



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

**MATERIAL DIFFERENCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE
UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30
JUNE 2022**

The Board of Directors (the “**Board**”) of Shen Yao Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on 26 August 2022 in relation to its unaudited financial results for the financial year ended 30 June 2022 (“**FY2022**”) (the “**Unaudited Financial Statements**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, the Board would like to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments and reclassifications were made to arrive at the FY2022 financial statements within the annual report (“**Consolidated Financial Statements**”) following the audit by the Company’s Independent Auditors, Baker Tilly TFW LLP. The Consolidated Financial Statements include a disclaimer of opinion by the Independent Auditors as separately announced by the Company on 13 October 2022.

The material differences between the audited Consolidated Financial Statements and the Unaudited Financial Statements are set out below:

	Audited	Unaudited	Variance	Note
	(S\$’000)	(S\$’000)	(S\$’000)	
Consolidated statement of profit or loss and other comprehensive income				
Cost of sales	(77,011)	(77,826)	815	1
Investment trading income	-	391	(391)	2
Other income	387	6,511	(6,124)	3
Administrative expenses	(5,681)	(5,697)	16	
Other gains, net	4,732	1,230	3,502	4
Finance costs	(1,109)	(1,110)	1	
Income tax credit	1,617	-	1,617	5
Currency translation differences arising on consolidation	(4,852)	(4,788)	(64)	
Consolidated statement of financial position				
Non-current assets				
Property, plant and equipment	29,865	26,473	3,392	6
Mining properties	15,927	16,141	(214)	
Current assets				
Other receivables	2,692	1,645	1,047	7
Other current assets	-	426	(426)	8
Inventories	5,114	5,132	(18)	
Non-current liabilities				
Lease liabilities	2,520	2,549	(29)	

	Audited	Unaudited	Variance	Note
	(\$'000)	(\$'000)	(\$'000)	
Consolidated statement of financial position (cont'd)				
Current liabilities				
Trade and other payables	17,268	14,619	2,649	9
Lease liabilities	4,479	4,489	(10)	
Provision	22	-	22	
Income tax liabilities	44	1,267	(1,223)	10
Equity attributable to owners of the Company				
Share capital	311,378	308,378	3,000	11
Foreign currency translation reserves	(8,840)	(8,776)	(64)	
Accumulated losses	(332,341)	(331,777)	(564)	
Consolidated statement of cash flows				
Net cash generated from operating activities	12,634	8,153	4,481	12, 13
Net cash used in investing activities	(9,648)	(6,293)	(3,355)	12
Net cash used in financing activities	(8,383)	(7,257)	(1,126)	13

Explanatory notes for the material differences:

1. The difference was due to capitalisation of costs for the expansion of the capacity of the tailings storage facilities, which was previously expensed off.
2. This item was presented as separate line item in the Consolidated statement of profit or loss and other comprehensive income in the Unaudited Financial Statements but is reflected as part of Other income in the Consolidated Financial Statements.
3. The difference was a result of reclassification of fair value gain on financial liabilities at fair value through profit or loss of S\$6.3 million from other income to other gains/(expenses).
4. The difference was mainly due to reclassification of fair value gain on financial liabilities at fair value through profit or loss of S\$6.3 million as elaborated in note (3) and an adjustment of the fair value gain on financial liabilities at fair value through profit or loss by S\$3 million, in relation to the shares converted from redeemable convertible bonds as elaborated in note (11).
5. The difference was a result of adjustment for income tax refundable as explained in notes (7) and (10).
6. The difference was due to capitalisation of costs for the expansion of the capacity of the tailings storage facilities as elaborated in note (1) and adjustment for additional accruals as explained in note (9).
7. The difference was mainly due to recognition of additional income tax refundable of S\$0.4 million and change of presentation as explained in note (8).
8. This item was presented as a separate line item in the Consolidated statement of financial position in the Unaudited Financial Statements but is reflected as part of other receivables in the Consolidated Financial Statements.
9. The difference was a result of additional accrual for costs relating to the expansion of the capacity of the tailings storage facilities.
10. The difference was due to adjustment of income tax refundable from income tax liabilities to income tax credit.

11. The difference was a result of an adjustment of fair value gain on financial liabilities at fair value through profit or loss by S\$3 million, in relation to the shares converted from redeemable convertible bonds.
12. The difference was due to adjustment of property, plant and equipment as elaborated in note (6).
13. The difference was a result of reclassification of interest paid of S\$1.1 million from operating activities to financing activities.

Shareholders of the Company 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, bank managers, solicitors, accountants or other professional advisers

BY ORDER OF THE BOARD

Yao Liang
Executive Director
13 October 2022

*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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