



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

**MATERIAL DIFFERENCES BETWEEN THE CONSOLIDATED STATEMENTS AND THE
 UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30
 JUNE 2021**

The Board of Directors (the “**Board**”) of Shen Yao Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on 27 October 2021 in relation to its unaudited financial result for the financial year ended 30 June 2021 (“**FY2021**”) (the “**Unaudited Financial Statements**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, the Board would like to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments and reclassifications were made to arrive at the FY2021 financial statements within the annual report (“**Consolidated Financial Statements**”) following the audit by the Company’s Independent Auditors, Ernst & Young LLP. The Consolidated Financial Statements include a disclaimer of opinion by the Independent Auditors as separately announced by the Company on 15 November 2021.

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

| | Audited | Unaudited | Variance | Note |
|--|------------------|------------------|------------------|-------------|
| | (S\$'000) | (S\$'000) | (S\$'000) | |
| Consolidated statement of profit or loss and other comprehensive income | | | | |
| Cost of sales | (78,644) | (79,282) | 638 | 1 |
| Currency translation differences arising from consolidation | 4,784 | 4,779 | 5 | |
| | | | | |
| Consolidated statement of financial position | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 29,605 | 26,595 | 3,010 | 2 |
| Exploration and evaluation expenditure | 11,790 | 11,864 | (74) | |
| Mining properties | 15,852 | 15,634 | 218 | |
| | | | | |
| Current assets | | | | |
| Other receivables | 1,962 | 1,007 | 955 | 4 |
| Other current assets | 624 | 3,062 | (2,438) | 3 |
| Inventories | 4,991 | 5,053 | (62) | |
| Financial assets at fair value through profit or loss | 8,982 | 10,178 | (1,196) | 4 |
| | | | | |
| Current liabilities | | | | |
| Trade and other payables | 21,233 | 21,309 | (76) | |
| Rehabilitation and preservation provision | 8,861 | 9,015 | (154) | |
| | | | | |

| | Audited | Unaudited | Variance | Note |
|--|------------------|------------------|------------------|-------------|
| | (S\$'000) | (S\$'000) | (S\$'000) | |
| Consolidated statement of financial position (cont'd) | | | | |
| Equity attributable to owners of the Company | | | | |
| Share capital | 305,378 | 3,271 | 302,107 | 5 |
| Share premium | - | 302,107 | (302,107) | 5 |
| Reserves | (268,226) | (268,869) | 643 | 1 |
| | | | | |
| Consolidated statement of cash flows | | | | |
| Net cash flows from operating activities | 25,868 | 23,165 | 2,703 | 6 |
| Net cash flows used in investing activities | (35,990) | (33,329) | (2,661) | 6 |
| Net cash flows generated from/(used in) financing activities | 8,112 | 8,154 | (42) | |

Explanatory notes for the material differences:

1. Due to adjustment for overstatement of depreciation expense amounting to S\$1.1 million, partially offset by expensing off of mining-relating expenses of S\$0.5 million.
2. Due to reclassification of mining-related consultancy fees from prepayment to construction-in-progress of S\$2 million as the project has commenced, and adjustment of understatement of rehabilitation asset amounting to S\$1.1 million.
3. Due to reclassification of mining-related consultancy fees from prepayment to construction-in-progress of S\$2 million as the project has commenced, and expensing off of mining-relating expenses of S\$0.5 million.
4. Due to reclassification of amount due from brokers of S\$1.1 million from financial assets at fair value through profit or loss to other receivables.
5. Due to effect of re-domiciliation to Singapore.
6. Due to reclassification of mining-related consultancy fees from prepayment to construction-in-progress of S\$2 million as the project has commenced, and adjustment of understatement of rehabilitation asset amounting to S\$1.1 million, partially offset by the adjustment of investment trading income from operating activities to investing activities of S\$1.1 million.

Shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers

BY ORDER OF THE BOARD

Yao Liang
Executive Director
15 November 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, W Capital Markets Pte. Ltd. (the "Sponsor").

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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