SEN YUE HOLDINGS LIMITED

RCB REG. NO: 200105909M

Financial Statement And Dividend Announcement for the Half Year Ended 31 March 2016

PART 1 - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUCEMENTS

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Unaudited)		
	Half Year ended 31/03/2016 S$'000	Half Year ended 31/03/2015 S$'000	Increase / (Decrease) %
Revenue	71,177	32,762	117.3
Cost of sales	(65,272)	(28,922)	125.7
Gross profit	5,905	3,840	53.8
Other operating income	467	1,566	(70.2)
Distribution costs	(542)	(416)	30.3
Administrative expenses	(4,330)	(3,303)	31.1
Other operating expenses	(2,068)	(324)	538.3
Share of profit/(loss) of joint venture ("JV")	-	(122)	(100.0)
Finance costs	(533)	(220)	142.3
(Loss)/profit before tax	(1,101)	1,021	(207.8)
Income tax expense	(196)	(237)	(17.3)
(Loss)/profit for the period	(1,297)	784	(265.4)
(Loss)/profit attributable to:			
Owners of the Company	(864)	207	(517.4)
Non-controlling interests	(433)	577	(175.0)
(Loss)/profit for the period	(1,297)	784	(265.4)

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Group (Unaudited)		
	Half Year ended 31/03/2016 S$'000	**Half Year ended 31/03/2015 S$'000**	**Increase / (Decrease) %**
(Loss)/profit for the period	(1,297)	784	(265.4)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences of translation of foreign operations	1,196	(769)	255.5
Exchange differences on monetary items forming part of net investment in foreign subsidiaries	-	(76)	100.0
Other comprehensive income/(loss) for the period, net of tax	1,196	(845)	241.5
Total comprehensive loss for the period	(101)	(61)	(65.6)
Total comprehensive income/loss attributable to:			
Owners of the Company	332	(638)	152.0
Non-controlling interests	(433)	577	(175.0)
Total comprehensive loss for the period	(101)	(61)	(65.6)

1(a) (ii) Other profit and loss items disclosure

The following items were charged/(credited) to the income statement:-

	Group (Unaudited)		
	Half Year ended 31/03/2016 S$'000	**Half Year ended 31/03/2015 S$'000**	**Increase / (Decrease) %**
Other income	(374)	(310)	20.6
Interest income	(63)	(18)	250.0
Finance costs	533	220	142.3
Depreciation of property, plant and equipment	714	497	43.7
Foreign exchange loss/(gain), net	1,163	(937)	224.1
Loss of stock	-	11	(100.0)
Allowance for obsolete inventories written down	16	14	14.3
Property, plant and equipment written-off	-	10	(100.0)

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/03/2016 (Unaudited) S$'000	30/09/2015 (Audited) S$'000	31/03/2016 (Unaudited) S$'000	30/09/2015 (Audited) S$'000
Current Assets				
Cash and cash equivalents	8,990	9,901	339	377
Trade and other receivables	40,181	38,590	1,921	37
Inventories	3,575	3,078	-	-
Total Current Assets	52,746	51,569	2,260	414
Non-Current Assets				
Property, plant and equipment	20,035	19,632	-	-
Goodwill	338	338	-	-
Subsidiaries	-	-	24,565	24,948
Deferred tax assets	6	6	-	-
Total Non-Current Assets	20,379	19,976	24,565	24,948
Total Assets	73,125	71,545	26,825	25,362
Liabilities and equity				
Current Liabilities				
Bank overdrafts and loans	30,327	29,668	2,134	2,497
Trade and other payables	4,721	5,458	1,176	1,075
Finance leases	95	112	-	-
Income tax payable	334	479	-	-
Total Current Liabilities	35,477	35,717	3,310	3,572
Non-Current Liabilities				
Finance leases	149	188	-	-
Convertible notes	1,900	-	1,900	-
Deferred tax liabilities	1,383	1,323	-	-
Total Non-Current Liabilities	3,432	1,511	1,900	-
Capital, reserves and non-controlling interests				
Share Capital	34,366	34,366	34,366	34,366
Merger deficit	(3,454)	(3,454)	-	-
Translation reserve	(6,255)	(7,451)	-	-
Revaluation reserve	6,496	6,496	-	-
Capital reserve	(26)	(26)	-	-
Accumulated losses	(5,845)	(4,981)	(12,751)	(12,576)
Equity attributable to owners of the Company	25,282	24,950	21,615	21,790
Non-controlling interests	8,934	9,367	-	-
Total equity	34,216	34,317	21,615	21,790
Total liabilities and equity	73,125	71,545	26,825	25,362

