATERIAL TOPIC: ECONOMIC

ECONOMIC PERFORMANCE
GRI 201-1

We overcame challenges amid geopolitical uncertainties, gradual economic recovery post-pandemic, and rising inflationary pressure in FY2023 following the discharge of the JMO on the Company and SMCI in August 2022.

In FY2023, the Group recorded a 60.8% year-on-year revenue growth to S$65.99 million, an increase from S$41.04 million for the financial year ended 30 September 2022 ("**FY2022**"). Higher revenue was mainly driven by the significant growth in the Commodities segment, which refocused on lithium-ion battery recycling operations from the second half of FY2022. The revenue growth was moderated by lower revenue contribution from the Metal Components and ED Coating segments which saw demand for their services decrease in tandem with the global slowdown in demand for motor vehicles in the second half of FY2023.

Despite the significant increase in revenue, profitability was undermined by price volatility of key battery materials, rising costs on operations, and intense competition. Correspondingly, the Group registered a 10.7% year-on-year decline in net profit attributable to shareholders from S$15.93 million in FY2022 to S$14.23 million in FY2023.

Nevertheless, the Group recorded positive working capital of S$18.69 million as at 30 September 2023, a reversal from the negative working capital of S$0.74 million as at 30 September 2022. The Group's net asset value per share based on share capital of 3.24 billion shares as at 30 September 2023 and 2.73 billion shares as at 30 September 2022, increased from 0.71 Singapore cents to 1.08 Singapore cents, respectively.

Please refer to the Company's annual report for FY2023 ("**AR2023**") published on SGXNet and Company's corporate website for the following sections on our operations and financial information:

- Letter to Shareholders on pages 2 to 3 of AR2023
- Business Operations on pages 5 to 8 of AR2023
- Financial Review on pages 9 to 12 of AR2023
- Financial Statements on pages 60 to 119 of AR2023

Having settled all outstanding financial and key regulatory obligations in FY2023, we will continue to drive efforts towards enhancing our competencies and efficiencies, and broadening our solutions and services across the metallurgical value chain to benefit our customers, in a bid to enhance the Group's stability and sustainability for the long term.

Performance in FY2023

- Registered net profit of S$14.23 million in FY2023, which included other gain and losses of S$9.51 million arose from a gain on debts settlement of approximately S$11.50 million and partially offset by foreign exchange loss of S$1.97 million.
- Recorded positive working capital of S$18.69 million as at 30 September 2023.

Targets for FY2024

- ▶ To strive for better financial performance amid geopolitical uncertainties, economic slowdown and rising costs of operations.
- ▶ Continue restructuring efforts to strengthen foundation by exploring collaborative opportunities within the Group as well as externally.

MATERIAL TOPIC: ECONOMIC

The table below provides an analysis of our economic value distributed to various stakeholders, and the economic value retained.

(in SGD thousands)	FY2023	FY2022
Economic value generated	**68,927**	**41,557**
Revenue	65,989	41,041
Other income or operating gain	2,938	516
Economic value distributed	**(52,102)**	**(30,598)**
Operating costs	(41,027)	(18,947)
Employee wages and benefits	(9,685)	(8,835)
Payments to providers of capital	(396)	(1,870)
Payments to government by country (taxes)	(994)	(946)
Economic value retained	**16,825**	**10,959**

Notes:

- Operating costs include cost of sales, marketing and distribution expenses, other expenses and exclude employee wages and benefits.
- Employee wages and benefits include Directors' remuneration and employee salaries.
- Payments to providers of capital denotes interest paid to banks.
- Payments to government by country (taxes) denotes income taxes paid or payable.

SUPPLIERS AND BUSINESS PARTNERS

GRI 204-1

The Group is committed to sourcing our raw materials from local suppliers for our operations across the three business segments whenever possible.

We believe in supporting the local economy where our manufacturing operations are located. We also believe that maintaining mutually beneficial long-term partnerships with the local suppliers will not only support the sustainability of their businesses but also ensure a consistent supply of raw materials for our business operations.

