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

PROPOSED DISPOSAL OF PROPERTY AT 16 TUAS AVENUE 20, SINGAPORE 638827

1. INTRODUCTION

The Board of Directors of Sen Yue Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that SMC Industrial Pte Ltd ("**SMC**"), a wholly-owned subsidiary of the Company has on 6 April 2017 accepted an offer from JTC Corporation ("**JTC**") to surrender the lease and dispose of the property at 16 Tuas Avenue 20, Singapore 638827 (the "**Property**"), for a consideration ("**Consideration**") of S$3,050,000 (the "**Proposed Disposal**")

2. INFORMATION ON THE PURCHASER

JTC is a Singapore stated owned real estate company and is an independent unrelated third party.

3. INFORMATION ON AND VALUE OF THE PROPERTY

The Property is a double-storey office and warehouse with a land area of 5,280 square meters. The remaining lease of the 30-year leasehold Property is approximately 7 years.

Based on the independent valuation of the Property commissioned by the Group and undertaken by the independent professional valuer, Premas Valuers & Property Consultants Pte Ltd, the open market value ascribed to the Property as at 30 September 2016 in its valuation report dated 30 September 2016 (the "**Valuation Report**") was S$4,000,000 (the "**Valuation**"). The valuation methods adopted were the direct comparison and investment (income) methods.

Based on the adjusted carrying amount of the Property as at 30 September 2016 of approximately S$1,489,000 (adjusting revaluation surplus of S$2,511,000) as stated within the latest audited consolidated financial statements of the Group for the financial year ended 30 September 2016 ("**FY2016**"), the Proposed Disposal is expected to result in a gain on disposal of approximately S$1,561,000, directly recognised into retained earnings.

4. RATIONALE FOR THE PROPOSED DISPOSAL AND CONSIDERATION

The Consideration was arrived at pursuant to arm's length negotiations between SMC and JTC on a willing buyer and willing seller basis, after taking into consideration, *inter alia*:

(a) The Property has a remaining leasehold tenure of approximately seven years;

(b) The size of the Property is too small to accommodate the Group's existing operations. As announced through SGXNET on 26 January 2017, the Group has exercised its option to purchase a new property at No 3 Jalan Pesawat Singapore 619361 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; and

(c) SMC had put up the Property for sale for the past year, but did not receive any concrete offer from other parties for such sale.

5. USE OF PROCEEDS

The Company expects to utilise the net proceeds from the Proposed Disposal of approximately S$3,000,000 ("**Net Proceeds**") (after deducting transaction expenses of approximately S$50,000) for working capital purposes.

6. COMPLETION

The Consideration will be paid by way of telegraphic transfer on or before 31 August 2017 ("**Completion Date**"), after deducting the amounts (if any) owing to:

(a) JTC (including, without limitation, all outstanding rents, subletting and other fees, and other amounts relating to the Property); and

(b) Inland Revenue Authority of Singapore for the property tax relating to the Property under the Lease.

In the event SMC fails to effect and complete the transfer of the title of the Property ("**Completion**") on the Completion Date, without prejudice to JTC's other rights or remedies against SMC, SMC shall pay to JTC, the market rent and the goods and services tax, for the Property from the Completion Date until the actual date of completion.

7. OTHER SALIENT TERMS

In the event that Completion does not occur by the Completion Date, JTC may give 21 days' written notice to SMC to effect the Completion within the aforesaid 21 day period. Should Completion fail to occur within such 21 day period, JTC is entitled to elect to terminate the Proposed Disposal or enforce its rights and remedies at law and equity against SMC.

SMC shall also complete the reinstatement works requested by JTC within the pre-agreed stipulated timeline in the letter of offer from JTC.

8. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The Proposed Disposal is governed by Chapter 10 of the Catalist Rules. The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules based on the Group's latest audited consolidated financial statements for FY2016 are as follows:-

	Basis	
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value[(1)]	4.5%
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	Not applicable
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation[(2)]	11.0%

(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserved to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:

(1) Based on the Group's audited consolidated financial statements for FY2016, the Property's carrying amount was S$1,489,000 (adjusting revaluation surplus of S$2,511,000) as at 30 September 2016, and the Group's net assets value was S$33,301,000 as at 30 September 2016.

(2) Based on the Consideration of S$3,050,000 and the Company's market capitalisation of approximately S$27.7 million (determined by multiplying the number of Company's issued ordinary share capital of 864,280,038 shares and the volume weighted average price of the Company's shares of S$0.032 on 5 April 2017, being the market day preceding the date of the acceptance of the offer from JTC on which shares of the Company were traded on the Catalist).

As the relevant relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules exceed 5% but is less than 50%, the Proposed Disposal constitutes a discloseable transaction under Chapter 10 of the Catalist Rules.

9. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the actual future financial position and results of the the Group after the Completion of the Proposed Disposal. These financial effects have been computed based on the latest audited consolidated financial statements of the Group for FY2016.

NTA

Assuming that the Proposed Disposal had been effected at the end of FY2016, the financial effects to the NTA per share are as follows:-

As at 30 September 2016	**Before the Proposed Disposal**	**After the Proposed Disposal**
NTA (S$'000)	32,963	34,524
No. of shares	637,809,450	637,809,450
NTA per share (Cents)	5.17	5.41

Note:

(1) NTA per share is calculated based on the total number of issued ordinary shares as at 30 September 2016.

Earnings Per Share ("**EPS**")

Assuming that the Proposed Disposal had been effected at the beginning of FY2016, the financial effects to the EPS are as follows:-

	Before the Proposed Disposal	After the Proposed Disposal
Profit after tax and non-controlling interests (S$'000)	(922)	(922)
No. of shares	637,809,450	637,809,450
Earnings per share (Cents)	(0.14)	(0.14)

(1) EPS per share is calculated based on the weighted average number of issued ordinary shares during FY2016.

(2) The gain of disposal of approximately S$1,561,000 is directly recognised into retained earnings.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

11. SERVICE CONTRACTS OF THE DIRECTORS

There are no directors proposed to be appointed to the Company in connection with the Proposed Disposal.

12. DOCUMENTS FOR INSPECTION

Copies of the offer letter from JTC together with the acceptance letter of the Company will be made available for inspection during normal business hours at the registered office of the Company at 16 Tuas Avenue 20, Singapore 638827, for a period of 3 months from the date of this announcement:

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

NEO GIM KIONG
Executive Director and Chief Executive Officer

6 April 2017

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*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*

*relevant rules of the Singapore Exchange Securities (the "**SGX-ST**"). The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the 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.