1(b) (ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand.

As at 31/03/2016 (Unaudited)		As at 30/09/2015 (Audited)	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
30,422	-	29,780	-

Amount repayable after one year.

As at 31/03/2016 (Unaudited)		As at 30/09/2015 (Audited)	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
2,049	-	188	-

Details of any collateral:-

The bank loans of approximately S$3,012,000 as at 31 March 2016 (30 September 2015: S$4,526,000) were secured on the following:-

(i) Mortgages over certain freehold land and buildings of the Group with a total carrying value approximately S$2,636,000 as at 31 March 2016 (30 September 2015: S$2,474,000);
(ii) Personal guarantee by a director; and
(iii) An open mortgage of the director's personal property.

The trade facilities of S$26,569,000 (30 September 2015: S$24,511,000) and overdraft facility of S$746,000 as at 31 March 2016 (30 September 2015: S$631,000) were secured on the following:-

(i) Mortgages over certain freehold and leasehold land and buildings of the Group with a total carrying value approximately S$4,318,000 as at 31 March 2016 (30 September 2015: S$4,600,000);
(ii) Corporate guarantee given by the Company;
(iii) Deposits pledged with financial institutions of approximately S$6,206,000 as at 31 March 2016 (30 September 2015: S$7,095,000);
(iv) Joint and several guarantee by the directors; and
(v) A collateral given by the Group through the assignment of life insurance policy assured on a director.

The finance leases of S$244,000 as at 31 March 2016 (30 September 2015: S$300,000) were secured by the leased assets.

The Convertible Notes ("Notes") of S$1,900,000 as at 31 March 2016 (30 September 2015: Nil), bear simple interest by the subscribers at the rate of 8% per annum of the principal amount. Prior to the conversion, interest shall be payable in arrears at the end every 6-month period.

The Notes are convertible at an initial conversion rate of $0.072 per ordinary share. The conversion price shall be subject to appropriate adjustments by the Company in accordance with the conditions in the event of any issuance of new shares by way of capitalization of profits or reserves, subdivision, consolidation, re-classification of shares, capital distribution by way of reduction or otherwise.

