

**SHANAYA LIMITED**  
(Co. Reg. No. 199804583E)  
(Incorporated in the Republic of Singapore)

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**PROPOSED DISPOSAL OF THE COMPANY'S INDIRECT 25% SHAREHOLDING INTEREST IN PEARL GARDEN RESTAURANT PTE. LTD. (FORMERLY KNOWN AS JOY GARDEN RESTAURANT PTE. LTD.)**

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*Unless otherwise expressly defined herein, all capitalised terms and references have the same meaning as ascribed to them in the circular dated 29 June 2021 (the "**Circular**") in relation to, inter alia, the Proposed Acquisition and the announcement made by the Company on 18 August 2021 in relation to, inter alia, the completion of the Proposed Acquisition.*

**1. INTRODUCTION**

The Board of Directors (the "**Board**") of Shanaya Limited (*formerly known as CPH Ltd.*) (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that CP Lifestyle Pte. Ltd. ("**CP Lifestyle**"), a wholly-owned subsidiary of the Company, has, on 29 September 2021, entered into a sale and purchase agreement (the "**SPA**") with Mr. Foo Tiang Ann (the "**Purchaser**"), in relation to the proposed disposal by CP Lifestyle of 600,000 ordinary shares (the "**Sale Shares**"), representing 25% of the total issued and paid-up share capital of Pearl Garden Restaurant Pte. Ltd. (*formerly known as Joy Garden Restaurant Pte. Ltd.*) ("**Pearl Garden**"), to the Purchaser (the "**Proposed Disposal**").

Upon completion of the Proposed Disposal ("**Completion**"), the Company and CP Lifestyle will cease to have any shareholding interest in Pearl Garden.

**2. INFORMATION ON PEARL GARDEN**

Pearl Garden is a private limited company incorporated in Singapore on 1 December 2008. As at the date of this announcement, Pearl Garden is primarily engaged in the business of restaurants and has an issued and paid-up share capital of S\$2,400,000 comprising 2,400,000 ordinary shares. As at the date of this announcement, CP Lifestyle holds 25% of the shareholding interest in Pearl Garden. The remaining 75% of the shareholding interest in Pearl Garden are held by 11 individuals, of which the Purchaser holds 32.71% and together with his spouse and son hold an aggregate shareholding interest of 57.5%.

Based on the unaudited financial statements of Pearl Garden for the financial year ended 31 March 2021, the net liability position of Pearl Garden was S\$730,159 and the net loss attributable to Pearl Garden was S\$1,255,578. No independent valuation was conducted on Pearl Garden for the purposes of the Proposed Disposal.

**3. SALIENT TERMS OF THE PROPOSED DISPOSAL**

**3.1 Consideration**

Pursuant to the SPA, the consideration for the purchase of the Sale Shares shall be a nominal consideration of S\$1.00 (the "**Consideration**") and shall be fully satisfied in cash. This was determined following arms' length negotiations between CP Lifestyle and the Purchaser on a willing buyer-willing seller basis, taking into consideration the net liability and net loss position of Pearl Garden. The Consideration will be paid by the Purchaser in cash upon Completion and will be utilised for the Company's working capital purposes.

### 3.2 Completion

Completion shall take place on the date as agreed between CP Lifestyle and the Purchaser at such time and such place as CP Lifestyle and the Purchaser may agree.

### 3.3 Other terms

There is no other material condition attached to the Proposed Disposal.

## 4. RATIONALE FOR THE PROPOSED DISPOSAL

As stated in Section 11.4 entitled “Business Strategies and Future Plans” of the Circular in relation to, *inter alia*, the Company’s future plans for the existing subsidiaries and associated companies, the Company intends to dispose of CP Lifestyle’s 25% shareholding interest in Pearl Garden to the other shareholders of Pearl Garden. Thereafter, the Company may consider winding up CP Lifestyle, or utilise CP Lifestyle for the Group’s business in such manner as the Board deems fit.

The Proposed Disposal is part of the Company’s strategic plans to streamline the Group’s structure and improve the future operational performance and financial prospects of the Group. The Proposed Disposal is in relation to the disposal of a non-core asset of the Group and is not expected to have any material impact on the Group’s risk profile and core business of the Company.

