

SHEN YAO HOLDINGS LIMITED

Condensed interim financial statements For the three months and full year ended 30 June 2021

Table of Contents

- A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
- B. Condensed Interim Statements of Financial Position
- C. Condensed Interim Statemetns of Changes in Equity
- D. Condensed Interim Consolidated Statement of Cash Flows
- E. Notes to the Condensed Interim Consolidated Financial Statements
- F. Other Information Required by the Catalist Rules

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Group			Group		
	3 months ended			12 months ended	15 months ended	
	30 June 2021	30 June 2020	Change	30 June 2021	30 June 2020	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(Restated)			(Restated)	
Revenue	24,196	26,012	(7.0)	88,721	93,017	(4.6)
Cost of sales	(27,319)	(19,867)	37.5	(79,282)	(81,515)	(2.7)
Investment trading income	604	-	NM	1,105	-	NM
Other income	23	75	(69.3)	664	512	29.7
Expenses						
Administrative expenses	(14,630)	(992)	NM	(18,071)	(4,650)	NM
Other expenses	(6,002)	(5,660)	6.0	(12,400)	(3,863)	NM
Finance costs	(219)	(114)	92.1	(558)	(1,730)	(67.7)
(Loss)/profit before income tax	(23,347)	(546)	NM	(19,821)	1,771	NM
Income tax credit/(expense)	739	(875)	NM	-	(912)	(100.0)
(Loss)/profit for the financial period	(22,608)	(1,421)	NM	(19,821)	859	NM
(Loss)/profit for the financial period attributable to:						
Equity holders of the Company	(22,645)	(2,698)	NM	(20,787)	1,274	NM
Non-controlling interests	37	1,277	(97.1)	966	(415)	NM
	(22,608)	(1,421)	NM	(19,821)	859	NM

NM: Not Meaningful

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

	Group		Group	
	3 months ended		12 months ended	15 months ended
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		(Restated)
(Loss)/profit for the financial period	(22,608)	(1,421)	(19,821)	859
Other comprehensive income, net of tax				
Item that may be reclassified to profit or loss in subsequent periods:				
Currency translation differences arising from consolidation	(1,367)	6,641	4,779	(217)
Reclassification of currency translation differences on de-registration of a subsidiary to profit or loss	-	-	(417)	-
Item that will not be reclassified to profit or loss in subsequent period:				
Currency translation differences arising from consolidation	188	(1,145)	(744)	58
Total other comprehensive (loss)/income for the financial period	(1,179)	5,496	3,618	(159)
Total comprehensive (loss)/income for the financial period	(23,787)	4,075	(16,203)	700
Total comprehensive (loss)/income for the financial period attributable to :				
Equity holders of the Company	(24,012)	3,943	(16,425)	1,057
Non-controlling interests	225	132	222	(357)
	(23,787)	4,075	(16,203)	700
(Loss)/earnings per share for (loss)/profit for the period attributable to the owners of the Company:				
Basic (SGD in cent)	(0.070)	(0.013)	(0.064)	0.006
Weighted average number of ordinary shares	32,448,671,808	20,982,543,973	32,448,671,808	20,982,543,973
Diluted (SGD in cent)	(0.070)	(0.013)	(0.064)	0.006
Weighted average number of ordinary shares	37,282,005,142	21,482,543,973	37,282,005,142	21,482,543,973

B. Condensed interim statements of financial position – Group

	Group	
	30 June 2021	30 June 2020
	S\$'000	S\$'000
ASSETS		(Restated)
Current assets		
Cash and cash equivalents	6,311	7,963
Financial assets at fair value through profit or loss	10,178	1,280
Other receivables	1,007	630
Other current assets	3,062	539
Inventories	5,053	5,700
Total current assets	25,611	16,112
Non-current assets		
Financial assets at fair value through profit or loss	-*	-*
Security deposits	4,638	4,386
Exploration and evaluation expenditure	11,864	8,238
Mining properties	15,634	3,706
Property, plant and equipment	26,595	21,865
Total non-current assets	58,731	38,195
Total assets	84,342	54,307
LIABILITIES		
Current liabilities		
Trade and other payables	21,309	11,048
Lease liabilities	3,938	1,509
Borrowings	4,457	996
Income tax liabilities	674	1,395
Total current liabilities	30,378	14,948
Non-current liabilities		
Lease liabilities	5,555	3,245
Deferred consideration	2,762	2,611
Rehabilitation and preservation provision	9,015	8,448
Convertible bonds	13,254	-
Other non-current liabilities	310	-
Total non-current liabilities	30,896	14,304
Total liabilities	61,274	29,252
Net assets	23,068	25,055
Equity		
Issued capital	3,271	3,171
Share premium	302,107	300,707
Other reserves	(268,869)	(266,075)
Equity attributable to equity holders of the Company	36,509	37,803
Non-controlling interests	(13,441)	(12,748)
Total equity	23,068	25,055
* Amount fully impaired		

B. Condensed interim statements of financial position – Company

	Company	
	30 June 2021	30 June 2020
	S\$'000	S\$'000
Current assets		
Cash and cash equivalents	15	7
Financial assets at fair value through profit or loss	1	-^
Other receivables	1	1
Other current assets	28	41
Due from subsidiaries	3,714	-
Total current assets	3,759	49
Non-current assets		
Investment in subsidiaries	67,791	67,790
Property, plant and equipment	16	5
Total non-current assets	67,807	67,795
Total assets	71,566	67,844
Current liabilities		
Due to subsidiaries	50,614	45,704
Trade and other payables	794	458
Borrowings	-	996
Total current liabilities	51,408	47,158
Non-current liabilities		
Convertible bonds	13,254	-
Total non-current liabilities	13,254	-
Total liabilities	64,662	47,158
Net assets	6,904	20,686
Equity		
Issued capital	3,271	3,171
Share premium	302,107	300,707
Other reserves	(298,474)	(283,192)
Equity attributable to equity holders of the Company	6,904	20,686
Non-controlling interests	-	-
Total equity	6,904	20,686
^ Amount less than \$1,000		

C. Condensed interim statements of changes in equity

	Issued Capital	Share Premium	Contributed Surplus	Foreign Currency Translation Reserve	Share based Compensation Reserve	Accumulated Losses	Non- controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
Balance at 1 July 2020, as previously reported	3,171	300,707	61,979	(8,355)	-	(320,453)	(12,748)	24,301
Effect of prior year restatements	-	-	-	-	-	754	-	754
Balance at 1 July 2020, as restated	3,171	300,707	61,979	(8,355)	-	(319,699)	(12,748)	25,055
Issuance of Debt Conversion Shares	50	950	-	-	-	-	-	1,000
Issuance of Option Shares	50	450	-	-	-	-	-	500
Issuance of Employee Share Options	-	-	-	-	12,661	-	-	12,661
Changes in ownership interest in subsidiary that does not results in loss of control	-	-	-	-	-	970	(915)	55
(Loss)/profit for the financial period	-	-	-	-	-	(20,787)	966	(19,821)
Currency translation differences	-	-	-	4,779	-	-	(744)	4,035
Reclassification of currency translation differences on de-registration of a subsidiary to profit or loss	-	-	-	(417)	-	-	-	(417)
Total comprehensive income/(loss) for the financial period	-	-	-	4,362	-	(20,787)	222	(16,203)
Balance at 30 June 2021	3,271	302,107	61,979	(3,993)	12,661	(339,516)	(13,441)	23,068