The Notes will mature 2.5 years from the date on which the Convertible Notes were issued. During this period, holders of the Notes may tender their notes for conversion for a minimum principal amount of $300,000 in any single transaction (unless consent is received from the Company), without limitation, by giving at least 7 business days' notice in writing to the Company from the date of issue up to the Maturity Date or the date when the Notes are redeemed, whichever is earlier.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Unaudited)	
	Half year ended 31/03/2016 S$'000	**Half year ended 31/03/2015 S$'000**
Operating activities		
(Loss)/profit before income tax	(1,101)	1,021
Adjustments for:		
Depreciation of property, plant and equipment	714	497
Interest income	(63)	(18)
Finance costs	533	220
Loss of inventories	-	11
Property, plant and equipment written-off	-	10
Waiver of advance to JV	54	-
Allowance for obsolete inventories written down	16	14
Gain on foreign exchange	(17)	-
Operating cash flows before movements in working capital	136	1,755
Increase/(Decrease) in working capital:		
Inventories	(466)	(52)
Trade and other receivables	(1,489)	(3,293)
Trade and other payables	(874)	(532)
Trade bills and banker acceptances	2,083	-
Cash generated used for operating activities	(610)	(2,122)
Income taxes paid	(359)	(316)
Net cash outflow from operating activities	(969)	(2,438)
Investing activities		
Interest received	63	18
Purchase of property, plant and equipment	(199)	(102)
Acquisition of a subsidiary	-	(3,915)
Net cash outflow from investing activities	(136)	(3,999)
Financing activities		
Interest paid	(533)	(220)
Decrease/(increase) in pledged deposits with financial institutions	890	(6,500)
Repayments of finance lease liabilities	(55)	(22)
Repayment of banker acceptances	-	(2)
Repayment of borrowings	(1,450)	(766)
Issuance of Convertible notes	1,900	-
Net cash inflow/(outflow) from financing activities	752	(7,510)
Net increase/(decrease) in cash and cash equivalents	(353)	(13,947)
Cash and cash equivalents at beginning of the period	2,140	15,370
Effect of exchange rate changes cash on the balance of cash held in foreign currencies	250	1,660
Cash and cash equivalents at end of the period	2,037	3,083
Cash at banks and in hand	2,784	3,540
Fixed deposits with financial institutions	6,206	7,075
Cash and cash equivalents in statements of financial position	8,990	10,615
Less: Fixed deposits pledged with financial institutions	(6,206)	(6,540)
Less: Bank overdraft (secured)	(747)	(992)
Cash and cash equivalents in statement of cash flows	2,037	3,083

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Merger deficit	Translation reserve	Revaluation reserve	Capital reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at October 1, 2014	30,639	(3,454)	(3,233)	4,946	-	(4,755)	24,143	35	24,178
Total comprehensive income for the year									
Profit for the period	-	-	-	-	-	207	207	577	784
Other comprehensive income for the year	-	-	(845)	-	-	-	(845)	-	(845)
Total	-	-	(845)	-	-	207	638	577	(61)
Transactions with owners, recognised directly in equity									
Acquisition of a subsidiary	-	-	-	-	-	-	-	7,699	7,699
Effect of acquiring part of non-controlling interests in a subsidiary	5,885	-	-	-	-	-	5,885	-	5,885
Total	5,885	-	-	-	-	-	5,885	7,699	13,584
Balance as at March 31, 2015	36,524	(3,454)	(4,078)	4,946	-	(4,548)	29,390	8,311	37,701
Balance as at October 1, 2015	34,366	(3,454)	(7,451)	6,496	(26)	(4,981)	24,950	9,367	34,317
Total comprehensive income for the year									
Loss for the period	-	-	-	-	-	(864)	(864)	(433)	(1,297)
Other comprehensive income for the year	-	-	1,196	-	-	-	1,196	-	1,196
Total	-	-	1,196	-	-	(864)	332	(433)	(101)
Balance as at March 31, 2016	34,366	(3,454)	(6,255)	6,496	(26)	(5,845)	25,282	8,934	34,216

Company (Unaudited)	**Share capital**	**Accumulated losses**	**Total**
	S$'000	**S$'000**	**S$'000**
Balance as at October 1, 2014	30,639	(10,930)	19,709
Issue of share capital	5,885	-	5,885
Profit for the year, representing total comprehensive income for the year	-	641	641
Balance as at March 31, 2015	36,524	(10,289)	26,235
Balance as at October 1, 2015	34,366	(12,576)	21,790
Loss for the period, representing total comprehensive loss for the period	-	(175)	(175)
Balance as at March 31, 2016	34,366	(12,751)	21,615

1d(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and fully paid-up ordinary shares of the Company ("Shares")

Movements in the Company's share capital since 30 September 2015 up to 31 March 2016 were as follows:-

	Number of Shares	Issued and paid-up capital (S$)
Balance as at 30 September 2015	637,809,450	34,366,000
Balance as at 31 March 2016	637,809,450	34,366,000

The Company had completed the issuance of Convertible Notes amounting to an aggregate of S$1,900,000 pursuant to a Convertible Notes Agreement dated 30 September 2015. The number of shares that may be issued on the conversion of all outstanding Convertible Notes is 26,388,887 shares.

