



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

**RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS
FOR THE EXTRAORDINARY GENERAL MEETING TO BE HELD ON 18 JUNE 2021**

Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the circular issued by the Company dated 2 June 2021 (“Circular”).

The board of directors (the “**Board**”) of Shen Yao Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to thank Shareholders for submitting their questions ahead of the Extraordinary General Meeting to be held by way of electronic means on Friday, 18 June 2021 at 10 a.m.. The Company’s responses to the shareholders’ questions are set out as below.

Question 1:

Please elaborate on the Company’s growth and expansion plans over the next few years.

Company’s Response:

Gold Mining - The Company remains committed to expanding its gold mining operations, by continuing its exploration efforts at the Tarnagulla Gold Project with the objective of defining mineral resources and eventually commencing mining operations. The Company also intends to continue with its current plan of establishing a portfolio of exploration prospects by assessing existing tenements or acquiring new tenements.

Investment Business - The Company had, on 29 March 2021, announced the proposed acquisition of 3,550,000 shares in Real Estate Analytics Pte. Ltd.. The Company has also been trading in listed securities and futures, in particular commodities such as gold and rubber. The Company intends to continue growing its portfolio of investments that it is undertaking as principal by looking out for new investment opportunities. With regard to the fund management business, the Company plans to first establish the strategy and structure of the proposed fund before setting up the required infrastructure.

Question 2:

Are there plans to diversify into the mining of other minerals?

Company’s Response:

Although the Company’s current mining operations is centered around gold, the Company may diversify into other minerals if the opportunities arise. The Company’s management will undertake feasibility studies and seek shareholders’ approval prior to diversifying into mining of other minerals.

Question 3:

Please provide further information on the Options Subscribers and their respective roles in the Company.

Company's Response:

Information relating to the Option Subscribers, including their respective roles in the Company can be found on the Company's website at <https://www.shenyaoholdings.com/> as well as the respective announcements in relation to their appointments on the SGX website.

Question 4:

What factors did the Company take into consideration in arriving at the decision to appoint EY as Auditors over other audit firms? Why did the Company decide to change its Auditors to one of the world's big four accounting firms now instead of at a later point in time?

Company's Response:

As mentioned in section 4.3 of the Circular, the Board reviewed the proposals from various audit firms with experience in auditing public listed companies in Singapore, and took into consideration amongst others, the following factors, before determining that EY is best suited to meet the existing needs and audit requirements of the Group:

- (i) the Audit Quality Indicators Disclosure Framework issued by ACRA;
- (ii) the adequacy of the resources and experience of EY and the engagement partner in auditing companies in the mining business;
- (iii) the other audit engagements of EY;
- (iv) the size and complexity of the Group;
- (v) the number and experience of supervisory and professional staff of EY assigned to the audit, and
- (vi) the fee structure and audit arrangements proposed by EY.

Following the Group's recent diversification into the Investment Business, the scope of the Group's operations has expanded and is gradually becoming more complex. As such, the Board, in consultation with the Audit Committee, decided that this is an appropriate time to change its Auditors to one of the big four accounting firms.

BY ORDER OF THE BOARD

Yao Liang
Executive Director
15 June 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.

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