C. Condensed interim statements of changes in equity (cont'd)

	Issued Capital	Share Premium	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Losses	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group							
Balance at 1 April 2019	870	280,000	61,979	(8,138)	(320,973)	(12,391)	1,347
Issuance of Subscription Shares	2,301	20,707		-	-	-	23,008
Profit/(loss) for the financial period, restated	-	-	-	-	1,274	(415)	859
Currency translation differences	-	-	-	(217)	-	58	(159)
Total comprehensive (loss)/income for the financial period	-	-	-	(217)	1,274	(357)	700
Balance at 30 June 2020, as restated	3,171	300,707	61,979	(8,355)	(319,699)	(12,748)	25,055

C. Condensed interim statements of changes in equity (cont'd)

	Issued Capital	Share Premium	Contributed Surplus	Share based Compensation Reserve	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company						
Balance at 1 July 2020	3,171	300,707	61,979	-	(345,171)	20,686
Issuance of Debt Conversion Shares	50	950	-	-	-	1,000
Issuance of Option Shares	50	450	-	-	-	500
Issuance of Employee Share Options	-	-	-	12,661	-	12,661
Loss and total comprehensive loss for the financial period	-	-	-	-	(27,943)	(27,943)
Balance at 30 June 2021	3,271	302,107	61,979	12,661	(373,114)	6,904
Balance at 1 April 2019	870	280,000	61,979	-	(334,420)	8,429
Issuance of Subscription Shares	2,301	20,707	-	-	-	23,008
Loss and total comprehensive loss for the financial period	-	-	-	-	(10,751)	(10,751)
Balance at 30 June 2020	3,171	300,707	61,979	-	(345,171)	20,686

D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended	15 months ended
	30 June 2021	30 June 2020
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before income tax	(19,821)	1,771
Adjustments for:-		
Amortisation of mining properties	7,783	6,826
Amortisation of discount on provision for rehabilitation and preservation	54	63
Depreciation of property, plant and equipment	6,707	3,975
Exploration and evaluation expenditure written-off	1,314	132
Fair value adjustment on borrowings	-	(69)
Fair value loss on financial assets at fair value through profit or loss	976	115
Fair value loss on fair value through profit or loss financial liabilities	6,254	-
Impairment loss on property, plant and equipment	-	1,226
Gain on de-registration of a subsidiary	(417)	-
(Gain)/loss on disposal of property, plant and equipment	(60)	18
Plant and equipment written-off	3	44
Upfront fee written off	-	384
Unwind of discount on deferred consideration	-	232
Employee share based compensation	12,661	-
Interest income	(32)	(98)
Interest expense	558	1,667
Operating profit before working capital changes	15,980	16,286
Changes in operating assets and liabilities:-		
Inventories	646	3,490
Other receivables	(322)	(142)
Other current assets	(2,523)	31
Trade and other payables	1,351	(650)
Other liabilities	6,315	2,339
Currency translation adjustments	2,915	74
Cash generated from operations	24,362	21,428
Interest received	32	98
Interest paid	(452)	(159)
Net taxation paid	(777)	(347)
Net cash generated from operating activities	23,165	21,020
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to mining properties	(17,380)	(8,127)
Exploration and evaluation expenditure	(4,478)	(3,746)
Financial assets at fair value through profit or loss	(9,873)	(1,428)
Purchase of property, plant and equipment	(1,926)	(4,879)
Proceeds from disposal of property, plant and equipment	328	-
Net cash used in investing activities	(33,329)	(18,180)

D. Condensed interim consolidated statement of cash flows (cont'd)

	Group	
	12 months ended	15 months ended
	30 June 2021	30 June 2020
	S\$'000	S\$'000
		(Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of option shares	500	-
Proceeds from borrowings	4,455	952
Proceeds from issuance of convertible bonds	7,000	-
Net repayment of lease liabilities	(3,803)	(1,020)
Additions to security deposits	2	(228)
Fixed deposit pledged	-	(100)
Net cash generated from/(used in) from financing activities	8,154	(396)
Net (decrease)/increase in cash and cash equivalents	(2,010)	2,444
Cash and cash equivalents at beginning of the financial period	7,863	5,580
Effect of currency translation on cash and cash equivalents	358	(161)
Cash and cash equivalents at end of the financial period	6,211	7,863

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

Cash and cash equivalents on the consolidated statement of financial position	6,311	7,963
Less: fixed deposit pledged	(100)	(100)
Cash and cash equivalents per consolidated statement of cash flows	6,211	7,863

E. Notes to the condensed interim consolidated financial Statements

1. Corporate information

Shen Yao Holdings Limited (the "Company") is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. On 30 December 2020, the Company re-domiciled and transferred its registration from the Bermuda to Singapore (the "Re-Domiciliation"), and changed its name from LionGold Corp Ltd to Shen Yao Holdings Limited. The registered office of the Company is 9 Temasek Boulevard, #24-01 Suntec Tower 2, Singapore 038989.

These condensed interim consolidated financial statements as at and for the financial year ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The Company's immediate and ultimate holding company is Yao Capital Pte. Ltd., incorporated and domiciled in Singapore.

The principal activities of the Company are those of investments, investment holding and strategic investments and other related activities. The principal activities of the subsidiaries are those of gold mining, gold exploration, strategic investments, investment holding and other related activities.

2. Basis of Preparation

The condensed interim financial statements for the financial year ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

Estimates and judgments are continually evaluated and are based on historical experience and on other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the condensed interim financial statements is included in the following notes:

(a) *Contingent liabilities arising from legal proceedings*

Certain legal proceedings (same as that disclosed in the most recently audited annual financial statements as at 30 June 2020) are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, the Group consults with legal counsel and certain other experts on matters related to litigation.

The Group recognises a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

As of 30 June 2021, no provision (2020: Nil) was recognised in relation to contingent liabilities which arose from legal proceedings.

2.2. Use of judgements and estimates (cont'd)

(b) *Exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of ore reserves and mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

During the current interim period, there was a write-off of \$1,314,000 (2020: \$132,000) in relation to exploration and evaluation expenditure.

(c) *Business model assessment*

Classification and measurement of financial assets depends on the cashflows that are solely payments of principal and interest ("SPPI") and the results of the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group classifies a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis as financial assets at fair value through profit or loss. Such portfolio of financial assets is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The collection of contractual cash flows is only incidental to achieving the business model's objective. The Group's primary focus on a portfolio of financial assets is on the fair value information and uses that information to assess the assets' performance and to make decisions.

The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(d) *Income tax and other taxes*

The Group is subject to income tax and other taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income tax and other taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain at the time a liability must be recorded.

The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences impact the income tax and deferred tax provisions in the period in which such determination is made. As a substantial part of Group's activities are based in Australia, this is where the largest tax risks arise. Some subsidiaries generate tax losses. Often these can be used to offset taxable gains of subsequent periods. The Group constantly monitors the development of such tax loss situations. Based on the business plans for the subsidiaries concerned, the recoverability of such tax losses is determined. In the case that a tax loss is deemed to be recoverable, the capitalisation of a deferred tax asset for such a tax loss is then decided.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next interim period are included in the following notes:

(a) *Investigations by the CAD*

In April 2014, the Company and one of its subsidiaries were served notices by the CAD of the Singapore Police Force in relation to an investigation into an offence under the Securities and Futures Act, Chapter 289. As the CAD has not provided details of its investigation, management is unable to ascertain (i) whether the investigation would have an impact on the Group's and the Company's ongoing business operations; and (ii) the significance of adjustments, if any, that may arise from the investigation, to the financial statements.

2.2. Use of judgements and estimates (cont'd)

(b) *Impairment of non-current assets*

Property, plant and equipment, mining properties and exploration and evaluation expenditure are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, CGU, have been determined based on the higher of fair value less cost to sell and value in use calculations. These calculations involve the use of estimates and assumptions such as forecasted revenue and operating costs and discount rate.