Save as disclosed above, the Company did not have any other outstanding options, convertibles or treasury shares as at 31 March 2015 and 31 March 2016.

1(d) (iii) To show the total numbers of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company as at 31/3/2016	Company as at 30/9/2015
Total number of issued shares excluding treasury shares	637,809,450	637,809,450

There were no shares held as treasury shares as at 31 March 2016 and 30 September 2015.

1(d) (iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those used in the most recently audited financial statements for the financial year ended 30 September 2015 ("FY2015").

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted the applicable new and/or revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") which are effective for the financial periods beginning on or after 1 October 2015.

The adoption of these new or revised FRS and INT FRS did not result in any substantial change to the Group's accounting policies and has no material financial impact on the Group's financial statements for the current financial year reported on.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Basic (loss)/earnings per ordinary shares ("LPS" or "EPS")	**Group**	
	Half Year ended 31/03/2016	**Half Year ended 31/03/2015**
(Loss)/Profit attributable to equity holders of the Company (S$)	(864,000)	207,000
Weighted average number of ordinary shares in issue	637,809,450	592,205,054
LPS or EPS (Singapore cents)	(0.135)	0.035

Diluted LPS or EPS	**Group**	
	Half Year ended 31/03/2016	**Half Year ended 31/03/2015**
(Loss)/Profit attributable to equity holders of the Company (S$)	(864,000)	207,000
Weighted average number of ordinary shares in issue	637,809,450	592,205,054
LPS or EPS (Singapore cents)	(0.135)	0.035

The basic and diluted LPS or EPS for the half year ended 31 March 2016 (“HY 2016”) and 31 March 2015 (“HY 2015”) were the same as there were no potentially dilutive ordinary shares in issue as at end of the respective periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at 31/03/2016 (Unaudited)	As at 30/09/2015 (Audited)	As at 31/03/2016 (Unaudited)	As at 30/09/2015 (Audited)
Net assets value ("NAV") per ordinary share based on issued share capital as at the end of the period (in Singapore cents)	3.96	3.91	3.39	3.42
No. of ordinary shares in issue	637,809,450	637,809,450	637,809,450	637,809,450

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's revenue increased by approximately S$38.4 million or 117.3% mainly due to the increase of revenue in the trading of commodities segment. However, the Group registered a loss before tax of $1.1 million from a profit before tax of $1.0 million mainly due to the foreign currency translation loss from the trading of commodities segment arising from the devaluation of the Chinese Yuan ("CNY") and the US Dollar ("USD").

The breakdown of revenue and profit/(loss) before tax for each business segment is as follows:

	Revenue				Profit/(Loss) Before Tax			
By Activities	Half year ended 31/03/2016	Half year ended 31/03/2015	Increase/ (Decrease)		Half year ended 31/03/2016	Half year ended 31/03/2015	Increase/ (Decrease)	
	S$'000	S$'000	S$'000	%	S$'000	S$'000	S$'000	%
Metal Components & Tool and Die	1,401	1,195	206	17.2	368	279	89	31.9
Electro-Deposition ("ED") Coating Services	5,405	7,332	(1,927)	(26.3)	542	1,320	(778)	(58.9)
Trading of Commodities	64,371	24,235	40,136	165.6	(919)	1,000	(1,919)	(191.9)
Others Operations	-	-	-	-	(1,092)	(1,578)	486	(30.8)
Total	71,177	32,762	38,415	117.3	(1,101)	1,021	(2,122)	(207.8)

Metal Components and Tool and Die Operations

Revenue from the metal components and tooling division increased by approximately S$ 0.2 million or 17.2% from S$ 1.2 million in HY2015 to S$ 1.4 million in HY2016. The higher revenue was mainly due to the increase in orders of metal components from existing customers.

