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

RECEIPT OF LETTER OF DEMAND FROM THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED ("HSBC") BY THE COMPANY

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 2020,14 January 2021 and 28 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 the Company has received a letter of demand dated 28 January 2021 issued by HSBC's lawyers with regard to the banking facilities extended to SMC Industrial Pte Ltd ("**SMCI**") by HSBC (the "**SMCI Banking Facilities**"), and the deed of guarantee executed by the Company to secure the amounts due and owing under the SMCI Banking Facilities by SMCI to HSBC (the "**Guarantee**"). The salient points of the letter are set out below for Shareholders' information:

(a) Pursuant to the Guarantee, the Company agreed to pay on demand all monies due and owing by SMCI to HSBC under the SMCI Banking Facilities.

(b) The outstanding principal and accrued interest owing and outstanding by SMCI to HSBC as at 26 January 2021 are the amounts of US$2,081,081.59 and S$1,309,937.24;

(c) HSBC has demanded for SMCI and the Company, as guarantor of the SMCI Banking Facilities, to make payment of the aforesaid sums either to HSBC or HSBC's solicitors, or to secure or compound for it to the reasonable satisfaction of HSBC, within three weeks from the date of the letter, failing which HSBC shall apply to Court for the Company to be wound up under the ground provided for in section 125(1)(e) read with section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018), being that the Company is deemed unable to pay its debts.

(d) In the meantime, HSBC's rights, its right to recover further interest continuing to accrue in respect of the SMCI Banking Facilities, are expressly reserved.

The Group is currently in discussions with HSBC 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
29 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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