Of the total purchases of approximately S$41.16 million in FY2023, 12.4% were from local suppliers for our manufacturing operations across the three business segments.

Business Segments	Local Suppliers	Overseas Suppliers
Metal Components	36.6%	63.4%
ED Coating	75.1%	24.9%
Commodities	8.2%	91.8%
Total	**12.4%**	**87.6%**

Performance in FY2023

- Recorded 12.4% of total purchases from local suppliers in respective countries of operation.
- No issue on raw materials supply.

Targets for FY2024

- To at least maintain similar percentage as FY2023.
- To maintain strong business relationships with our suppliers.

MATERIAL TOPIC: ENVIRONMENTAL

ENERGY EFFICIENCY
GRI 302-1, 303-3, 305-1, 305-2

We started to monitor and measure our environmental footprint for our fuel, energy, and water consumption from our operations across the three business segments located in Singapore, Malaysia, and Indonesia in FY2023.

Our total energy consumed for the Group in FY2023 was 34,575.5 gigajoules ("**GJ**") comprising 14,807.0 GJ of fuel and 19,768.5 GJ of electricity. The Group's overall greenhouse gas ("**GHG**") emissions were 4,500.2 tonnes CO_2e ("**tCO_2e**") in FY2023. The carbon emission intensity was 68.2 tCO_2e per SGD million of revenue in FY2023.

Performance in FY2023

- Recorded an energy consumption of 14,807.0 GJ of fuel and 19,768.5 GJ of electricity.
- Overall GHG emissions were 4,500.2 tCO_2e in FY2023.
- Carbon emission intensity was 68.2 tCO_2e per SGD million of revenue in FY2023.
- Total volume of water consumed was 89.1 megaliters.

Target for FY2024

- To monitor overall performance as the Group continues our restructuring efforts to enhance competencies and efficiencies of our operational facilities.

WATER AND EFFLUENTS
GRI 303-5

The total volume of water consumed in FY2023 for the Group's operations in Singapore, Malaysia, and Indonesia was approximately 89.1 megaliters.

As this is our first year of data collection and reporting, we shall continue to monitor our performance so as to be able to set targets once we have a better understanding of our baseline.

Energy consumed from non-renewable sources in FY2023
GRI 302-1

Energy Sources	Consumption in GJ			
	Singapore	Malaysia	Indonesia	Group
Fuel	**693.4**	**8,914.0**	**5,199.5**	**14,807.0**
Petrol	72.4	769.7	63.3	905.3
Diesel	621.1	782.7	1,707.0	3,110.8
LPG	–	7,361.6	3,429.3	10,790.9
Electricity	**3,155.6**	**14,476.6**	**2,136.3**	**19,768.5**
Total	**3,849.1**	**23,390.7**	**7,335.8**	**34,575.5**

Direct (Scope 1) and Indirect (Scope 2) GHG Emissions
GRI 305-1, GRI 305-2

	GHG emissions (in tCO_2e)			
	Singapore	Malaysia	Indonesia	Group
Scope 1	**51.3**	**577.8**	**348.6**	**977.7**
Scope 2	**365.4**	**2,695.6**	**461.5**	**3,522.5**
Total	**416.7**	**3,273.4**	**810.1**	**4,500.2**

Note: Grid emission factor for Malaysia and Indonesia is referenced from Institute for Global Environmental Strategies and List of Grid Emission Factors, version 11.3. Grid emission factor for Singapore is referenced from Energy Market Authority ("**EMA**").

MATERIAL TOPIC: ENVIRONMENTAL

WASTE

GRI 306-3

We have also started to monitor and measure our waste materials from our manufacturing facilities, particularly those from the ED Coating segment.

The Group is committed to the preservation and protection of the environment and has met all applicable environmental requirements and standards. The Scheduled Waste Policy is implemented to be in compliance with the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005.

We have industrial effluent treatment plants within our manufacturing facilities to treat effluent before discharging the wastewater into the environment. Our wastewater treatment plants are compliant with the Department of Environment in Malaysia and the Ministry of Environment in Indonesia.

