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

ACQUISITION OF PROPERTY

1. INTRODUCTION

The Board of Directors of Sen Yue Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that on 17 January 2017, upon payment of a sum of S$72,500 (the "**Option Fee**"), the Company's 50%-owned subsidiary, SMC Industrial Pte Ltd ("**SMC**") was granted an option (the "**Option**") to purchase (the "**Option Agreement**") a property located at No 3 Jalan Pesawat Singapore 619361 (the "**Property**") by World Logistics Pte Ltd (the "**Vendor**") (the "**Proposed Acquisition**"). The Vendor is an independent and unrelated third party.

The Option Fee represents 1% of the total consideration for the Proposed Acquisition of S$7,250,000 (the "**Consideration**") excluding Goods and Services Tax.

The Option is required to be exercised by 1 February 2017 (the "**Option Period**"), by delivery of the acceptance copy to the Option Agreement and the payment of a further 9% of the Consideration to the Vendor's solicitors. If the Option is exercised before the Option Period, the Option Fee shall be treated as payment towards the said Consideration, which otherwise shall be forfeited.

2. PRINCIPAL TERMS OF THE OPTION

2.1 Consideration

The Consideration of S$7,250,000 was arrived at on a willing-buyer-willing-seller basis, after taking into consideration, the valuation report dated 4 January 2017 indicating a value of S$12.5 million, issued by Premas Valuers & Property Consultants Pte Ltd, based on the direct comparison and investment (income) methods of valuation. The valuer is an independent third party property valuer commissioned by SMC. The Consideration, which is payable in cash, will be financed by internally generated funds and bank borrowings.

2.2 Material Terms

The Proposed Acquisition is subject to, *inter alia*, the usual conditions for the acquisition of property, including the receipt of satisfactory legal requisition replies as well as the in-principle approval of Jurong Town Corporation, any other relevant authorities ("**Approvals**") and the Company's shareholders being obtained for the Proposed Acquisition (where required).

In the event the Approvals are not obtained within three months from the date of exercise of the Option, or shareholders' approval of the Company (if required) is not obtained within ten weeks from the date of exercise of the Option (whichever is the latest) or such extended date that the parties may mutually agree in writing, through no fault or delay on the part of SMC and the Vendor, then either party may by written notice to the other rescind the Proposed Acquisition, and the Vendor shall forthwith refund all monies paid by SMC to date.

2.3 **Completion**

Unless otherwise agreed between the parties, the completion of the Proposed Acquisition will take place and the balance 90% of the Consideration will be payable on the later of:

(a) Three months and fourteen days from the date of the exercise of the Option; or

(b) six weeks from the receipt of the Approvals; or

(c) six weeks from approval of the Company's shareholders for the Proposed Acquisition has been obtained (if required).

3. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition set out below, based on the Group's audited consolidated financial statements for the financial year ended 30 September 2016 ("**FY2016**"), are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after Completion.

3.1 **Net Tangible Assets per Share**

The effect of the Proposed Acquisition on the net tangible assets ("**NTA**") per share of the Group for FY2016, assuming that the Proposed Acquisition had been effected at the end of FY2016 is as follows:

As at 30 September 2016	**Before the Proposed Acquisition**	**After the Proposed Acquisition**
NTA (S$'000)	33,301	33,301
NTA per share (Cents)	5.22	5.22

Note:
(1) NTA per share is calculated based on the total number of issued ordinary shares of 637,809,450 as at 30 September 2016.

3.2 **Earnings per Share**

The effect of the Proposed Acquisition on the earnings per share of the Group for FY2016, assuming that the Proposed Acquisition had been effected as at the beginning of FY2016 is as follows:

FY2016	**Before the Proposed Acquisition**	**After the Proposed Acquisition**
Profits after tax and non-controlling interests (S$'000)	(922)	(1,326)
Earnings per share (Cents)	(0.14)	(0.21)

Note:
(1) EPS is calculated based on the weighted average number of ordinary shares in issue of 637,809,450 during the financial period ended 30 September 2016.
(2) Adjustments for rental income, interest and depreciation expense and property taxes which are expected to materialise following for the Proposed Acquisition, have been made to profit attributable to shareholders.

3.3 **Gearing**

The effect of the Proposed Acquisition on the gearing of the Group for FY2016, assuming that the Proposed Acquisition had been effected on 30 September 2016 is as follows:

FY2016	**Before the Proposed Acquisition**	**After the Proposed Acquisition**
Total borrowings (S$'000)	37,652	42,727
Shareholders' funds (S$'000)	33,301	33,301
Gearing ratio (times)	1.13	1.28

4. DESCRIPTION OF PROPERTY AND RATIONALE FOR THE PROPOSED ACQUISITION

The Property, comprising three blocks of single-storey warehouses and one block of double-storey offices, has a gross floor area of approximately 10,940 square meters with a leasehold tenure of sixty years commencing 1 January 1968. The Proposed Acquisition is intended to consolidate and expand the Group's corporate headquarters, as well as house multiple business units of the Group into a single location for better working efficiency, including the battery recycling system line which the Group intends to build as announced on 1 November 2016.

5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") are as follows:

1006 (a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable
1006 (b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits	Not applicable
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation, based on the total number of issued shares excluding treasury shares[(1)]	40.2%
1006 (d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable

Note:
(1) The market capitalisation of the Company of S$ 18.1 million is determined by multiplying 637,809,450 ordinary shares in issue as at the date of this announcement by the volume-weighted average price per Share of S$ 0.0283 per share on 16 January 2017 (being the market day preceding the date of exercise of the Option to purchase.

As the relative figure computed under Rule 1006(c) of the Catalist Rules is less than 75%, the Proposed Acquisition is a "discloseable transaction" and approval from shareholder is not required.

6. SERVICE CONTRACT

No person will be appointed to the Board of Directors of the Company, and no service contract will be entered into by the Company, in connection with the Proposed Acquisition.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their shareholdings in the Company.

8. DOCUMENTS FOR INSPECTION

A copy of the Option Agreement and the valuation report are available for inspection at the registered office of the Company at 16 Tuas Avenue 20, Singapore 638827 during normal business hours for three months from the date of this announcement.

BY ORDER OF THE BOARD

NEO GIM KIONG
Executive Director and Chief Executive Officer

17 January 2017

---

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.