



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

**RESPONSE TO SGX QUERIES ON THE COMPANY'S
ANNOUNCEMENT DATED 25 JANUARY 2024**

Shen Yao Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) has received the following queries regarding the Company’s announcement dated 25 January 2024 (“**Announcement**”) from the Singapore Exchange Securities Trading Limited (the “**SGX Queries**”). The board of directors (the “**Board**”) of the Company wishes to provide the following responses to the SGX Queries.

Unless otherwise defined, all capitalized terms used herein shall have the same meaning given to them in the Announcement.

SGX Queries:

- (1) **The Company has, in the Announcement, stated that “With reference to financial position of the Company, the Board is considering its options with its legal and financial advisors for all matters relating to GPG, Balmaine and Ironbark and is currently negotiating with the voluntary administrators of the voluntary administration (“Administrators”) with a view to secure the best possible financial and commercial outcome for the Company.”**

Please provide an update on the status of the Company’s negotiations with the Administrators.

Company’s Response:

The Company remains actively engaged in discussions with the Administrators as well as potential investors with a view to secure the best possible financial and commercial outcome for the Company. This includes an indicative settlement price range for all potential legal and financial claims against the Company and a plan for potential investors to participate in a fundraising round. The Administrators of Ironbark Mining Pty Ltd (a 85.1%-owned subsidiary of the Company) (“**Ironbark**”) has distributed a report to its creditors, recommending an extension for the resumption of the creditors’ meeting to no later than 17 June 2024. This extension has been approved by the court. While progress is being made, the Company will announce any material development as and when appropriate.

- (2) **As set out in the Announcement, Balmaine is the only active operating subsidiary of the Group and there has been a transfer of control in Balmaine to a nominee of Tomson Pte. Ltd.. In view of the foregoing:**
- (a) **What are the AC’s and Board’s opinion, with supporting bases, on whether (i) the Company and Group can still continue as a going concern; and (ii) the Company should be deemed a cash company under Catalist Rule 1017.**
- (b) **What are the Sponsor’s opinion, with supporting bases, on whether (i) the Company and Group can still continue as a going concern; and (ii) the Company should be deemed a cash company under Catalist Rule 1017.**

Company's Response:

- (i) The Audit Committee (“**AC**”) and the Board is engaging with the Company’s creditors, including but not limited to the Administrators as well as certain shareholders of the Company (“**Shareholders**”) who have extended financing assistance to the Company. As of the date of this announcement, the Company is making progress with certain investors with regards to a fundraising exercise which is dependent on the outcome of the negotiations with the Administrators. The AC and Board’s opinions are that the Company’s ability to continue as a going concern is dependent on the success of the negotiations and fundraising exercise. Any material development will be announced by the Company as and when appropriate.
- (ii) The Company’s indirectly wholly-owned subsidiary, Balmaine Gold Pty Ltd (“**Balmaine**”) has been placed under voluntary administration (“**VA**”) since March 2023 and the Company has lost control of Balmaine following a deed of company arrangement entered into on 19 December 2023 between the Administrators and the deed proponent, which resulted in the transfer of control in Balmaine to a nominee of the deed proponent. In addition, the Company’s wholly-owned subsidiary, Golden Point Group Pty Ltd, together with its subsidiary Ironbark, was placed under VA since July 2023.

Nonetheless, the Company’s gold mining tenements, held by its 85.1%-owned subsidiary, Ironbark, continues to hold an exploration permit despite the absence of recurring revenue contribution to the Group at this time. The Company is actively pursuing a potential investment into an operating gold mine and re-acquisition of control over Ironbark from the Administrators, with the support of a potential investor. In addition to this, the Company is working with other potential investors on incorporating gold trading and other related businesses into the Group.

Currently, the Company does not exercise control over Ironbark despite retaining ownership, as control is vested with the Administrators. Taking a prudent view, the AC and the Board are of the opinion that the Company would likely be deemed as a cash company under Catalist Rule 1017. The Company will update Shareholders as and when there are material developments regarding this matter.

Sponsor's Response:

- (i) The Sponsor, after having considered the AC and the Board’s assessment, concurred with the AC and the Board that the Company’s ability to continue as a going concern is dependent on the success of the Company’s negotiations with the Administrators and the fundraising exercise to be undertaken by the Company. The Company will update Shareholders as and when there are material developments.
- (ii) The Sponsor, after having considered the AC and the Board’s assessment, concurred with the AC and the Board that, on a prudent basis, the Company would likely be deemed as a cash company under Catalist Rule 1017, in view of the following:
 - a. *No Operating Business with Recurring Revenue:* Balmaine was the key active operating subsidiary of the Group, and the Group had no other major business activities with recurring revenue, following the transfer of control of Balmaine to a nominee of the deed proponent; and
 - b. *No Viable Operating Business at Present:* Notwithstanding the Group’s ongoing ownership of gold mining tenements held by Ironbark (the Company’s 85.1%-owned subsidiary), Ironbark holds an exploration permit with no operating business at present and furthermore, the Group has no control over Ironbark as control of Ironbark currently rests with the Administrators.

BY ORDER OF THE BOARD

Pang Kee Chai, Jeffrey
Executive Director and Group Chief Executive Officer
22 March 2024

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by 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 Alex Tan, Chief Executive Officer, ZICO Capital Pte. Ltd., 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.