These estimates and assumption involve significant management judgement and are affected by future market and economic conditions as well as the implications of the COVID-19 pandemic. Changes to these estimates and assumptions could result in a change in the carrying value of these assets.

During the interim period, no impairment loss (2020: \$1,226,000) was recognised on the Group's property, plant and equipment.

(c) *Estimated net realisable value of inventories*

The calculation of net realisable value (NRV) for ore stockpiles, gold in circuit and bullion on hand involves significant judgement and estimation in relation to timing and cost of processing, gold prices, exchange rates and processing recoveries. A change in any of these assumptions will alter the estimated NRV and may therefore impact the carrying value of inventories.

(d) *Ore reserves, mineral resource and exploration target*

The Group estimates ore reserves, mineral resources and exploration targets based on information compiled by competent persons. Ore reserves and mineral resources are categorised based on the level of geological confidence and the economic viability of extraction. Resources are an identified mineral occurrence with reasonable prospects for eventual economic extraction and reserves are the economically mineable part of a resource where appropriate assessments demonstrate that economic extraction can be reasonably justified. An exploration target is a hypothetical view of a mineralised reef which is not necessarily economic. It is not a mineral resource or ore reserve. There is no guarantee that tonnages will be either realised or economic. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, production costs, metal prices, mining control, dilution or other relevant issues. Ore reserves, mineral resources, exploration targets, if applicable, determined in this way are taken into account in the calculation of depreciation, amortisation, impairment, mining properties and rehabilitation expenditure.

The determination of ore reserves, mineral resources, exploration targets and mine life affects the Group's financial performance and financial position including asset carrying values impacted by estimated future cash flows, depreciation and amortisation charges, impairment and rehabilitation provision.

(e) *Amortisation of mining properties*

Mining property expenditure is amortised on a cost per ounce basis utilising estimates of total production and projected total capitalised cost. The amortisation method is reviewed quarterly and any changes in expected production and future expenditure on capitalised mine development are accounted for by changing the amortisation calculation, which is a change in accounting estimate.

During the year, amortisation of mining properties recognised was \$7,783,000 (2020: \$6,826,000).

(f) *Estimated useful life and residual value of property, plant and equipment*

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of the property, plant and equipment, therefore future depreciation charges could be revised. Management estimates the useful lives of the individual items of property, plant and equipment to be within 2 to 10 years.

Any changes in the expected useful lives of these assets would affect the net carrying amount of property, plant and equipment and the depreciation charges for the financial period.

2.2. Use of judgements and estimates (cont'd)

(g) *Rehabilitation and preservation provision*

Provision is made for environmental rehabilitation and preservation costs when the related environmental disturbance occurs, based on the net present value of estimated future costs. The ultimate cost of environmental disturbance is uncertain and management uses its judgement and experience to provide for these costs over the life of the operations. Cost estimates can vary in response to many factors including changes to the relevant legal or local/national government ownership requirements, the Group's environmental policies, the emergence of new restoration techniques, the timing of the expenditures and the effects of inflation. Experience gained at other mine or production sites is also a significant consideration.

Cost estimates are updated throughout the life of the operation. The expected timing of expenditure included in cost estimates can also change, for example in response to changes in ore reserves, production rates, operating licence or economic conditions. Expenditure may occur before and after closure and can continue for an extended period of time depending on the specific site requirements. Some expenditure can continue into perpetuity.

Cash flows must be discounted if this has a material effect. The selection of appropriate sources on which to base calculation of the risk free discount rate used for this purpose also requires judgement.

As a result of all of the above factors, there could be significant adjustments to the provision for close down, restoration and clean-up costs which would affect future financial results.

(h) *Impairment of investments in subsidiaries*

Management performs an impairment assessment of the Company's investments in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss or write back of impairment. The determination of fair value less cost to sell involves estimation of the fair values of the underlying assets and liabilities of the subsidiary, less incremental costs for disposing the asset. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Gold mining and exploration; and
- Segment 2: investment holdings

These operating segments are reported in a manner consistent with internal reporting provided to the Group's Chief Operating Decision Maker who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

	Gold mining and exploration	Investment holdings	Consolidated
	S\$'000	S\$'000	S\$'000
3 months ended 30 June 2021			
Total segment revenue	24,196	-	24,196
Revenue from external parties	24,196	-	24,196
Investment trading income	-	604	604
Interest income	1	-	1
Miscellaneous income	-	22	22
Total other income	1	22	23
Total revenue and other income	24,197	626	24,823
Depreciation	(1,474)	(117)	(1,591)
Finance expense	(97)	(122)	(219)
Segment loss	(3,939)	(19,408)	(23,347)
Loss before taxation			(23,347)
Taxation			739
Losses for the interim period			(22,608)
Segment assets	69,866	14,476	84,342
Total assets per statement of financial position			84,342
Expenditures for segment non-current assets			
- Additions to PPE	3,066	-	3,066
- Additions to mining properties	8,027	-	8,027
- Exploration and evaluation expenditure	(1,903)	-	(1,903)
	9,190	-	9,190
Segment liabilities	38,246	22,354	60,600
Current income tax liabilities			674
Total liabilities per statement of financial position			61,274

4.1 Reportable segments (cont'd)

	Gold mining and exploration	Investment holdings	Consolidated
	S\$'000	S\$'000	S\$'000
3 months ended 30 June 2020 (Restated)			
Total segment revenue	26,012	-	26,012
Revenue from external parties	26,012	-	26,012
Interest income	(14)	-	(14)
Miscellaneous income	-	89	89
Total other income	(14)	89	75
Total revenue and other income	25,998	89	26,087
Depreciation	(1,496)	(13)	(1,509)
Finance expense	(100)	(14)	(114)
Segment profit/(loss)	4,016	(4,562)	(546)
Loss before taxation			(546)
Taxation			(875)
Losses for the interim period			(1,421)
Segment assets	49,113	5,194	54,307
Total assets per statement of financial position			54,307
Expenditures for segment non-current assets			
- Additions to PPE	4,210	1,106	5,316
- Additions to mining properties	3,128	-	3,128
- Exploration and evaluation expenditure	1,635	-	1,635
	8,973	1,106	10,079
Segment liabilities	22,423	5,434	27,857
Current income tax liabilities			1,395
Total liabilities per statement of financial position			29,252

4.1 Reportable segments (cont'd)

	Gold mining and exploration	Investment holdings	Consolidated
	S\$'000	S\$'000	S\$'000
12 months ended 30 June 2021			
Total segment revenue	88,721	-	88,721
Revenue from external parties	88,721	-	88,721
Investment trading income	-	1,105	1,105
Interest income	30	2	32
Miscellaneous income	59	573	632
Total other income	89	575	664
Total revenue and other income	88,811	1,679	90,490
Depreciation	(6,272)	(435)	(6,707)
Finance expense	(311)	(247)	(558)
Segment profit/(loss)	5,408	(25,229)	(19,821)
Loss before taxation			(19,821)
Taxation			-
Losses for the interim period			(19,821)
Segment assets	69,866	14,476	84,342
Total assets per statement of financial position			84,342
Expenditures for segment non-current assets			
- Additions to PPE	12,079	307	12,386
- Additions to mining properties	17,380	-	17,380
- Exploration and evaluation expenditure	4,478	-	4,478
	33,937	307	34,244
Segment liabilities	38,246	22,354	60,600
Current income tax liabilities			674
Total liabilities per statement of financial position			61,274

4.1 Reportable segments (cont'd)

	Gold mining and exploration	Investment holdings	Consolidated
	S\$'000	S\$'000	S\$'000
15 months ended 30 June 2020 (Restated)			
Total segment revenue	93,017	-	93,017
Revenue from external parties	93,017	-	93,017
Interest income	98	-	98
Miscellaneous income	-	414	414
Total other income	98	414	512
Total revenue and other income	93,115	414	93,529
Depreciation	(3,884)	(91)	(3,975)
Finance expense	(216)	(1,514)	(1,730)
Segment profit/(loss)	8,465	(6,694)	1,771
Profit before taxation			1,771
Taxation			(912)
Earnings for the interim period			859
Segment assets	49,113	5,194	54,307
Total assets per statement of financial position			54,307
Expenditures for segment non-current assets			
- Additions to PPE	11,345	1,314	12,659
- Additions to mining properties	8,127	-	8,127
- Exploration and evaluation expenditure	3,746	-	3,746
	23,218	1,314	24,532
Segment liabilities	22,423	5,434	27,857
Current income tax liabilities			1,395
Total liabilities per statement of financial position			29,252

4.2 Disaggregation of Revenue

Revenue represents income from the sale of gold which is recognised at a point in time when the gold is delivered to the customer. The primary geographical market of the Group's revenue is in Australia.