## 5. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Disposal and based on the latest unaudited financial statements of Pearl Garden and the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2021 are as follows:

Rule	Bases of Computation	Relative Figures
1006(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	(3.27)% <sup>(1)</sup>
1006(b)	Net profits attributable to the assets disposed of, compared with the Group’s net profits	(16.21)% <sup>(2)</sup>
1006(c)	Aggregate value of the consideration received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	0.00% <sup>(3)</sup>
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>(4)</sup>
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable <sup>(5)</sup>

**Notes:**

- (1) The net liabilities of Pearl Garden as at 31 March 2021 was S\$730,159 (of which 25% was S\$182,540) and the net asset value of the Group was S\$5,591,484 as at 31 March 2021.
- (2) The net loss before tax of Pearl Garden for the financial year ended 31 March 2021 was S\$1,255,578 (of which 25% was S\$313,894) and the net loss before tax of the Group was S\$1,936,816 as at 31 March 2021.
- (3) Based on the Consideration of S\$1 and the Company's market capitalisation of approximately S\$18,839,916, being the issued ordinary share capital of the Company of 112,813,870 shares ("**Shares**") at the volume weighted average price of the Shares of S\$0.167 on 28 September 2021, which is the market day preceding the date of the SPA.
- (4) This basis is not applicable as it is not an acquisition.
- (5) This basis is not applicable as the Company is not a mineral, oil and gas company.

Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules.

Pursuant to Paragraph 4.4(c) of the Practice Note 10A of the Catalist Rules, an issuer must immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013, where applicable, in the situation of a disposal of an asset by an issuer (where either or both the asset or the issuer has negative net asset value) where (i) the absolute relative figure computed on the basis of each of Rule 1006(b), Rule 1006(c) and (if applicable) Rule 1006(e) does not exceed 50%; and (ii) if the disposal will result in a loss on disposal, the loss on disposal exceeds 5% but does not exceed 10% of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values).

Further, pursuant to Paragraph 4.4(e) of the Practice Note 10A of the Catalist Rules, an issuer must immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013, where applicable, in the situation of a disposal of a loss-making asset by an issuer (whether profitable or loss-making), where (i) the absolute relative figure computed on the basis of each of Rule 1006(a), Rule 1006(c) and (if applicable) Rule 1006(e) does not exceed 50%; and (ii) if the disposal will result in a loss on disposal, the loss on disposal exceeds 5% but does not exceed 10% of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values).

As at 31 March 2021, the Group has completely written off the investment in Pearl Garden. Accordingly, as the absolute relative figures computed on the basis of each of Rule 1006(a), Rule 1006(b) and Rule 1006(c) does not exceed 50%; and that the Group will record a gain of S\$1 upon disposal and no further losses will be incurred by the Group in relation to Proposed Disposal, the Proposed Disposal is considered a discloseable transaction as it falls under Paragraph 4.4(c) and Paragraph 4.4(e) of the Practice Note 10A of the Catalist Rules.

## 6. FINANCIAL EFFECTS

The *pro forma* financial effects of the Proposed Disposal on the Group as set out below are purely for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the Completion.

Based on the Group's latest audited consolidated financial statements for the financial year ended 31 March 2021, the *pro forma* financial effects of the Proposed Disposal are as follows:

### 6.1 Effect on Group's net tangible assets ("NTA") per share

For illustrative purposes only, had the Proposed Disposal been completed on 31 March 2021 and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2021 (being the end of the most recently completed financial year), the Proposed Disposal would have had the following impact on the Group's NTA per share:

	Before the Proposed Disposal	After the Proposed Disposal
NTA <sup>(1)</sup> (S\$'000)	5,591	5,591
Number of issued shares (excluding treasury shares)	1,229,226,124	1,229,226,124
NTA per share (cents)	0.45	0.45

#### Note:

- (1) NTA is based on net asset value of the Group before share of non-controlling interests. As at 31 March 2021, the Group has completely written off the value of the investment in the Sale Shares; hence the Proposed Disposal has almost no effect on the NTA of the Group, as the gain on proceeds is S\$1 only.

### 6.2 Effect on earnings per share ("EPS")

For illustrative purposes only, had the Proposed Disposal been completed on 1 April 2020 and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2021 (being the end of the most recently completed financial year), the Proposed Disposal would have had the following impact on the Group's EPS:

	Before the Proposed Disposal	After the Proposed Disposal
Profit/(Loss) after tax attributable to equity holders of the Company (S\$'000)	(1,936)	(1,622)
Weighted average number of shares	1,229,226,124	1,229,226,124
EPS (cents)	0.16	0.13

### 6.3 Value of the Sale Shares

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2021:

- (i) the book value and the NTA value of the Sale Shares is deficit of approximately S\$182,540;
- (ii) net losses attributable to the Sale Shares were approximately S\$313,894;
- (iii) the gain of the proceeds over the book value of the Sale Shares is S\$1; and
- (iv) the net gain on the Proposed Disposal is expected to be S\$1.

## **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 Disposal (other than through their respective shareholding interests in the Company, if any).

## **8. DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **10. DOCUMENTS FOR INSPECTION**

A copy of the SPA will be made available for inspection at the registered office of the Company at 3A Tuas South Street 15, Singapore 636845 during normal business hours for a period of three (3) months from the date of this announcement.

## **BY ORDER OF THE BOARD**

Mohamed Gani Mohamed Ansari  
Executive Director & Chief Executive Officer

29 September 2021

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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