In view of the above, profit before tax has improved by S$ 89,000 from S$ 0.3 million in HY2015 to S$ 0.4 million in HY2016.

ED Coating Services

Revenue from the ED coating division decreased by S$ 1.9 million or 26.3% from S$ 7.3 million in HY2015 to S$ 5.4 million in HY2016. The lower revenue was mainly due to decrease in demand for ED coating services by existing customers, who are mainly manufacturers of motorcycle components. This also resulted in the division registering a lower profit before tax by S$ 0.8 million from S$ 1.3 million in HY 2015 to S$ 0.5 million in HY2016.

Trading Of Commodities

Revenue and profit before tax from trading of commodities were derived from SMC Industrial Pte Ltd ("SMC") and an existing subsidiary which started its commodities trading activities in HY2016. The trading of commodities segment recorded a loss before tax of S$ 0.9 million in HY2016 as compared to profit before tax of S$ 1.0 million in HY2015 mainly due to unrealised foreign translation loss recorded in HY2016 arising from the devaluation of CNY against the USD.

Other Operations

Losses before tax incurred from the other operations of S$ 1.1 million were derived mainly from property holdings operation by a Malaysian subsidiary of S$ 0.1 million, S$ 0.9 million from the Company and S$ 0.1 million from a Singapore subsidiary.

Decrease in loss before tax from other operation by S$ 0.5 million from S$ 1.6 million in HY2015 to S$ 1.1 million in HY2016 was mainly due to lower operating expenses incurred by a Singapore subsidiary.

Other Income Statement Items

Decrease in the other operating income to S$ 0.5 million in HY2016 (HY2015: S$ 1.6 million) was mainly due to the absence of foreign exchange gains during HY2016 from one of the Singapore subsidiaries.

Increase in administrative expenses to S$ 4.3 million in HY2016 (HY2015: S$ 3.3 million) and increase in distribution expenses to S$ 0.5 million in HY2016 (HY2015: S$ 0.4 million) were mainly due to expenses incurred by SMC that was acquired in January 2015 and expenses consolidated were accounted for only 3 months in HY2015.

Share of loss of joint venture was nil in HY2016 as the investment in the joint venture company had been fully impaired in FY2015. The joint venture company has commenced voluntary liquidation on 20 April 2016.

Increase in other operating expenses to S$ 2.1 million in HY 2016 (HY2015: S$ 0.3 million) was mainly due to foreign exchange loss incurred by one of the Singapore subsidiaries.

Increase in finance cost to S$ 0.5 million in HY2016 (HY2015: S$ 0.2 million) was mainly due to the additional borrowings from acquisition of SMC.

Increase in depreciation to S$ 0.7 million in HY2016 (HY2015: S$ 0.5 million) was mainly due to the increased of depreciation charged by one of the Singapore subsidiaries.

Statements of Financial Position

The following comparative performance for both the Group's assets and liabilities are based on financial statements as at 31 March 2016 and 30 September 2015.

Non-Current Assets

The increase in the property, plant and equipment from S$19.6 million in FY2015 to S$ 20.1 million as at HY2016 was mainly due to purchase of new plant and equipment by Malaysian subsidiaries for expansion of the operations.

Working Capital

The working capital of the Group as at 31 March 2016 and 30 September 2015 are set out below:-

	As at 31 March 2016 S$'000	As at 30 September 2015 S$'000
Total current assets	52,746	51,569
Total current liabilities	35,477	35,717
Working capital	17,269	15,852

The Group had a positive working capital of S$17.3 million as at 31 March 2016, as compared to S$15.9 million as at 30 September 2015.

Current Assets

The Group's current assets amounted to S$ 52.7 million in HY2016, comprised mainly cash and cash equivalents of S$ 9.0 million, trade and other receivables of S$ 40.2 million and inventories of S$ 3.6 million.