Breakdown of revenue

		Group		
		12 months ended	15 months ended	
		30 June 2021	30 June 2020	Change
		S\$'000	S\$'000	%
			(Restated)	
(a)	Revenue reported for first half year/9 months	42,347	48,185	(12.1)
(b)	Operating profit/(loss) after tax before deducting non-controlling interests for first half year/9 months	2,206	(2,980)	NM
(c)	Revenue reported for second half year	46,374	44,832	3.4
(d)	Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(22,027)	3,839	NM

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 30 June 2020:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		
Financial assets				
Financial assets at FVTPL	10,178	1,280	1	— [^]
Financial assets at amortised cost	12,052	13,226	3,731	8
	22,230	14,506	3,732	8
Financial liabilities				
Financial liabilities at FVTPL	13,254	-	13,254	-
Financial liabilities at amortised cost	33,362	15,700	51,409	47,158
	46,616	15,700	64,663	47,158

[^] Amount less than \$1,000

6. (Loss)/profit before taxation

6.1 Significant items

	Group			Group		
	3 months ended			12 months ended	15 months ended	
	30 June 2021	30 June 2020	Change	30 June 2021	30 June 2020	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Cost of sales:-</u>						
Amortisation of mining properties	3,792	1,466	NM	7,783	6,826	14.0
Depreciation of property, plant and equipment	1,436	1,467	(2.1)	6,139	3,855	59.2
<u>Other income:-</u>						
Interest income	1	(14)	NM	32	98	(67.3)
Fair value adjustment on borrowings	-	-	-	-	69	(100.0)
Gain on de-registration of a subsidiary	-	-	-	417	-	NM
Gain on disposal of property, plant and equipment	-	-	-	60	-	NM
Others	22	89	(75.3)	155	345	(54.8)
	23	75	(69.3)	664	512	29.7
<u>Administrative expenses:-</u>						
Depreciation of property, plant and equipment	155	42	NM	568	120	NM
Operating lease - rental expenses	3	41	(92.7)	8	162	(94.2)
Employee share based compensation	12,661	-	NM	12,661	-	NM
<u>Other expenses/(gains):-</u>						
Exploration and evaluation expenditure written off	1,094	-	NM	1,314	132	NM
Fair value loss on financial assets at fair value through profit or loss	-	115	(100.0)	976	115	NM
Loss on disposal of property, plant and equipment	-	17	(100.0)	-	18	(100.0)
Loss/(gain) on foreign exchange (net)	(746)	3,630	NM	2,937	68	NM
Fair value loss on fair value through profit or loss financial liabilities	6,254	-	NM	6,254	-	NM
Other mining expenses	(602)	661	NM	916	1,174	(22.0)
Plant and equipment written off	2	39	(94.9)	3	44	(93.2)
Upfront fee written off	-	-	-	-	384	(100.0)
Termination fee	-	-	-	-	500	(100.0)
Unwind of discount on deferred consideration	-	-	-	-	232	(100.0)
Impairment loss on PPE	-	1,226	(100.0)	-	1,226	(100.0)
Others	-	(28)	(100.0)	-	(30)	(100.0)
	6,002	5,660	6.0	12,400	3,863	NM

NM: Not Meaningful

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	3 months ended		12 months ended	15 months ended
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		(Restated)
Current income tax (credit)/expense	(739)	875	-	912

8. Dividend

No dividend has been declared or recommended by the board of directors of the Company ("Board" or "Directors") for the current financial period as (1) the Group's priority is to manage its cash flow prudently and responsibly to meet its financial commitments in the current highly volatile and uncertain global operating environment; and (2) due to a material uncertainty related to going concern raised by the independent auditor in the audited financial statements for the financial year ended 30 June 2020.

9. Net Asset Value

	Group	
	30 June 2021	30 June 2020
		(Restated)
Net assets value per ordinary share based on issued share capital at end of financial period/year (in cents)	0.11	0.12
Number of ordinary shares issued at the end of the period	32,706,206,055	31,706,206,055

	Company	
	30 June 2021	30 June 2020
Net assets value per ordinary share based on issued share capital at end of financial period/year (in cents)	0.02	0.07
Number of ordinary shares issued at the end of the period	32,706,206,055	31,706,206,055

10. Financial assets at fair value through profit or loss

	30 June 2021	30 June 2020
	S\$'000	S\$'000
Financial assets measured at FVTPL		
<u>Current</u>		
Funds placed with financial institutions	1,196	1,280
Quoted equity investments	8,982	-
	10,178	1,280
<u>Non-current</u>		
Unquoted equity investments in Africa	—*	—*

* Amount fully impaired

11. Property, plant and equipment

During the three months ended 30 June 2021, the Group acquired assets amounting to S\$3.1 million (30 June 2020: S\$5.3 million) and disposed of assets amounting to nil (30 June 2020: S\$1.3 million).

12. Borrowings

Amount repayable in one year or less, or on demand

	As at 30 June 2021		As at 30 June 2020	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Lease liabilities	3,938	-	1,509	-
Borrowings	4,457	-	-	996
	8,395	-	1,509	996

Amount repayable after one year and not later than five years

	As at 30 June 2021		As at 30 June 2020	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Lease liabilities	5,555	-	3,245	-
Convertible bonds	-	13,254	-	-
	5,555	13,254	3,245	-

As at 30 June 2021, the Group's lease liabilities are secured by property, plant and equipment with a net book value of S\$9.0 million (30 June 2020: S\$3.6 million).

As at 30 June 2021, the Group's borrowings of S\$4.5 million are secured by financial assets at fair value through profit or loss ("FVTPL") of S\$8.8 million.

13. Convertible Bonds

The Company had on 3 December 2020 entered into a subscription agreement with Tomson Pte Ltd (the "Subscriber" or "Bondholder"), pursuant to which the Company has agreed to issue and the Subscriber has agreed to subscribe for up to S\$10,000,000 in aggregate principal amount of 10% unlisted and redeemable bonds (the "Bonds") (details of which are set out in the announcement released by the Company on 3 December 2020). As at the date of this announcement, seven tranches of the Bonds of an aggregate amount of S\$7,000,000 have been issued. The Bonds was initially recognised at its fair value and subsequently remeasured at fair value.

14. Share Options

On 18 June 2021, the Company announced that it had approved the issuance to the Option Subscribers an aggregate of 2,500,000,000 share options, with each Option carrying the right to subscribe for one new ordinary share in the share capital of the Company at the exercise price of S\$0.0028 per Option Share, on the terms and conditions of the Option Agreement (details of which are set out in the circular to shareholders dated 2 June 2021). The cost of the share options is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognized as an expense in the profit and loss account, together with a corresponding increase in equity (share based compensation reserve).

