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

RECEIPT OF LETTER OF DEMAND FROM DBS BANK LTD. ("DBS") BY THE COMPANY'S SUBSIDIARY SMC INDUSTRIAL PTE LTD ("SMCI")

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 September 2020, 16 September 2020, 1 October 2020, 6 October 2020, 3 November 2020, 11 November 2020, 25 November 2020, 29 December 2020 and 14 January 2021.

The Board of Directors (the "**Board**") of Sen Yue Holdings Limited (the "**Company**" and together with its subsidiaries (the "**Group**") wishes to update Shareholders that SMCI has on 27 January 2021 received a letter of demand dated 27 January 2021 issued by DBS' lawyers. The salient points of the letter are set out below for Shareholders' information:

(a) As events of default have occurred under the various banking facilities granted by DBS to SMCI and secured by, *inter alia*, a corporate guarantee from the Company, these banking facilities have been recalled by DBS;

(b) The amounts owing and outstanding by SMCI to DBS of S$5,860,316.91 and US$9,013,590.21 respectively plus all accrued interest and legal costs on an indemnity basis;

(c) DBS has demanded for payment of the aforesaid sums to be made within three weeks from the date of the letter, failing which SMCI shall be deemed to be unable to pay its debts under section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the "**Act**") and shall be liable to be compulsorily wound up under section 125(1)(e) of the Act.

(d) The above is without prejudice to DBS' right to take any step, including but not limited to winding up proceedings as DBS thinks fit, without reliance on section 125(2)(a) of the Act, at any time before the expiry of the said three weeks if payment as demanded is not made.

The Group is currently in discussions with DBS on suitable repayment proposals and the Company will update Shareholders as and when further material developments 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

NEO GIM KIONG
Executive Director and CEO
28 January 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.*

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