Our Group's manufacturing facilities discharged an aggregate of 95,359.7m^3 of wastewater and disposed of an aggregate of 106.4 metric tonnes of scheduled waste, which includes sludge, spent inorganic acid, contaminated containers, filter bags and rags, and zinc ash. The scheduled waste will be sent to prescribed premises for recovery and disposal by approved licensed collector.

As this is our first year of data collection and reporting, we shall continue to monitor our performance to be able to set targets once we have a better understanding of our baseline.

Performance in FY2023

- Recorded 95,359.7m^3 of wastewater and disposed 106.4 metric tonnes of scheduled waste in FY2023.

Target for FY2024

- To monitor overall performance as the Group continues our restructuring efforts to enhance competencies and efficiencies of our manufacturing facilities.

MATERIAL TOPIC: SOCIAL

EMPLOYMENT, DIVERSITY AND EQUAL OPPORTUNITY
GRI 401-1, 405-1

The Group is committed to fair employment practices and providing a healthy workplace where our employees are respected with equality and non-discrimination.

We have in place human resources ("**HR**") manual and staff handbook that adhere to the legislation and guidelines in the country of operations, and we are committed to conducting engagement sessions on a regular basis. Efficient communication within the organisation is also established for effective interactions to cultivate accountability, involvement and motivation of employees who share the overall success of the Group.

Our Group's recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity, and non-discrimination regardless of gender, race, marital status, pregnancy, disability, age, or family status. Remuneration policies and packages are reviewed periodically to ensure consistency with the employment market and industry benchmark. This helps the Group in recruitment and retention of talent.

In FY2023, approximately 98.3% of our employees are full-time employees, which was slightly lower than 98.7% in FY2022 due to an increase in temporary employees. Nevertheless, the reopening of the international borders during FY2023 saw our staff strength increased by 48.9% year on year from 446 employees in FY2022 to 664 employees in FY2023. We believe the easing of travelling restrictions attributed to higher hiring rate at 26.7% in FY2023.

Due to the nature of the work, the diversity by gender industry-wide is male dominated. In FY2023, approximately 76.2% of our employees are males, a slight increase from 69.3% in FY2022, and approximately 23.8% are females, as compared to 30.7% in FY2022. No employees were laid off during FY2023, and we recorded an employee turnover rate of 18.4%.

All our employees are paid fair wages in line with the respective local regulations and overtime work is optional and our employees are given the option to decide if they wish to work overtime in accordance with the local employment law in the respective countries of operations.

Performance in FY2023

- Recorded no reported incidents of non-compliance with the relevant laws and regulations relating to fair employment practices.
- Approximately 90.8% of our workforce is below 50 years old of age.

Targets for FY2024

- To maintain no incident of non-compliance with the relevant laws and regulations relating to fair employment practices.
- Continue to monitor and review the recruitment procedures and systems to ensure fair and non-discrimination in hiring.

MATERIAL TOPIC: SOCIAL

The demographics of the Group's employees are set out as follows:

Analysis of employees by employment

Business segments	FY2023				FY2022			
	Permanent		Temporary		Permanent		Temporary	
Metal Components	58	*8.9%*	0	*0.0%*	*57*	*13.0%*	0	*0.0%*
ED Coating	545	*83.5%*	11	*100.0%*	*349*	*79.3%*	6	*100.0%*
Commodities	42	*6.4%*	0	*0.0%*	*28*	*6.4%*	0	*0.0%*
Corporate Office	8	*1.2%*	0	*0.0%*	*6*	*1.4%*	0	*0.0%*
Total	**653**	***98.3%***	**11**	***1.7%***	**440**	***98.7%***	**6**	***1.3%***

The Group's staff strength increased from 446 employees in FY2022 to 664 employees in FY2023.