15. Share Capital

There were no changes in the Company's share capital since 31 March 2021.

The number of Shares that may be issued on the exercise of options as at 30 June 2021 and 30 June 2020 is as follows:

As at 30 June 2021	No. of Shares that may be issued	Share Capital S\$'000	Share Premium S\$'000
New shares to be issued on conversion of current outstanding convertible bonds of S\$7.0 million at the conversion price of S\$0.003	2,333,333,333	7,000	-
New shares to be issued upon exercise of the Option by the Option Subscribers, with each Option carrying the right to subscribe for one Share in the Company at the exercise price of S\$0.0028 per share, on the terms and conditions of the Option Agreements	2,500,000,000	7,000	-
As at 30 June 2020			
The Company shall issue such number of shares ("Option Shares") upon exercise of the Options by Premier Equity Fund Sub Fund E, with each Option carrying the right to subscribe for one Share in the Company at the exercise price of S\$0.001 for each new Share	500,000,000	50	450

There are no treasury shares or subsidiary holdings as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. The total number of issued shares as at 30 June 2021 is 32,706,206,055 (30 June 2020: 31,706,206,055).

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

17. Prior year adjustments

Retrospective restatements have been made to reflect various adjustments to the appropriate financial year. The details of adjustments are disclosed below:

- 1) Understatement of right-of-use assets (classified under property, plant and equipment) and the related lease liabilities
- 2) Overstatement of income tax expenses in FY2020

The effects of these restatements on the prior years' financial statements are as follows:

	As previously reported	Adjustment	As restated
	S\$'000	S\$'000	S\$'000
Consolidated statement of profit or loss and other comprehensive income for the 15 months financial year ended 30 June 2020			
Group			
Income tax expenses	(1,666)	754	(912)
Profit for the financial year	105	754	859
Earnings per share			
Basic (cents)	0.002	0.004	0.006
Dilutive (cents)	0.002	0.004	0.006
Statement of financial position as at 30 June 2020			
Group			
Property, plant and equipment (Non-current assets)	20,781	1,084	21,865
Income tax liabilities (current liabilities)	2,149	(754)	1,395
Lease liabilities (current liabilities)	1,194	315	1,509
Lease liabilities (Non-current liabilities)	2,476	769	3,245
Accumulated losses	(320,453)	754	(319,699)

F. Other Information Required by Catalyst Rules

OTHER INFORMATION

PART I - INFORMATION REQUIRED FOR QUARTERLY, HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to Section A – Condensed interim consolidated statement of profit or loss and other comprehensive income

- 1(a)(ii) Notes to statement of comprehensive income**

Please refer to Section E – Notes to the Condensed Interim Consolidated Financial Statements

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Please refer to Section B – Condensed Interim Statements of Financial Position

- 1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

Please refer to Note 12 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to Section D – Condensed Interim Consolidated Statement of Cash Flows

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.**

Please refer to Section C – Condensed Interim Statements of Changes in Equity

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Please refer to Note 15 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

- 1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to Note 15 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors of the Company.

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

The condensed consolidated statement of financial position of Shen Yao Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period then ended and certain explanatory notes have not been audited or reviewed.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest financial statements for the financial year ended 30 June 2020 was not subject to an adverse opinion, qualified opinion and disclaimer of opinion.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Please refer to Note 2.1 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Note 2.1 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Please refer to Section A – Condensed interim consolidated statement of profit or loss and other comprehensive income

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

Please refer to Note 9 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial Performance Review

FY2021

Due to the change in the Company's financial year end from 31 March to 30 June, the revenue for the current financial year is from 1 July 2020 to 30 June 2021 (12-months period) ("FY2021"). The revenue decreased to S\$88.7 million for the financial year ended 30 June 2021 (12-months period) compared with S\$93.0 million for the financial year ended 30 June 2020 (15-months period) ("FY2020") mainly due to the inclusion of the 3 months' revenue from 1 April 2020 to 30 June 2020 amounting to approximately S\$26.0 million for FY2020. However, we noted the following in FY2021 compared to FY2020:

- (1) the increase in average selling price of gold from S\$2,098 (equivalent to A\$2,246) in FY2020 to S\$2,475 (equivalent to A\$2,462) in FY2021;
- (2) the average monthly gold sales volume increased slightly from 2,952 ounces in FY2020 to 2,984 ounces in FY2021.

The cost of sales included:-

- (1) an amortisation of mining properties which increased from S\$6.8million in FY2020 to S\$7.8 million in FY2021, mainly due to an increase in the average monthly gold ore processing volume from 23,800 tonnes in FY2020 to 25,917 tonnes in FY2021;
- (2) depreciation of property, plant and equipment which increased from S\$3.9 million in FY2020 to S\$6.1 million in FY2021, mainly due to the purchase of mining equipment and motor vehicles from second half of 2020 which resulted in an increase in depreciation expenses in FY2021; and

- (3) a 2.75% royalty on gold extracted in the Australian state of Victoria, effective from 1 January 2020, amounting to S\$2.3 million. There was a six-month of Victoria State gold mining royalties amounting to S\$1.1 million recorded in FY2020.

Investment trading income is primarily the change in fair value of financial assets, measured at fair value through profit or loss. The Group recorded a fair value gain of S\$1.1 million in FY2021. The investment trading income represents the diversification of the Group's operations from the gold mining and exploration business segment to a new business segment, effective from the date of obtaining shareholder approval to diversify the Group's existing business into the new business, which is 30 September 2020. There was no such income in FY2020.

Other income recorded an increase to \$0.7 million in FY2021 as compared to \$0.5 million in FY2020. This was mainly due to the gain on de-registration of a subsidiary. Upon the de-registration of a wholly owned Australia subsidiary, Shen Yao International Holding Pty Ltd, which had been inactive and did not have any material assets and liabilities at the time of de-registration, the corresponding foreign currency translation reserve in relation to this subsidiary of S\$0.4 million was released and recognised as "gain on de-registration of a subsidiary" under other income in FY2021. Other income in FY2020 included recovery of bad debts of S\$0.2 million, where there was no such income in FY2021.

Administrative expenses increased from S\$4.7 million in FY2020 to S\$18.1 million in FY2021. The increase was mainly due to:

- (1) a non-recurring non-cash item resulting from fair value of staff option of S\$12.7 million;
- (2) the increase in consultancy service fees of S\$0.3 million on the appointment of consultants;
- (3) the increase in depreciation of S\$0.4 million due to additional motor vehicles purchased in second half of 2020;
- (4) the increase in investment trading related expenses, e.g. platform commission and other related fees, of S\$0.4 million in FY2021; and

The Group incurred other expenses of S\$12.4 million in FY2021 compared to S\$3.9 million in FY2020. Other expenses in FY2021 was mainly fair value loss on financial liabilities at FVTPL related to redeemable convertible bonds of S\$6.3 million, foreign exchange loss of S\$2.9 million due to the depreciation of Singapore dollar against Australian dollar, other mining related expenses of S\$2.2 million and S\$1.0 million realised fair value losses on financial assets at FVTPL related to gold hedging activities in 1Q2021. Other expenses in FY2020 was mainly impairment loss on property, plant and equipment of S\$1.2 million, other mining related expenses of S\$1.2 million, a one-off early termination fee of S\$0.5 million (in relation to the early termination of the RCB Subscription Agreement), and an upfront fee of S\$0.4 million written off.

