



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

ENTRY INTO A BINDING MEMORANDUM OF UNDERSTANDING

1. INTRODUCTION

- 1.1. The Board of Directors (the “**Board**”) of Shen Yao Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 15 December 2025 entered into a binding memorandum of understanding (the “**MOU**”) with Zion Mobility Pte. Ltd. (“**Zion Mobility**”) and its shareholders, being Mr. Dechapol Lamwilai (“**Mr. DL**”), Mr. Lee Chuan Wen, Luke and Mr. Raymond Phua, in relation to an acquisition of the total issued and paid-up share capital of Zion Mobility by the Company from the shareholders of Zion Mobility (the “**Proposed Transaction**”).
- 1.2. The Proposed Transaction, if undertaken and completed, is expected to result in a reverse takeover for the purposes of Chapter 10 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

2. INFORMATION ON ZION MOBILITY

The information on Zion Mobility provided below was provided to the Company by Zion Mobility. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The Board’s responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

Zion Mobility is a private limited company established in Singapore on 22 August 2024. Upon the completion of the Proposed Transaction, the intended business of the enlarged group is the provision of transport-related industrial design services and the manufacture and assembly of electric 2-wheelers, 3-wheelers and batteries.

[Zion Mobility comprises three (3) shareholders, namely Mr. Dechapol Lamwilai, Mr. Raymond Phua, and Mr. Lee Chuan Wen, Luke. Of such shareholders of Zion Mobility, Mr. Dechapol Lamwilai and Mr. Lee Chuan Wen, Luke are the co-founders and directors of Zion Mobility.]

3. SALIENT TERMS OF THE MOU

The parties to the MOU agree that the terms and conditions of the MOU in relation to the Proposed Transaction shall be subject to the entry into the Definitive Documentation (as defined below), and the parties to the MOU will in good faith proceed to do all acts and things necessary or desirable to perform their obligations as set out in paragraph 3.1 below. Notwithstanding the above, the parties to the MOU agree the MOU shall be legally binding on the Parties.

3.1. Definitive documentation

Under the terms of the MOU, the parties to the MOU have agreed, acknowledged and undertaken to use its/his best endeavours to:

- (a) complete the due diligence process to the satisfaction of the parties to the MOU;

- (b) discuss and negotiate the terms and conditions of the Proposed Transaction; and
- (c) enter into the definitive documentation for the Proposed Transaction (the “**Definitive Documentation**”),

by no later than six (6) months from the date of the MOU, or such other date as the parties to the MOU may mutually agree in writing (the “**Exclusivity Period**”).

3.2. Exclusivity

The parties to the MOU have further undertaken that, during the Exclusivity Period, they:

- (a) shall negotiate exclusively with each other; and
- (b) shall not, directly or indirectly, solicit, initiate, encourage, respond to, or enter into any discussions, negotiations, or agreements with any third party concerning any proposal or offer that is similar to, competes with, or may reasonably be expected to interfere with the Proposed Transaction.

4. **RATIONALE FOR AND BENEFIT OF THE PROPOSED TRANSACTION**

The shares of the Company have been suspended from trading on the SGX-ST since 24 March 2023. As announced on 26 September 2024, the Company notified the SGX-ST of its cash company status pursuant to Rule 1017 of the Catalist Rules. Pursuant to Rule 1017(2) of the Catalist Rules, the SGX-ST will 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. On 25 April 2025, the Company had submitted an application to the SGX-ST for an extension of time to satisfy the requirements for a new listing and to demonstrate the applicability of Rule 1017(1) and Rule 1017(2) of the Catalist Rules.

In view of the foregoing, the Board is of the view that undertaking the Proposed Transaction will likely be beneficial to the Company and its shareholders (“**Shareholders**”), as they would provide the Company with an opportunity to restructure, acquire a new viable business, and meet the requirements under Rule 1017(2) of the Catalist Rules. This would also allow Shareholders to participate in a new business venture, rather than continue holding suspended shares in a cash company.

Subject to the entry into the Definitive Documentation, the Company will seek the necessary regulatory and shareholder approvals for the Proposed Transaction in due course.

5. **FACILITATION AND FINANCING OF THE PROPOSED TRANSACTION**

5.1. Mr. DL

To facilitate and finance the Proposed Transaction, and to fund the working capital of the Group, the Company has entered into an agreement with Mr. DL for the extension of an unsecured non-interest bearing loan of S\$2,000,000 (the “**DL Loan**”) to the Company on 15 December 2025 (the “**Loan Agreement**”), with a term of 24 months from the date of the first disbursement (the “**DL Loan Term**”).

Pursuant to the terms of the Loan Agreement:

- (a) S\$500,000 will be disbursed by 31 December 2025 (or such other date as the parties to the Loan Agreement may mutually agree in writing);
- (b) the remaining S\$1,500,000 will be disbursed by 31 January 2026 (or such other date as the parties to the Loan Agreement may mutually agree in writing);

- (c) the Company may repay all or any part of the DL Loan from time to time during the DL Loan Term to Mr. DL until such time as all the outstanding amounts of the DL Loan have been fully repaid (i.e. anytime from the date of receiving the monies to the expiry of the DL Loan Term); and
- (d) if the Company fails to repay the entire DL Loan on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the rate of 5.33 % per annum.

5.2. Zion Mobility

Further, the Company has also entered into a letter agreement with Zion Mobility on 15 December 2025 (the “**Letter Agreement**”) pursuant to which Zion Mobility has agreed to finance S\$1,000,000 of the fees and expenses incurred by the Company in relation to the Proposed Transaction.

Such financing is in the form of an unsecured non-interest bearing loan (the “**Zion Loan**”) which the parties to the Letter Agreement expects will be disbursed by 31 January 2026 (or such other date as the parties to the Letter Agreement may mutually agree in writing), in accordance with the terms and conditions of the Letter Agreement, and has a term of 24 months from the date of the disbursement (the “**Zion Loan Term**”). The Company may repay all or any part of the Zion Loan from time to time during the Zion Loan Term to Zion Mobility until such time as all the outstanding amounts of the Zion Loan have been fully repaid (i.e. anytime from the date of receiving the monies to the expiry of the Zion Loan Term).

6. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the directors and substantial Shareholders of the Company or their respective associates has any interest, direct or indirect, in the MOU, the Proposed Transaction, the Loan Agreement and the Letter Agreement, other than through their respective shareholdings in the Company, if any.

7. **FURTHER ANNOUNCEMENTS**

The Company will keep its Shareholders updated on any material developments in relation to the MOU and the Proposed Transaction, including the entry into the Definitive Documentation, by way of announcements as and when appropriate.

8. **CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company should note that the Proposed Transaction is subject to various conditions, including entering into the Definitive Documentation and obtaining the relevant regulatory and shareholder approvals. There is no certainty or assurance that the Definitive Documentation will be entered into, or that the Proposed Transaction will proceed or be completed.

The shares of the Company have been suspended from trading on the SGX-ST since 24 March 2023. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Pang Kee Chai, Jeffrey
Executive Director and Group Chief Executive Officer
15 December 2025

*This announcement has been reviewed by the Company's sponsor, ZICO Capital 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 Ms Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.