



**SHEN YAO HOLDINGS LIMITED**  
(Company Registration No. 202042117W)  
(Registered in Singapore)

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## **NOTIFICATION OF CASH COMPANY STATUS**

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### **1. NOTIFICATION OF CASH COMPANY STATUS**

The board of directors (the “**Board**”) of Shen Yao Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement of the Company dated 22 March 2024 (“**Announcement**”) in relation to the Company’s responses to queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on, *inter alia*, whether the Company should be deemed a cash company pursuant to Rule 1017 of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

The Board wishes to update that, following discussions with the Company’s sponsor and the SGX-ST, as the Group currently has no operating business with recurring revenue and no viable operating business at present, the Company has been deemed a cash company pursuant to Rule 1017 of the Catalist Rules with effect from 22 March 2024. Accordingly, the Company is required to comply with the requirements pursuant to Rule 1017 of the Catalist Rules.

### **2. CASH COMPANY IMPLICATIONS**

Pursuant to Rule 1017(1) of the Catalist Rules, upon becoming a cash company, the shares of the Company (“**Shares**”) may be suspended from trading until the Company has a new business which is able to satisfy the requirements of the SGX-ST for a new listing, and all relevant information has been announced. In addition, in compliance with Rule 1017(1)(a) and 1017(1)(b) of the Catalist Rules, the Company must:

- (i) place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the issuer) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore (“**Escrow Account**”). The amount that is placed in the Escrow Account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST’s requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by shareholders of the Company (“**Shareholders**”) and *pro-rata* distributions to Shareholders; and
- (ii) provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market via SGXNet.

The Company has requested for voluntary trading suspension since 23 March 2023 as the Company engages with various stakeholder groups to progress on the restructuring of the debts of the Company. Please refer to the announcement of the Company dated 23 March 2023 for more information.

As the Company currently has no incoming operating cash flows and limited cash balance, the Company intends to, through its sponsor, ZICO Capital Pte. Ltd., submit a waiver application to the SGX-ST from complying with Rule 1017(1)(a) of the Catalist Rules in relation to the opening of the Escrow Account and placing 90% of its existing cash balance in the Escrow Account. Further

update(s) will be provided to Shareholders on the aforementioned application as and when applicable.

Pursuant to Rule 1017(2) of the Catalist Rules, SGX-ST will proceed to remove the Company from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may (through its sponsor) apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the Company providing information to investors on its progress in meeting key milestones in the transaction.

In the event the Company is unable to meet its milestones, or complete the relevant acquisition despite the extension granted, no further extension will be granted and the Company will be removed from the Official List and a cash exit offer in accordance with Rule 1308 of the Catalist Rules should be made to its Shareholders within 6 months.

### **3. UPDATES BY THE COMPANY**

The Company refers to its announcement dated 12 June 2024 in relation to the receipt of an Originating Claim dated 7 June 2024 and a Statement of Claim dated 7 June 2024, filed by the solicitors acting on behalf of Golden Point Group Pty Ltd (in liquidation) (the “**Claimant**”) in the High Court of the Republic of Singapore (the “**Court**”), whereby the Claimant has commenced a claim (“**Claim**”) against, among others, the Company and Mr Yao Liang (an Executive Director of the Company) (“**Suit**”).

The Suit is currently ongoing in the Court, and the Company wishes to update that, based on the current development of the Suit, its solicitors acting on behalf of the Company have given an estimate timeline of 18 to 24 months to conclude the Suit. For more information on the Suit, please refer to the Company’s announcement dated 12 June 2024.

Notwithstanding the protracted timing for the Suit and the uncertainty in the outcome of the Suit, the Company has been and continues to search for potential new investors and business opportunities, while defending the Claim. In the meantime, the Company is working closely with Mr Yao Liang, an Executive Director of the Company and a controlling Shareholder, for the funding (i) of the Company’s ongoing operating expenses; and (ii) for the Company to defend the Claim pursuant to the Suit. Although there is no obligation or commitment from Mr Yao Liang to fund the Company, Mr Yao Liang has extended his support to the Company to-date.

### **4. CAUTIONARY STATEMENT**

The Board wishes to remind Shareholders that there is no assurance that Mr Yao Liang will continue to fund the Company or that the Company will be able to acquire a new business within the timeframe prescribed by the SGX-ST.

The Board also wishes to remind Shareholders that, in an event that the Company is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company, there is no assurance that the Company or any of the controlling Shareholders will be able to make a cash exit offer to the Shareholders in accordance with Rule 1308 of the Catalist Rules.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their financial, tax, solicitors or other professional advisers if they have any doubts as to the actions they should take.

**BY ORDER OF THE BOARD**

Pang Kee Chai, Jeffrey  
Executive Director and Group Chief Executive Officer  
26 September 2024

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

*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 is Mr Alex Tan, Chief Executive Officer, ZICO Capital Pte. Ltd., 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.*