Finance costs decreased by S\$1.2 million to S\$0.6 million in FY2021 mainly due to the termination of the Debt Restructuring Agreement in October 2019 following the issuance of Subscription Shares to Yaoo Capital Pte Ltd, partially offset by an increase in interest charge of S\$0.1 million in connection to the Subscription Agreement entered with Tomson Pte Ltd in December 2020 and S\$0.1 million on new motor vehicles purchased in second half of 2020.

4QFY2021

The Group recorded a decrease in revenue for the three-month financial period ended 30 June 2021 ("4QFY2021"). Revenue decreased to S\$24.2 million compared with S\$26.0 million for the three-month financial period ended 30 June 2020 ("5QFY2020") due to a decrease in gold sales volume and a decrease in average selling price of gold. Gold sales volume decreased from 10,676 ounces in 5QFY2020 to 10,086 ounces in 4QFY2021. Average selling price of gold decreased from S\$2,445 per ounce (equivalent to A\$2,617) in 5QFY2020 to S\$2,307 per ounce (equivalent to A\$2,295) in 4QFY2021.

The cost of sales included:

- (1) an amortisation of mining properties which increased from S\$1.5 million in 5QFY2020 to S\$3.8 million in 4QFY2021 mainly due to an increase in the gold ore processing volume from 76,000 tonnes in 5Q2020 to 79,000 tonnes in 4Q2021;
- (2) depreciation of property, plant and equipment which decreased slightly from S\$1.5 million in 5QFY2020 to S\$1.4 million in 4QFY2021; and
- (3) a 2.75% royalty on gold extracted in the Australian state of Victoria, effective from 1 January 2020, amounting to S\$0.7 million, which was comparable to 5QFY2020.

The increase in cost of sales was mainly due to higher mining and production cost per ounce as a result of lower head grade of ore processed.

Investment trading income is primarily the change in fair value of financial assets, measured at fair value through profit or loss. The Group recorded a fair value gain of S\$0.6 million in 4QFY2021. There was no such income in 5QFY2020.

Administrative expenses increased from S\$1.0 million in 5QFY2020 to S\$14.6 million in 4QFY2021. The increase was mainly due to:

- (1) a non-recurring non-cash item resulting from fair value of staff option of S\$12.7 million; and
- (2) the increase in investment trading related expenses, e.g. platform commission and other related fees, of S\$0.4 million in 4QFY2021.

The Group had net other expenses of S\$6.0 million in 4QFY2021 compared to S\$5.7 million in 5QFY2020. Other expenses in 4QFY2021 was mainly fair value loss on financial liabilities at FVTPL related to redeemable convertible bonds of S\$6.3 million and other mining related expenses of S\$0.6 million. The increase in other expenses in 4QFY2021 was partially offset by the gain on foreign exchange of S\$0.7 million due to the appreciation of Singapore dollar against Australian dollar. Other expenses in 5QFY2020 was mainly loss on foreign exchange of S\$3.6 million, impairment loss on property, plant and equipment of S\$1.2 million and other mining related expenses of S\$0.6 million.

Finance costs increased by S\$0.1 million to S\$0.2 million in 4QFY2021 mainly due to interest charge of S\$0.1 million in connection to the Subscription Agreement entered with Tomson Pte Ltd in December 2020.

Financial Position Review

Current assets increased by S\$9.5 million from S\$16.1 million as at 30 June 2020 to S\$25.6 million as at 30 June 2021. The increase was mainly due to:

- The increase in financial assets at FVTPL of S\$8.9 million, which was attributed to purchase of financial assets at FVTPL by way of cash of S\$5.4 million and purchase under revolving credit of S\$4.5 million. The increase was partially offset by loss on FVTPL of S\$1.0 million. This is in line with the diversification of our business which was approved by shareholders on 30 September 2020; and
- The increase in other current assets of S\$2.5 million, was mainly due to inclusion of prepaid mining related consultancy fee of S\$2.8 million.

The increase in current assets was partially offset by:

- The decrease in cash and cash equivalents of S\$1.7 million; and
- The decrease in inventories of S\$0.6 million, mainly attributed to the lower total gold produced (35,190 ounces) as compared to the total gold sold (35,808 ounces). The Group's inventory turnover days was 25 days for the year ended 30 June 2021 (FY2020: 36 days).

Non-current assets increased by S\$20.5 million from S\$38.2 million as at 30 June 2020 to S\$58.7 million as at 30 June 2021. The increase was mainly due to:

- The increase in exploration and evaluation expenditure of S\$3.6 million, which was mainly attributed to additions of capitalised expenditure of S\$4.5 million, offset with exploration and evaluation expenditure written-off of S\$1.3 million;
- The increase in mining properties of S\$11.9 million mainly attributed to the additions amounting to S\$19.4 million during the period, partially offset by the amortisation charge of S\$7.8 million; and
- The increase in PPE of S\$4.7 million was mainly attributed to additions of S\$12.4 million (including mining equipment of \$9.0 million, increase in work-in-progress of S\$0.8 million and increase in land of S\$1.0 million). The increase was partially offset by the depreciation of S\$6.7 million.

Current liabilities increased from S\$14.9 million as at 30 June 2020 to S\$30.4 million as at 30 June 2021. The increase of S\$15.4 million was mainly attributed to:

- The increase in trade and other payables of S\$10.3 million mainly due to increase in trade payables of S\$4.0 million, accrued royalties of S\$2.3 million and accrued geology and mining expenses of S\$1.4 million as at 30 June 2021;
- The increase in lease liabilities of S\$2.4 million which was attributed to new equipment purchased under lease; and
- The borrowing increased by \$3.5 million to S\$4.5 million as at 30 June 2021. Borrowing as at 30 June 2021 was revolving credit facilities with a financial institution of S\$4.5 million. Borrowing as at 30 June 2020 was the loan from former Group CEO. On 14 July 2020, the Company entered into a debt conversion agreement with former Group CEO, Mr Tan Soo Khoo Raymond, for the proposed conversion ("Proposed Debt Conversion") of the outstanding amount of S\$1.0 million into 500,000,000 new ordinary shares in the capital of the Company ("Debt Conversion Shares") at the conversion price of S\$0.002 per Debt Conversion Share. The Proposed Debt Conversion was completed on 28 July 2020.

At the Company level, the amount due to subsidiaries increased from S\$45.7 million as at 30 June 2020 to S\$50.6 million as at 30 June 2021. This was mainly attributed to the funding provided from a wholly-owned subsidiary, Golden Point Group Pty Ltd, to the Company for its operating expenses.

Non-current liabilities increased from S\$14.3 million as at 30 June 2020 to S\$30.9 million as at 30 June 2021. The increase was mainly attributed to:

- The increase in convertible bonds of S\$13.3 million which is in connection to the subscription agreement entered with Tomson Pte Ltd on 3 December 2020;
- The increase in lease liabilities of S\$2.3 million which was attributed to new equipment purchased under lease;
- The increase in rehabilitation and preservation provision of S\$0.6 million. Rehabilitation and preservation provision is to cover the estimated costs of land rehabilitation and preservation as a result of past mining and exploration activities at Ballarat and GPG, all in Australia.

Deferred consideration of S\$2.8 million pertains to a consideration payable to the previous owner of Owere Mines Ltd following certain production milestones being met. Further details of this deferred consideration can be found on page 126, note 27 of the Company's FY2020 annual report.

Total equity reduced by S\$2.0 million from S\$25.1 million as at 30 June 2020 to S\$23.1 million as at 30 June 2021. This was mainly attributed to the increase in accumulated losses from S\$319.7 million as at 30 June 2020 to S\$339.5 million as at 30 June 2021, which reflected the Group's consolidated loss attributed to equity holders for the period.

