



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

PROFIT WARNING FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The Board of Directors (the “**Board**”) of Shen Yao Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) wishes to inform shareholders of the Company that it is expected to report a net loss for the full financial year ended 30 June 2021 (“**FY2021**”).

Based on the preliminary review of its draft and unaudited financial results for FY2021, the losses are attributable mainly due to the following:

- (i) the recognition of a fair value loss in relation to S\$7,000,000 in principal amount that has been drawn down in respect of the S\$10,000,000 in aggregate principal amount of ten percent (10%) unlisted and redeemable convertible bonds due 2022 (the “**Bonds**”), comprising ten (10) tranches with a principal amount of S\$1,000,000 for each tranche of such Bonds to be consolidated to form a single series due 24 months after the date of issuance of the first tranche, based on the subscription agreement entered into between the Company and Tomson Pte Ltd on 3 December 2020;
- (ii) the recognition of fair value expenses in relation to the 2,500,000,000 share options (“**Options**”), which carries a right to subscribe for new shares in the capital of the Company at an exercise price of S\$0.0028 per share, granted by the Company to Directors and selected key employees of the Group (details of which are set out in the circular issued by the Company dated 2 June 2021); and
- (iii) the depreciation of Singapore dollar against Australian dollar.

The abovementioned expenses are non-cash items and/or non-recurring in nature and excluding these expenses, the Group expects to be profitable operationally.

The Company is in the process of finalizing its results for FY2021 and will provide further details of the Group’s financial performance when it releases its financial results for FY2021 on or before 28 October 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bankers, solicitors, accountants, or other professional advisers.

BY ORDER OF THE BOARD

Yao Liang
Executive Director
20 October 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, W Capital Markets Pte. Ltd. (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 Chia Beng Kwan, Registered Professional, W Capital Markets Pte Ltd, 65 Chulia Street, #43-01 OCBC Centre, Singapore 049513, Telephone (65) 65133541.