The increase in trade and other receivables of S$ 1.6 million was mainly due to the increase in trading activities from the commodities segment for the increased of trading activities in one of the subsidiaries.

Current Liabilities

The Group's current liabilities amounted to S$ 35.5 million in HY2016, comprised mainly trade and other payables of S$ 4.7 million, financial liabilities include bank overdrafts and short term loans of S$ 30.3 million, finance leases of S$ 0.1 million and income tax payable of S$ 0.3 million.

The decrease in trade and other payables of approximately S$ 0.7 million was mainly due to the shorter repayment cycle to the suppliers in HY2016 for the commodities trading activities.

The increase in the bank overdrafts and short term loans of approximately S$0.7 million was mainly due to the increase in loan facilities for working capital purposes.

The decrease in the finance lease of approximately S$ 17,000 was mainly due to the repayment of hire purchase during HY2016.

Non-Current Liabilities

The Group's non-current liabilities amounted approximately S$ 3.4 million in HY2016. The increase in the non-current liabilities was due to the issuance of convertible notes of S$ 1.9 million by the Company for the purpose of working capital and/or business expansion.

Cash Flow Analysis

In HY2016, the Group's net cash generated from operating activities before movements in working capital of S$ 0.1 million and net cash used in operating activities amounted to about S$ 1.0 million. This was mainly due to the net change in working capital of S$ 0.7 million and payment of income tax of S$ 0.4 million in HY2016.

Net cash used in investing activities amounted to approximately S$ 0.1 million in HY2016 which was mainly from the purchase of property, plant and equipment amounting to S$ 0.2 million. The increase was partially offset by the interest received from bank deposits of S$63,000.

Net cash generated from financing activities amounted to S$ 0.8 million in HY2016, which was from the issuance of convertible notes amounting to S$ 1.9 million by the Company. During HY2016, there were repayment of bank loans including interest paid to the financial institutions of S$1.5 million and decrease in deposits pledged with the financial institutions for the banking facilities of S$0.9 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The outlook of the business environment remains challenging in the economies which the Company is operating in.

Our ED coating business remains stable and our Resources business is operating in difficult conditions, amidst the volatility of the foreign exchange as well as the fluctuations in commodities prices. We will remain prudent in our operations and cash flow management.

The challenges in the resources industry also present opportunities. The board and management will be exploring opportunities in the resources sector, seeking out acquisition opportunities.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No

(b)(i) Amount per share: Not applicable
(ii) Previous corresponding period: Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date of dividend payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for HY2016.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained for recurrent interested person transactions. There were no interested person transactions with an amount of S$ 100,000 or more during HY2016.

14. Update on use of proceeds

The Company had raised net proceeds amounting to S$1,900,000 from the issuance of convertible notes on 30 October 2015 (S$900,000) and 18 January 2016 (S$1,000,000) respectively.

As at the date of this announcement, the use of the proceeds from issuance of convertible notes is as follows:-

Intended Use of Proceeds	**Amount allocated S$'000**	**Amount utilised S$'000**	**Balance S$'000**
Business expansion and/or working capital	1,900	1,824	76

All funds were used for the purchase of materials (i.e. copper and PCBs materials) for trading purposes.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

Confirmation by the Board

We, the undersigned, do hereby confirm on behalf of the Board of Sen Yue Holdings Limited that, to the best of our knowledge, nothing has come to our attention which may render the unaudited financial results for the half year ended 31 March 2016 to be false or misleading in any material aspect.

On Behalf of the Board of Directors

NEO GIM KIONG	**LIEW NYOK WAH**
CHIEF EXECUTIVE OFFICER	**EXECUTIVE DIRECTOR**

BY ORDER OF THE BOARD

CHAI LEE SHUN
COMPANY SECRETARY /
CHIEF FINANCIAL OFFICER
11 MAY 2016

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 Trading Limited (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 assume 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 is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.