The decrease in total equity was partially offset by:

- The increase in share based compensation reserve of S\$12.7 million resulting from fair value of staff option;
- The increase in share capital and share premium of S\$0.1 million and S\$1.4 million respectively, attributed to the issuance of the Debt Conversion Shares and Option Shares; and
- The decrease in negative foreign currency translation reserve of S\$4.4 million to S\$4.0 million as at 30 June 2021, due mainly to record of foreign currency difference arising from consolidation and de-registration of wholly owned Australia subsidiary, Shen Yao International Holdings Pty Ltd, in July 2020.

The Group had net current liabilities of S\$4.8 million as at 30 June 2021. The directors of the Company believe that the Group and the Company will be able to generate positive cash flows from the mining operations and investment activities, as well as to raise the necessary funds from the unsecured redeemable bonds from the Subscriber. As such, there are reasonable grounds to believe that the Group and the Company will have sufficient working capital for the next 12 months and will be able to pay its debts as and when they fall due. Therefore, the Group and the Company will be able to operate as a going concern.

Cash Flow Statement

Net cash generated from operating activities in FY2021 was S\$23.2million as compared to S\$21.0 million in FY2020. The net operating cash inflow was mainly due to an operating cash flow before working capital changes of S\$16.0 million, adjusted for working capital inflows of S\$8.4 million. The working capital inflows in FY2021 were attributed mainly to an increase in trade and other payables of S\$1.4 million, an increase in other liabilities of S\$6.3 million and an increase in currency translation adjustments of S\$2.9 million, partially offset by an increase in other current assets of S\$2.5 million. The Group also paid income tax of S\$0.8 million and interest expense of S\$0.5 million in FY2021.

Net cash used in investing activities in FY2021 was S\$33.3 million as compared to S\$18.2 million in FY2020. The net cash used in FY2021 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$21.9 million, financial assets at fair value through profit or loss of S\$9.9 million, and purchase of mine equipment and motor vehicles of S\$1.9 million, partially offset by proceed from disposal of property, plant and equipment of S\$0.3 million. Comparatively, the net cash used in FY2020 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$11.9 million, financial assets at fair value through profit or loss of S\$1.4 million and purchase of mine equipment of S\$4.9 million.

Net cash generated from financing activities in FY2021 was S\$8.2 million as compared to net cash used in financing activities in FY2020 of S\$0.4 million. The net cash generated from financing activities in FY2021 was mainly attributed to the borrowings drawdown from margin account of financial assets at fair value through profit or loss of S\$4.5 million, proceeds from issuance of Option Shares of S\$0.5 million and proceeds from issuance of convertible bonds of S\$7.0 million, partially offset by net repayment of lease liabilities of S\$3.8 million. Comparatively, the net cash used in financing activities FY2020 was mainly attributed to net repayment of lease liabilities of S\$1.0 million, partially offset by borrowings of S\$0.9 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no forecast or prospect statement which has been previously disclosed.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Notwithstanding the COVID-19 pandemic is still evolving and elevated uncertainties surrounding the global and regional economic outlook, gold production remained stable in FY2021. In FY2021, the Group registered a revenue of S\$88.7 million. On the exploration front, the Tarnagulla Gold Project which commenced in August 2020 continues making positive progress on its exploration drilling activities (further details of which are provided in part II of this announcement).

At the special general meeting held on 30 September 2020, the Company obtained approval from shareholders for the diversification of the core business of the Group to include investments and fund management. At the same meeting, shareholders also approved the re-domiciliation of the Company from Bermuda to Singapore and along with this a change of name of the Company to Shen Yao Holdings Limited (the "Proposed Redomiciliation"). The Accounting and Corporate Regulatory Authority has on 30 December 2020 approved the Company's application in relation to the Proposed Redomiciliation.

The Company had, on 29 March 2021, entered a conditional sale and purchase agreement with Wodabow Pte. Ltd. and Dr. Jean-Michel Paul, to purchase up to 3,550,000 ordinary shares in Real Estate Analytics Pte. Ltd. ("REA") for the aggregate consideration of S\$8.8 million. REA is a Singapore based tech start-up whose aim is to research, develop and implement the next generation real estate modelling and analytics tools for global markets (details of which are set out in the announcement released by the Company on 29 March 2021). On 30 September 2021, the Agreement have lapsed. Lapsing of the Agreement will not have any material adverse impact on the business operations and financial position of the Group (details of which are set out in the announcement released by the Company on 1 October 2021).

On 5 May 2021, the Company incorporated a wholly owned subsidiary, Plutus Mazu Pte. Ltd. (the "Plutus Mazu"), in Singapore. The principal activity of the Plutus Mazu is hedge fund management.

The abovementioned investments are in line with the Group's strategy of building a new source of income and diversifying our business from mining and exploration activities. These investments are milestones for the Group's foray into the Singapore market. There is considerable uncertainty about the post-pandemic global economic recovery. The Board is uncertain whether the gold price could be sustained over the longer term or fluctuate significantly with the fluctuation in interest rates and inflation expectation. There are also considerable challenges for the Group's operations arising from the COVID-19 pandemic. Regardless of the progress we made in FY2021, it remains vital to further improve our mining operations and milling processes, aim for higher head grade and explore more business opportunities.

11 Dividend Information

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Nil

(b) (i) Amount per share

Nil

(ii) Previous corresponding period

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be shared).

Not applicable

(d) Date the dividend is payable

Not applicable

(e) Date on which Registrable Transfers received by the Company (up to 5pm) will be registered before entitlements to the dividend are determined

Not applicable

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended by the board of directors of the Company ("Board" or "Directors") for the current financial period as (1) the Group's priority is to manage its cash flow prudently and responsibly to meet its financial commitments in the current highly volatile and uncertain global operating environment; and (2) due to a material uncertainty related to going concern raised by the independent auditor in the audited financial statements for the financial year ended 30 June 2020.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from its shareholders for the Interested Person Transactions.

14 Negative confirmation by the board pursuant to Rule 705(5)

Not applicable for full year results announcement.

15 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

16 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to Note 4.1 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Note 8 of Section F - Other Information Required by the Catalist Rules

18 A breakdown of sales

Please refer to Note 4.2 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

(a) Ordinary

Not applicable

(b) Preference

Not applicable

(c) Total

Not applicable

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Yao Jiajia	26	Daughter of Mr Yao Liang, the Executive Director, Group Executive Chairman and Group Chief Executive Officer,	Note A	None

Note A:

On 15 May 2020, Ms Yao Jiajia was appointed as Head of Corporate Investments of the Company. Her area of responsibility involves:

1. Review corporate investment opportunities that the Company is presented with and where suitable, undertake relevant assessments on the viability of such investments before presenting the findings to the Board for their review and consideration.
2. In conjunction with the operations team at Ballarat, consider the viability, methodology and process of hedging the gold production of the Company in attempt to manage the risk of uncertainty in gold prices ("Hedging Activities").
3. Where required, set up a team and the relevant infrastructure required to undertake the Hedging Activities.
4. Oversee the day to day operations of the Hedging Activities, including but not limited to ensuring that process approved by the Board are adhered to and preparing periodic reports for review by Management and the Board.

Ms Yao Jiajia is also a 1% shareholder in Sheng Investment Pte. Ltd., which in turn is a 15.52% shareholder of the Company (further details of which are set out in the announcement released by the Company on 15 May 2020 and 28 August 2020).

21 Use of proceeds

(1) The Company has previously provided updates on the use of proceeds from the issuance of Option Share of S\$500,000 via SGXNET on 1 July 2021. The details of the use of net proceeds from the issuance of Option Shares of S\$500,000 as follows:

Use of net proceeds	Amount allocated (S\$)	Amount utilised (S\$)	Balance as at the date of this announcement (S\$)
Working capital:	500,000	500,000	-
Staff costs and Directors' fees	363,173		
Office rental and overheads	61,919		
Professional fees	61,865		
General administrative expenses	13,043		

The above utilisation of the proceeds from the Issuance of Option Shares is consistent with the intended use as disclosed in the Circular.

