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

---

**UPDATE ON SMCI REVIEW AND RECEIPT OF LETTER OF DEMAND**

---

*Capitalised terms not defined herein shall have the meanings ascribed to them in the Company's half year results ended 31 March 2020 released on 15 July 2020 and the Company's announcements dated 14 and 16 September 2020 (the "**Announcements**").*

The Board of Directors (the "**Board**") of Sen Yue Holdings Limited (the "**Company**" and together with its subsidiaries (the "**Group**") refers to the Announcements disclosing, *inter alia*, the breach of bank loan covenants by SMCI and the appointment of RSM Corporate Advisory Pte Ltd ("**RSM**") at the request of DBS Bank Ltd ("**DBS**") as a special accountant to carry out the SMCI Review.

The principal lenders of SMCI, being DBS and The Hong Kong and Shanghai Banking Corporation Limited ("**HSBC**"), have, upon receipt of the preliminary findings of RSM, requested SMCI to offset the fixed deposits pledged by SMCI to the respective lenders against the outstanding past due invoice financing balances. As at 31 August 2020, all of SMCI's fixed deposits are pledged to the lenders as follows:

| Bank | Fixed Deposit | Total Outstanding Invoice Financing Loans |
|---|---|---|
| DBS | S$ 7.1m | S$ 21.4m |
| HSBC | S$ 3.0m | S$ 7.2m |

The DBS and HSBC total outstanding loans are secured against multiple assets and/or guarantees including the above fixed deposits.

In addition, SMCI has on 30 September 2020 received a letter of demand dated 29 September 2020 ("**Letter of Demand**") from SP Group's subsidiary, SP PowerAssets Ltd, for an aggregate amount of S$7,887,161.77 (the "**Outstanding Sum**"), owing by SMCI to SP PowerAssets Ltd, for the sale of scrap cable by SP PowerAssets Ltd to SMCI.

Notice is given in the Letter of Demand that, SP Group expects SMCI to repay the Outstanding Sum by 2 October 2020, failing which, SP Group shall reserve the right to commence legal proceedings against SMCI to recover the Outstanding Sum, including legal costs and disbursements incurred.

The Company is currently in discussions with DBS, HSBC and SP PowerAssets Ltd on repayment proposals for the balance outstanding sums and will announce further material developments as and when they occur.

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

BY ORDER OF THE BOARD

KOH MIA SENG
Executive Chairman
1 October 2020

*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. Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.*