Analysis of employees by gender

Business segments	FY2023				FY2022			
	Male		Female		Male		Female	
Metal Components	44	*8.7%*	14	*8.9%*	*43*	*13.9%*	14	*10.2%*
ED Coating	420	*83.0%*	136	*86.1%*	*241*	*78.0%*	114	*83.2%*
Commodities	35	*6.9%*	7	*4.4%*	*21*	*6.8%*	7	*5.1%*
Corporate Office	7	*1.4%*	1	*0.6%*	*4*	*1.3%*	2	*1.5%*
Total	**506**	***76.2%***	**158**	***23.8%***	**309**	***69.3%***	**137**	***30.7%***

Analysis of employees by age group for FY2023

Business segments	Below 30 years old		30 – 50 years old		Above 50 years old	
Metal Components	19	7.3%	28	8.1%	11	18.0%
ED Coating	229	88.4%	293	85.2%	34	55.7%
Commodities	11	4.2%	22	6.4%	9	14.8%
Corporate Office	0	0.0%	1	0.3%	7	11.5%
Total	**259**	**39.0%**	**344**	**51.8%**	**61**	**9.2%**

MATERIAL TOPIC: SOCIAL

Analysis of employees by age group and gender for FY2023

Business segments	Below 30 years old		30 – 50 years old		Above 50 years old	
	Male	Female	Male	Female	Male	Female
Metal Components	94.7%	5.3%	4.9%	3.2%	14.8%	3.3%
ED Coating	85.2%	14.8%	59.9%	25.3%	31.1%	24.6%
Commodities	100.0%	0.0%	5.2%	1.2%	9.8%	4.9%
Corporate Office	0.0%	0.0%	0.0%	0.3%	11.5%	0.0%
Total	**86.5%**	**13.5%**	**70.1%**	**29.9%**	**67.2%**	**32.8%**
	224	**35**	**241**	**103**	**41**	**20**

Analysis of employee turnover and hiring rate by gender for FY2023

Gender	New hires	Resigned	Turnover rate[1]	Hiring rate[2]
Male	146	57	14.0%	28.9%
Female	31	45	30.5%	19.6%
Total	**177**	**102**	**18.4%**	**26.7%**

Notes:

1 Turnover rate is computed based on resigned employees over the average total number of employees of 446 as at 30 September 2022 and 664 as at 30 September 2023.

2 Hiring rate is computed based on new hires over the total number of employees of 664 as at 30 September 2023.

MATERIAL TOPIC: SOCIAL

OCCUPATIONAL HEALTH AND SAFETY
GRI 403-5, 403-9

We are committed to providing a healthy, safe, and pleasant working environment for our people. The Group continues to stay vigilant in managing and monitoring health and safety risks through the enforcement of policies and procedures, including the Workplace Safety Policy.

Our Group has put in place an Occupational Safety and Health Committee within our three business segments, involving occupational safety and health workplace inspections and the importance of occupational health and safety being effectively promoted and implemented in all our operations. Regular committee meetings are held by the representatives every quarterly and toolbox briefings are conducted every six months to remind employees of important safety measures.

All employees will have to undergo training courses to equip themselves with the necessary knowledge and skills required for their roles and responsibilities, and adhere to industrial standards of safety and best practices in handling hazardous materials and waste. Personal protective equipment such as earplugs, safety shoes, and respiratory masks are also provided for our production workers in our manufacturing facilities. New and existing employees are also required to attend trainings under our Occupational Health & Safety programme, which includes health and safety policies, basic first aid training, emergency response training, safe work procedures, and work instructions on a regular basis.

We believe self-responsibility through regular reminders and education will minimise work-related injuries and accidents and, at the same time, improve cohesiveness among members of the organisation.

In FY2023, we recorded zero incidents resulting in fatality and permanent disability. However, we recorded seven (7) recordable work-related injuries that led to 0.2% of work days lost in FY2023. Despite these being considered minor injuries, we will continue to strive to minimise occurrences through regular refresher training for all our employees to emphasise safe work procedures in all our operational facilities.

Note: Work days lost in percentage denotes total lost days due to injuries over total number working days of total workforce.

Performance in FY2023

- Recorded zero incidents of resulting in fatality and permanent disability.
- Recorded no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety.
- Recorded 7 recordable work-related injuries and 0.2% total work days lost in FY2023.

