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

RECEIPT OF LETTER OF DEMAND FROM HSBC

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 and 3 November 2020.

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 and SMCI have on 10 November 2020 received letters of demand dated 9 November 2020 issued by one of SMCI's principal lenders, the Hong Kong and Shanghai Banking Corporation Limited ("**HSBC**"). The salient points of the letters are set out below for Shareholders' information:

(a) SMCI is in arrears of payments pursuant to loan facilities granted by HSBC. In addition, SMCI has also failed to maintain at all times (i) term deposits of not less than S$3.0 million with HSBC and (ii) a minimum adjusted tangible net worth of S$20.0 million;

(b) As at 4 November 2020, the sums of US$2,780,688.63 and S$1,279,073.89 are due and owing by SMCI as borrower to HSBC and default interest shall continue to accrue until the date of full settlement;

(c) SMCI must make payment of the abovementioned sums and default interest thereon within seven days from the date of the letters of demand, or submit a repayment proposal on terms satisfactory to HSBC, failing which HSBC shall proceed to enforce their rights without further reference to SMCI. SMCI is in the midst of preparing the repayment proposal and intends to submit the same to HSBC within the 7-day deadline (by 16 November 2020); and

(d) As guarantors, the Company and Mr Koh have also on 10 November 2020 received letters of demand dated 9 November 2020 for repayment of the abovementioned sums within seven days from the date of the letters of demand (by 16 November 2020), failing which HSBC shall proceed to enforce their rights without further reference to the Company or Mr Koh.

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

KOH MIA SENG
Executive Chairman
11 November 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.