Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Sen Yue Holdings Limited

Stock code: 5BS

Meeting details:
Date: 13 January 2023
Time: 10.00 a.m.

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Q1. The company and its wholly-owned subsidiary, SMC Industrial Pte Ltd ("SMC") were placed under interim judicial management in April 2021 (and followed by judicial management in May 2021) following non-payment of banking facilities and the board's independent review of SMC's affairs which resulted in a complaint being made to the Commercial Affairs Department of the Singapore Police Force.

The judicial management orders were discharged on 17 August 2022 as the Schemes of Arrangement were approved by the creditors and thereafter sanctioned by the Singapore courts in July 2022.

The company has raised $7.0 million and $2.05 million from Electroloy Metal Pte. Ltd (also the new controlling shareholder) and Jiangmenshi Changxin Technology Limited and Mr. Di Lingbin respectively between August 2022 and November 2022. Most of the proceeds have been used to repay outstanding debts pursuant to the schemes of arrangement.

As shown in the Statements of financial position as at 30 September 2021 (prior to the share subscriptions), equity attributable to owners of the company was $(1.9) million (page 64 of the annual report).

(i) **Can the board help shareholders better understand the current financial position of the group following the share subscriptions? When will the company be releasing the audited financial results for the financial year ended 30 September 2022?**

In addition, the independent auditor had issued a disclaimer of opinion on the audited financial statements of the company and the group for the financial year ended 30 September 2021. The bases for disclaimer of opinion are (pages 55 to 61):

- Opening balances – Sales/purchases transactions with certain customers/suppliers
- Revenue and Cost of Sales
- Ongoing criminal investigation
- Joint venture arrangement
- Existence, valuation and completeness of inventories
- Valuation and impairment assessment of Non-Financial Assets
- Going concern assumption

(ii) **How will the audit committee (AC) be addressing the audit issues raised by the external auditor which led to the disclaimer of opinion?**

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In addition, while the AC had evaluated that the auditor is suitable for re-appointment, the auditor is not seeking re-appointment at the forthcoming AGM.

(iii) **Is the AC aware of the circumstances/reasons that led to the auditor to not seek their re-appointment? If so, what are they?**

(iv) **How will the AC be sourcing for new external auditor? What is the progress made?**

(v) **Separately, what are the outstanding matters/issues, if any, from the independent review report by Foo Kon Tan Advisory Services Pte. Ltd. and SGX RegCo's Notice of Compliance and how will the board be addressing them?**

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Q2. With the discontinuation of the non-ferrous metal trading business, the group's remaining businesses are in (a) metal components, (b) electrodeposition ("ED") coating and (c) commodities (provision of waste management solutions, treatment and recycling of metal scraps, industrial waste and electronic waste such as lithium-ion batteries).

(i) **Can the board provide shareholders with an update of the group's business model and highlight the group's competitive advantage in the different segments?**

(ii) **Is the board engaged with the group's new controlling shareholders (Electroloy Metal Pte Ltd) with regard to the group's growth strategy going forward?**

(iii) **What is the group's involvement in the new smelting facility that can extract and recover non-ferrous metals from e-waste materials and metal scraps? How will the group be renegotiating with joint venture arrangement now that Electroloy (a JV partner) is the controlling shareholder?**

(iv) **Can the company help shareholders better understand the potential of the waste management and recycling business, especially in electronic waste and lithium?**

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Q3. Trading of the company's shares was halted on 28 April 2020 and the board then requested a voluntary suspension on 4 May 2020.

(i) **Have the schemes of arrangement been fully/successfully implemented? Are there any outstanding matters?**

(ii) **What are the milestones that need to be fulfilled prior to the resumption of trading?**

(iii) **When will the company be submitting its proposal for resumption of trading?**

(iv) **What is the level of involvement by the board, especially the independent directors, in helping the company prepare its proposal for resumption of trading to the SGX?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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