Targets for FY2024

- Continue to carry out refresher training regularly for our employees to ensure they are aware of the health and safety policies and standard operating procedures, and continuous emphasis on the importance of complying with the safety standards and rules in the workplace to ensure work-related injuries are kept to the minimal.
- To maintain incidents on recordable work-related injuries at below 10 cases a year.
- Maintain zero incidents resulting in fatality and permanent disability.
- Maintain no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment, and protecting our employees from occupational hazards.

MATERIAL TOPIC: SOCIAL

TRAINING AND EDUCATION
GRI 404-1

We are committed to providing opportunities for our employees to attend courses to upgrade and improve their skills and knowledge through formal and on-the-job training programmes.

Training programmes are selected according to the role and responsibilities of the employees. These training programmes include a) forklift safety training, b) basic occupational first aid, cardiopulmonary resuscitation ("**CPR**"), and automated external defibrillator ("**AED**"), c) industrial chemical handling, d) metal precipitation and chemical reaction workshop, e) certified environmental professional in the operation of industrial effluent treatment systems, f) compliance with environmental quality – industrial effluents and clean air, and g) workplace safety. We will continue to look into ways to enable our employees to grow with the organisation.

We achieved an aggregate of 2,809 training hours for 664 employees and an average of 4.2 hours of training programmes per employee in FY2023. As this is our first year of data collection and reporting, we shall continue to monitor our performance to have a better understanding of our baseline before setting targets.

Performance in FY2023

- Recorded an average of 4.2 hours of training per employee Group-wide.

Targets for FY2024

- To explore new training programmes to update knowledge and skills of our employees.
- To monitor our performance and understand the training requirements for employees Group-wide before setting targets.

Average training hours per employee for FY2023

Business segments	Office		Manufacturing		Group
	Male	Female	Male	Female	
Metal Components	0	48	168	0	216
ED Coating	195	349	1,218	531	2,293
Commodities	0	0	300	0	300
Corporate Office	0	0	0	0	0
Total hours	**195**	**397**	**1,686**	**531**	**2,809**
No. of employees	45	52	462	105	664
Average	**4.3**	**7.6**	**3.6**	**5.1**	**4.2**

MATERIAL TOPIC: GOVERNANCE

REGULATORY COMPLIANCE

GRI 2-27

We are committed to operating our businesses in compliance with relevant social and economic as well as environmental regulations and standards through internal checks and balances and regular reporting and updates to the relevant authorities and agencies in the countries where we operate.

During FY2023, one of our Indonesian subsidiaries recorded a penalty fine amounting to S$56,000 for the under-declaration of tax payable for the year of assessment 2020. The Company has also fulfilled all overdue financial and key regulatory compliance obligations and achieved the completion and absolute release and discharge from the debts of the Company and SMCI under the approved schemes of arrangement pursuant to Section 210 of the Companies Act 1967 read with Section 117 of the Insolvency, Restructuring and Dissolution Act 2018 in FY2023.

We will continue to proactively monitor, identify, and address a broader range of socioeconomic and environmental concerns, as well as potential risks and impacts on our Group businesses. We remain committed to conducting our businesses with integrity and safeguarding the interests of all stakeholders.

CORPORATE GOVERNANCE

The Board and the management of Sen Yue are committed to observing high standards of corporate governance and transparency in ensuring the sustainability of the Group's operations and safeguarding the interests of all our stakeholders.

We continue to uphold best practices in corporate transparency and disclosures, and we have in place a set of procedures and policies governing our compliance with applicable legislation and adherence to our risk management guidelines. The goal towards corporate excellence constantly motivates us to improving ourselves with a more transparent, accountable, and equitable system.

Please refer to the Corporate Governance Report found on pages 17 to 48 of the AR2023.

Performance in FY2023

- Recorded a penalty fine for under-declaration of tax payable for the year of assessment 2020 of one of its Indonesian subsidiaries.
- Complied with the principles and guidelines set out in the Code of Governance 2018, where appropriate.
- Recorded no incident of non-compliance with management controls and procedures.

