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

ISSUANCE OF LETTER OF DEMAND BY SMC INDUSTRIAL PTE LTD (UNDER JUDICIAL MANAGEMENT) ("SMCI") AGAINST THE COMPANY'S SUBSIDIARY, SYH RESOURCES PTE. LTD.

The Judicial Managers (the "**JM**") of Sen Yue Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wish to update the Shareholders that the JM (in their capacity as JM of SMCI) have, through their lawyers, issued a letter of demand dated 19 August 2021 (the "**LOD**") against SYH Resources Pte. Ltd. ("**SYHR**"), a wholly-owned subsidiary of the Company not under JM, for the aggregate sum of US$7,747,538.25 owing to SMC in respect of: (i) invoices issued by SMCI to SYHR for the sale of aluminium foil with cobalt and cobalt powder, and (ii) the profit-sharing arrangement for the supplies from LG Energy Solution Wroclaw Sp. z o.o (the "**Claims**").

The JM have demanded payment within 7 days from the date of the LOD, failing which the JM may take all necessary steps to protect the legal interests of the JM, the Company and SMCI, including without limitation by commencing legal proceedings against SYHR to recover the Claims.

Since this is an inter-company balance between SMCI and SYHR, the issuance of the LOD is not expected to impact the Group's financials on a consolidated basis. The JM have issued the LOD to facilitate the collection of the Claims as required pursuant to their duties and obligations as judicial managers of SMCI.

Prior to the appointment of the JM who were then appointed as the Interim Judicial Managers on 1 April 2021, the finance staff of SMCI reported directly to the Steering Committee of SMCI. With effect from 1 April 2021, the responsibilities of the Steering Committee have been transferred to the JM who have the ultimate decision-making authority in relation to the day to day running of SMCI while the finance staff of SYHR reports to the directors of SYHR.

The directors of SYHR are responsible for decision making in respect of the LOD and are considering the validity of the Claims and are currently seeking legal advice on the LOD and may dispute the Claims.

The Company will make further announcements as and when there are material developments.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

Submitted by the Judicial Managers
For and On Behalf of the Company

Chee Yoh Chuang and Lin Yueh Hung
c/o RSM Corporate Advisory Pte Ltd
25 August 2021

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.