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

PROPOSED PLACEMENT OF 120,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF SEN YUE HOLDINGS LIMITED AT A PLACEMENT PRICE OF S$0.05 PER PLACEMENT SHARE

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or "**Directors**") of Sen Yue Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 21 October 2019 entered into a subscription agreement for the allotment and issuance of 120,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") (the "**Subscription Agreement**") (the "**Proposed Placement**") with Jiangmenshi Changxin Technology Limited (江门市长信科技有限公司) (the "**Subscriber**").

1.2 The Subscriber has agreed to subscribe for the Placement Shares, at an issue price of S$0.05 per Placement Share (the "**Placement Price**"), amounting to an aggregate consideration of S$6,000,000 (the "**Aggregate Consideration**"), and on the terms and conditions of the Subscription Agreement.

2. THE PROPOSED PLACEMENT

2.1 The Placement Shares

The Placement Shares are intended to be issued pursuant to the general share issuance mandate ("**General Mandate**") obtained at the annual general meeting of the Company held on 29 January 2019 ("**2019 AGM**"), which authorises the Directors of the Company to allot and issue ordinary shares in the capital of the Company ("**Shares**") not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2019 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 50% (excluding treasury shares and subsidiary holdings).

The number of issued Shares as at the date of the 2019 AGM was 864,280,038 Shares. As no Shares were issued under the General Mandate prior to the Proposed Placement, the maximum number of Shares that may be issued other than on a pro-rata basis is 432,140,019 Shares. As such, the allotment and issuance of all the Placement Shares falls within the limits of the General Mandate.

The Placement Shares, when fully paid and issued, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except for any dividends, right, allotment or other distributions, the record date for which falls on or before the Completion Date (as defined below).

Pursuant to the allotment and issue of the Placement Shares, the Company's issued and paid-up share capital will increase from 864,280,038 Shares as at the date of this announcement ("**Existing Share Capital**") to 984,280,038 Shares ("**Enlarged Share Capital**") (assuming that no further Shares are issued on or prior to the completion of the Proposed Placement). Such number of Placement Shares represents approximately 13.88% of the Existing Share Capital and approximately 12.19% of the Enlarged Share Capital.

2.2 The Placement Price

The Placement Price represents a premium of 72.4% to the volume weighted average price of S$0.029 for trades done on the Shares on 21 October 2019, being the full market day on

which the Subscription Agreement was signed. The Placement Price was arrived at following arm's length negotiations between the Company and the Subscriber.

2.3 **Conditions Precedent**

Completion of the Proposed Placement is conditional upon, *inter alia*, the following conditions ("**Conditions**") being satisfied within three months from the date of the Subscription Agreement ("**Long Stop Date**") and remaining satisfied as at the Completion Date (as defined below):-

(a) the receipt of the necessary consents, approvals and authorisations from the relevant governmental and regulatory authorities by the Subscriber in relation to the remittance of the Aggregate Consideration from China to Singapore, including but not limited to the approval of the State Administration of Foreign Exchange (国家外汇管理局) and the People's Bank of China (中国人民银行) (collectively, the "**PRC Approvals**");

(b) the listing and quotation notice being obtained from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled; and

(c) (if applicable) the approval of the shareholders of the Company in a general meeting for the allotment and issue of the Subscription Shares at the Subscription Price.

The sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd. will be making an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on the Catalist of the SGX-ST.

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Placement Shares on Catalist of the SGX-ST.

If the Conditions are not fulfilled or waived (as the case may be) by the Long Stop Date, the Subscription Agreement shall become null and void. Thereafter, all monies paid by the Subscriber hereunder (if any) shall be refunded to the Subscriber forthwith free of interest, and neither the Company nor the Subscriber shall have any right to claim against the other under this Subscription Agreement for whatsoever reason save for antecedent breaches.

There will not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to exemptions under Sections 274 and 275 of the Securities and Futures Act, Chapter 289. No placement agent has been appointed in respect of the Proposed Placement. No commission or referral fees will be paid to any party.

2.4 **Completion**

Completion of the Proposed Placement will occur within three business days after the Company's receipt of the Aggregate Consideration from the Subscriber ("**Completion Date**").

3. INFORMATION ON THE SUBSCRIBER

3.1 Established in 2006, the Subscriber is a leading research and development company focusing on the development of production technology for high performance lithium battery materials. The Subscriber is not an existing shareholder of the Company and was introduced to the Group by the Company's Executive Chairman, Mr. Koh Mia Seng, who knew of the Subscriber through his business network in the commodities trading business in China. The Subscriber expressed an interest to invest in the Company and, as the Company understands, has entered into the Subscription Agreements for its financial investment purposes.

3.2 The Subscriber has confirmed that it does not fall within the categories of persons listed in Rule 812(1) of the Listing Manual of the SGX-ST Section B: Rules of the Catalist (the "**Catalist Rules**"). In addition, the Company will not allot and issue the Placement Shares without the prior approval of the Company's shareholders in a general meeting if such allotment and issuance would bring about a transfer of controlling interest.

3.3 Save as disclosed, the Subscriber has no connection (including business relationships) with the Company, its Directors and substantial shareholders.

4. CHANGE IN SHAREHOLDING

4.1 Based on the the Company's issued and paid-up share capital of 864,280,038 shares as at the date of this announcement, the following table sets out the impact on the percentage shareholdings of existing substantial Shareholders of the Company following completion of the Proposed Placement:

	Before the Proposed Placement				**After the Proposed Placement**			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
Existing Substantial Shareholders	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Koh Mia Seng	369,109,046	42.71	-	-	369,109,046	37.50	-	-
Di Lingbin	100,000,000	11.57	-	-	100,000,000	10.16	-	-
Liew Nyok Wah	62,000,000	7.17	-	-	62,000,000	6.30	-	-
The Subscriber								
Jiangmenshi Changxin Technology Limited (江门市长信科技有限公司)	-	-	-	-	120,000,000	12.19	-	-

5. RATIONALE FOR PLACEMENT AND USE OF PROCEEDS

5.1 The Company has decided to undertake the Proposed Placement to (i) strengthen its financial position, (ii) meet anticipated general working capital requirements including the purchase of commodities, and (iii) funding business development and expansion opportunities as and when they arise; such as enhancing the Company's capability to handle higher volume and new forms of e-waste.

5.2 The net proceeds to be raised by the Company from the Proposed Placement (after deducting estimated expenses of S$60,000) are approximately S$5,940,000 ("**Net Proceeds**"). The Company intends to utilise the Net Proceeds in the following manner:

Use of Proceeds	**Allocation (%)**
General working capital	50.0
- Purchase of commodities	- 25.0
- Repayment of bank loans	- 25.0
Business development and expansion opportunities such as enhancing the Company's capability to handle higher volume and new forms of e-waste	50.0

5.3 Pending the deployment of the Net Proceeds, the Company intends to place the Net Proceeds with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit.

5.4 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial statements and the Company's annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

6. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreement are available for inspection at the Company's registered office at 3 Jalan Pesawat, Singapore 619361 for three months from the date of this Announcement.

9. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Placement is subject to the conditions precedent specified in paragraph 2.3 above, in particular the PRC Approvals. Accordingly, Shareholders should note that the Proposed Placement will only occur if all such regulatory approvals and conditions are obtained and met. In the case any of the conditions are not met, the Proposed Placement may not occur. Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Koh Mia Seng
Executive Chairman
21 October 2019

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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. 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 is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).