Targets for FY2024

- To record zero incidents of non-compliance with the relevant laws and regulations in the social, environmental, and economic aspect.
- Maintain no incident of non-compliance with management controls and procedures.
- Continue to monitor and update the adequacy of the management controls and procedures as the Group reviews the impacts of climate-related issues on its operations.

MATERIAL TOPIC: GOVERNANCE

ANTI-CORRUPTION
GRI 205-3

The Group has zero tolerance for fraudulent and corrupt practices that may disrupt business operations and impede the growth of our business. We remain committed to conducting our business with integrity and transparency, with no compromise on corruption.

The Group has in place a Whistleblowing Policy, where stakeholders are able to report any irregularities or suspected irregularities involving employees, shareholders, consultants, vendors, contractors, external agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the companies within the Group without fear of retaliation. All members of the organisation are also reminded of pre-emptive measures to prevent, govern, and facilitate the reporting of any illegal or unethical practices in the organisation.

The Group recorded zero non-compliance relating to corruption, bribery, extortion, fraud, and money laundering in FY2023. We aim to remain vigilant in monitoring and keeping our policies and practices relevant and updated for FY2024.

Performance in FY2023
- Recorded zero incident of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

Targets for FY2024
- To monitor and keep policies and practices relevant and updated.
- Continue to maintain no incident of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

GRI CONTENT INDEX

Statement of use	Sen Yue Holdings Limited has reported this information cited in this GRI Content Index for the period from 1 October 2022 to 30 September 2023 ("**FY2023**") with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure	Reference
GRI 2: General Disclosures 2021	2-1: Organisational details	Sustainability Report ("**SR**") – About Sen Yue Holdings, page 3
	2-2: Entities included in the organisation's sustainability reporting	SR – Board Statement, page 1 to 2 Group Structure, page 4
	2-3: Reporting period, frequency and contact point	SR – Board Statement, page 1 to 2
	2-6: Activities, value chain, and other business relationships	Annual Report ("**AR**") – Letter to Shareholders, page 2 to 3 SR – Business Operations, page 5 to 8
	2-7: Employees	SR – Employment, Diversity and Equal Opportunity, page 17 to 19
	2-9: Governance structure and composition	SR – Sustainability Governance, page 9 to 12 AR – Board of Directors, page 13 to 14 AR – Corporate Governance, page 17 to 48
	2-10: Nomination and selection of the highest governance body	AR – Corporate Governance Report, page 25 to 27
	2-27: Compliance with laws and regulations	SR – Regulatory Compliance, Corporate Governance, page 22
	2-29: Approach to stakeholder engagement	SR – Stakeholder Engagement, page 10 to 11
GRI 3: Material Topics 2021	3-1: Process to determine material topics	SR – Materiality Assessment, page 11 to 12
	3-2: List of material topics	SR – Materiality Assessment, page 11 to 12
	3-3: Management of material topics	SR – Materiality Assessment, page 11 to 12

GRI CONTENT INDEX

GRI Standards	Disclosure	Reference
GRI 201: Economic Performance	201-1: Direct economic value generated and distributed	SR – Economic Performance, page 13 to 14
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	SR – Suppliers and Business Partners, page 14
GRI 205: Anti-corruption 2016	205-3: Confirmed incidents of corruption and actions taken	SR – Anti-corruption, page 23
GRI 302: Energy 2016	302-1: Energy consumption	SR – Energy Efficiency, page 15
GRI 303: Water and Effluents 2018	303-5: Water consumption	SR – Water and Effluents, page 15
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	SR – Energy Efficiency, page 15
	305-2: Energy Indirect (Scope 2) GHG emissions	SR – Energy Efficiency, page 15
GRI 306: Waste 2020	306-3: Waste generated	SR – Waste, page 16
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	SR – Employment, Diversity and Equal Opportunity, page 17 to 19
GRI 403: Occupational Health and Safety (2018)	403-5: Worker training on occupational health and safety	SR – Occupational Health and Safety, page 20 to 21
	403-9: Work related injuries	SR – Occupational Health and Safety, page 20 to 21
GRI 404: Training & Education (2016)	404-1: Average hours of training per year per employee	SR – Training and Education, page 21
GRI 405: Diversity and equal opportunity (2016)	405-1: Diversity of governance bodies and employees	SR – Employment, Diversity and Equal Opportunity, page 17 to 19

TCFD CONTENT INDEX

Based on the requirements in the Rule 711B of the Catalist Rules and Practice Note 7F Sustainability Reporting Guide, we have mapped our climate-related disclosures based on TCFD Recommendations as shown in the table below.