(2) The Company has previously provided updates on the use of proceeds from the issuance of the seven tranches of the Bonds via SGXNET on 7 July 2021. As at the date of this announcement, seven tranches of the Bonds have been issued, raising net proceeds of S\$6,950,000. The Company wishes to provide an update on the utilisation of the net proceeds arising from the issuance of the Bonds to the Subscriber.

The utilisation of the net proceeds of S\$6,950,000 arising from the issue of the total seven tranches of the Bonds as follows:

Use of net proceeds	Amount allocated (S\$)	Amount utilised (S\$)	Balance as at the date of this announcement (S\$)
Group's growth and expansion plans	6,950,000	6,000,000	950,000

22 Additional information required for mineral, oil and gas companies

1) Rule 705(6)(a) of the Catalist Rules

a. Use of funds/cash for the quarter – Tarnagulla Gold Project in Victoria, Australia

In 4QFY2021, funds/cash was mainly used for the following activities, as compared to the projections:

Purpose	Amount (AUD'000)		
	Projected	Actual	Variance
Exploration and related activities	400	294	(106)
General working capital	70	72	2
Total	470	366	(104)

Explanation for the variances:

The variance between Projected against Actual is primarily because the unfavorable ground conditions have resulted in a slowdown in exploration drilling activities. Drilling costs are predominantly charged on a meterage rate, as the slower rate of drilling resulted in reduced expenditure for exploration and related activities.

b. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions - Tarnagulla Gold Project

For the next immediate quarter (financial period from 1 July 2021 to 30 September 2021 ("1QFY2022")), the Group's use of funds/cash for production activities is expected to be as follows:

Purpose	Amount (AUD'000)
Exploration and related activities	300
General working capital	70
Total	370

Ironbark Mining continues exploration drilling activities at the Tarnagulla Gold Project. Exploration drilling will aim to increase the understanding of the geology and mineralisation associated with the quartz reef structures forming the Central Tarnagulla Gold Project. The long-term aim of the exploration drilling activities is attempting to identify Mineral Resources which could lead to an undertaking of mining operations at Tarnagulla.

Ironbark Mining holds mineral tenements covering several other historic goldfields, which while having been mined historically for gold mineralisation, have not been subject to significant systematic modern exploration activities. Ironbark Mining is in the process of assessing these project areas to determine the prospect and devise a ranking system that will guide the future exploration activities of the Company.

Ironbark Mining will continue to undertake regional exploration work to refine future exploration targets that may warrant ongoing exploration activities. Ironbark Mining is presently developing a comprehensive portfolio of exploration prospects associated with the Company tenements.

2) Rule 705(6)(b) of the Catalyst Rules

Yao Liang and Sun Shu, being two directors of the Company, have confirmed on behalf of the Board that, to the best of their knowledge, nothing has come to their attention which may render the information provided, pursuant to Rule 705(6)(a) of the Catalyst Rules, false or misleading in any material respect.

3) Rule 705(7) of the Catalyst Rules

Details of exploration (including geography surveys), development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

The Group carried out the following activities in FY2021:-

Golden Point Group - Ballarat Gold Project

GPG operates a well-established gold mine at Ballarat in Australia's premier Victoria gold belt and owns several tenements around the Ballarat Gold Mine and in nearby goldfields. Besides the producing Ballarat Gold Mine, GPG's other main asset is its regional exploration land holding.

Facilities at the Ballarat Gold Mine include a 600,000 tonne per annum processing plant with gravity gold and concentrate recovery circuits. The project has significant additional potential for mine life extension at depth, along and across strike from the current workings supported by a comprehensive underground drilling programme targeting resources adjacent to existing workings.

In FY2021, Ballarat Gold Mine processed 311,000 tonnes of gold-bearing ore through its gold processing plant, at a grade of 4.2g/t. Ballarat Gold Mine also produced approximately 35,000 ounces of gold in FY2021. Ballarat Gold Mine achieved an average gold price of A\$2,462 per ounce in FY2021.

The Ballarat Gold Mine drilled totalling 79,500 metres underground in FY2021. The drilling centred on the continuation of exploration efforts in the Victoria, Britannia, Llanberris, Canton, Sovereign and Normanby compartments. The purpose of this core drilling was to identify geological conditions related to gold mineralisation and to identify mineralisation or significant structures. This drilling was a combination of exploration and infill drilling – the former activity conducted to discover further sources of gold-bearing mineralisation, the latter to better define known areas and improve the level of knowledge to allow detailed mine planning to be completed ahead of mining.

During the year, significant progress was made developing towards and in the deeper mine levels of the Normanby and Sovereign compartments focusing on mineralisation on the Mako Fault Zone.

Works on the planning, permitting and designing of a new TSF to support future operations are ongoing.

GPG's exploration focus remains centred on the western Central Highlands of Victoria. At the end of the year, the Group holds five Exploration Licences, one Retention Licence and two Mining Licences. In addition, the Group has twelve Exploration Licence Applications in process. The primary focus of exploration remains the Ballarat Gold Project where the Group has consolidated the entire 16-kilometre strike length of the field. The distribution of other tenements under the control of the Group provide exposure to multiple goldfields within the highly prospective Victorian exploration domain, and exposure to multiple mineral commodities.

Golden Point Group - TARNAGULLA GOLD PROJECT

At 30 June 2021, a total of 4,189.4 meters of exploration drilling was completed with total expenditure of A\$1.8 million for the financial year ended 30 June 2021. The current exploration drilling is focused on parallel reef structures in the previously explored Poverty Reef system. The purpose of exploring the parallel reef structures is to identify additional mineralisation that may be present parallel to the Poverty Reef.

Current exploration drilling is focused on parallel reef structures in the previously explored Poverty Reef system to identify additional mineralisation that may be present parallel to the Poverty Reef with the objective of determining additional gold content per vertical meter and possible access from a single mining entrance (operation), thereby reducing future development/establishment costs.

The results of all previous exploration activities completed on the Poverty Reef system have now been obtained and loaded into the mining software used by the Company. The work is now designed to determine the next phase of exploration activities and to identify the optimal locations for future drilling to achieve the best opportunity in establishing mineral resources associated with the project.

Exploration drilling was completed by an outsourced contractor with the appropriate skills. Geological logging, evaluation and review of drill core and the resulting information is completed internally. Sampling and analysis of drill core is outsourced to an independent laboratory with the necessary skills and attributes to perform gold concentration analysis.

Ironbark Mining will continue to conduct further desktop and field exploration on the Company's tenements. Ironbark Mining will be continuing to improve its knowledge of the tenements whereby the potential for the tenement to host additional mineralisation may be further explored in the future. Current exploration includes historical studies of past mining and exploration to develop models of historical mining and to assist in predicting future mineralisation, surface soil geochemical analysis throughout the tenements to assist in identifying anomalous areas requiring further exploration, the use of drones and surface mapping and sampling to provide field verification of identified anomalous areas within the tenements. Exploration work will continue to advance the understanding of the tenements and identify anomalous areas for further exploration in the future.

There were no mining or exploration related activities that were undertaken by the remaining subsidiaries of the Group in FY2021.

BY ORDER OF THE BOARD
Yao Liang
Executive Chairman
27 October 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.

The contact person for the Sponsor is Mr Chia Beng Kwan, Registered Professional, W Capital Markets Pte Ltd, 65 Chulia Street, #43-01 OCBC Centre, Singapore 049513, Telephone (65) 65133541.