TCFD RECOMMENDATIONS	DISCLOSURE	REFERENCE
GOVERNANCE		
Describe the board's oversight of climate-related risks and opportunities.	The Board of Directors oversees the management and it also monitors, reviews, and considers the relevance and adequacy of the Group's practices in addressing sustainability concerns and managing risks, as well as approves general policies and strategies. The Group has in place a Sustainability Working Team ("**SWT**") comprising key management executives and supported by representatives from various departments, is responsible for reviewing the company's sustainability performance, material topics, stakeholder concerns, setting targets for material topics, and establishing systems to collect, verify, monitor, and report the information required for the sustainability report(s). The SWT meets at least once a year to discuss, propose, coordinate, and promote the Group's sustainability practices The SWT reports to the Executive Chairman and Chief Executive Officer, who monitors and reviews sustainability performance and the potential impacts of climate-related risks and opportunities as well as stakeholder concerns. The Board maintains an oversight, will review and deliberate on sustainability concerns and incorporate these findings when formulating strategies and policies to better manage the potential sustainability risks and opportunities that could possibly be encountered by the Group. This process helps to ensure all EESG and climate-related matters significant to the business are considered and adequately addressed.	SR – Board Statement, page 1 to 2 SR – Sustainability Governance, page 9 to 12
Describe management's role in assessing and managing climate-related risks and opportunities.		SR – Sustainability Governance, page 9 to 12

TCFD CONTENT INDEX

TCFD RECOMMENDATIONS	DISCLOSURE	REFERENCE
STRATEGY		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Sen Yue is adopting a phased approach towards managing climate-related risks. Identifying climate-related risks and opportunities of the Group will be carried out post-FY2023.	–
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Sen Yue is adopting a phased approach towards managing climate-related risks. Identifying the impact on climate-related risks and opportunities on the Group's business, strategy and financial planning will be carried out post-FY2023.	–
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Sen Yue is adopting a progressive strategy towards managing climate-related risks. Scenario analysis will be carried out post-FY2023.	–
RISK MANAGEMENT		
Describe the organisation's processes for identifying and assessing climate-related risks.	Sen Yue is adopting a phased approach towards managing climate-related risks. Identifying and assessing climate-related risks will be carried out post-FY2023.	–
Describe the organisation's processes for managing climate-related risks.	Sen Yue is adopting a phase approach towards managing climate-related risks. The Group's processes for managing climate-related risks will be determined and carried out post-FY2023.	–
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Sen Yue is adopting a phased approach towards managing climate-related risks. Analysis on integration with enterprise risk management of the Group will be carried out post-FY2023.	–

TCFD CONTENT INDEX

TCFD RECOMMENDATIONS	DISCLOSURE	REFERENCE
METRICS AND TARGET		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	As Sen Yue resumed sustainability reporting, we track metrics such as: – Scope 1 and 2 GHG emissions – Non-renewal energy and water consumption – Waste	SR – Energy Efficiency, page 15 SR – Waste, page 16
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Scope 1 and Scope 2 GHG emissions are disclosed in our SR. This is the first time we reported on Scope 1 and Scope 2 GHG emissions for FY2023 based on fuel and energy consumption Group-wide. We will review and develop and report our Scope 3 GHG emissions, as and when appropriate.	SR – Energy Efficiency, page 15
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Sen Yue is adopting a phased strategy towards managing climate-related risks. Appropriate targets shall be analysed and set post-FY2023.	–

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