

SHEN YAO HOLDINGS LIMITED

Condensed interim financial statements

For the fourth quarter and full year ended 30 June 2022

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

	Group			Group		
	3 months ended			12 months ended		
	30 June 2022	30 June 2021	Change	30 June 2022	30 June 2021	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	22,824	24,196	(5.7)	83,477	88,721	(5.9)
Cost of sales	(24,241)	(26,681)	(9.1)	(77,826)	(78,644)	(1.0)
Investment trading (loss)/income	(1)	604	NM	391	1,105	(64.6)
Other income	110	82	34.1	6,511	664	NM
Expenses						
Administrative expenses	(1,465)	(14,630)	(90.0)	(5,697)	(18,071)	(68.5)
Other gains/(expenses)	2,019	(6,061)	NM	1,230	(12,400)	NM
Finance costs	(609)	(219)	NM	(1,110)	(558)	98.9
(Loss)/profit before income tax	(1,363)	(22,709)	(94.0)	6,976	(19,183)	NM
Income tax expense	819	739	10.8	-	-	-
(Loss)/profit for the financial period/year	(544)	(21,970)	(97.5)	6,976	(19,183)	NM
Profit/(loss) for the financial period/year attributable to:						
Equity holders of the Company	452	(22,008)	NM	8,071	(20,149)	NM
Non-controlling interests	(996)	38	NM	(1,095)	966	NM
	(544)	(21,970)	(97.5)	6,976	(19,183)	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	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	S\$'000	S\$'000	S\$'000	S\$'000
(Loss)/profit for the financial period/year	(544)	(21,970)	6,976	(19,183)
Other comprehensive (loss)/income, net of tax				
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>				
Currency translation differences arising from consolidation	(5,220)	(1,362)	(4,788)	4,784
Reclassification of currency translation differences on de-registration of a subsidiary to profit or loss	-	-	-	(417)
<i>Item that will not be reclassified to profit or loss in subsequent period:</i>				
Currency translation differences arising from consolidation	826	187	759	(744)
Total other comprehensive income for the financial period/year	(4,394)	(1,175)	(4,029)	3,623
Total comprehensive income for the financial period/year	(4,938)	(23,145)	2,947	(15,560)
Total comprehensive (loss)/income for the financial period attributable to :				
Equity holders of the Company	(4,768)	(23,370)	3,283	(15,782)
Non-controlling interests	(170)	225	(336)	222
	(4,938)	(23,145)	2,947	(15,560)
Earnings/(loss) per share for profit for the period/year attributable to the owners of the Company:				
Basic (SGD in cent)	0.001	(0.068)	0.024	(0.062)
Weighted average number of ordinary shares	33,580,178,658	32,448,671,808	33,580,178,658	32,448,671,808
Diluted (SGD in cent)	0.001	(0.068)	0.022	(0.062)
Weighted average number of ordinary shares	36,413,511,991	32,448,671,808	36,413,511,991	32,448,671,808

B. Condensed interim statements of financial position – Group

	Group	
	30 June 2022	30 June 2021
	S\$'000	S\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	26,473	29,605
Exploration and evaluation expenditure	14,897	11,790
Mining properties	16,141	15,852
Security deposits	4,368	4,638
Financial assets at fair value through profit or loss	-*	-*
	61,879	61,885
Current assets		
Other receivables	1,645	1,962
Other current assets	426	624
Inventories	5,132	4,991
Cash and cash equivalents	801	6,311
Financial assets at fair value through profit or loss	-	8,982
	8,004	22,870
Total assets	69,883	84,755
LIABILITIES		
Current liabilities		
Trade and other payables	14,619	21,233
Lease liabilities	4,489	3,938
Borrowings	5,023	4,457
Convertible bonds	1,000	-
Income tax payable	1,267	674
	26,398	30,302
Non-current liabilities		
Lease liabilities	2,549	5,555
Convertible bonds	-	13,254
Deferred consideration	2,612	2,762
Rehabilitation and preservation provision	8,433	8,861
Other non-current liabilities	233	310
	13,827	30,742
Total liabilities	40,225	61,044
Net assets	29,658	23,711
Equity		
Share capital	308,378	305,378
Other reserves	62,949	62,949
Foreign currency translation reserves	(8,776)	(3,988)
Share based compensation reserve	12,661	12,661
Accumulated losses	(331,777)	(339,848)
	43,435	37,152
Non-controlling interests	(13,777)	(13,441)
Total equity	29,658	23,711
* Amount written down		

B. Condensed interim statements of financial position – Company

	Company	
	30 June 2022	30 June 2021
	S\$'000	S\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	10	16
Investment in subsidiaries	67,791	67,791
	67,801	67,807
Current assets		
Due from subsidiaries	5,676	3,714
Other receivables	-	2
Other current assets	41	28
Cash and cash equivalents	15	15
Financial assets at fair value through profit or loss	- [^]	- [^]
	5,732	3,759
Total assets	73,533	71,566
LIABILITIES		
Current liabilities		
Trade and other payables	996	794
Due to subsidiaries	45,006	50,614
Convertible bonds	1,000	-
	47,002	51,408
Non-current liabilities		
Convertible bonds	-	13,254
Total liabilities	47,002	64,662
Net assets	26,531	6,904
Equity		
Share capital	308,378	305,378
Other reserves	61,979	61,979
Share based compensation reserve	12,661	12,661
Accumulated losses	(356,487)	(373,114)
Total equity	26,531	6,904
[^] Amount less than \$1,000		

C. Condensed interim statements of changes in equity

	Share capital	Other reserves	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
Group							
Balance at 1 July 2021	305,378	62,949	(3,988)	12,661	(339,848)	(13,441)	23,711
Conversion of shares from convertible bonds	3,000	-	-	-	-	-	3,000
Profit/(loss) for the financial year	-	-	-	-	8,071	(1,095)	6,976
Currency translation differences	-	-	(4,788)	-	-	759	(4,029)
Total comprehensive (loss)/income for the financial year	-	-	(4,788)	-	8,071	(336)	2,947
Balance at 30 June 2022	308,378	62,949	(8,776)	12,661	(331,777)	(13,777)	29,658

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

	Share capital	Share premium	Other reserves	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
Issue of Debt Conversion Shares	50	950	-	-	-	-	-	1,000
Issue of Option Shares	50	450	-	-	-	-	-	500
Issue 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 year	-	-	-	-	-	(20,149)	966	(19,183)
Other comprehensive income for the financial year, net of tax	-	-	-	4,784	-	-	(744)	4,040
Reclassification of currency translation differences on de-registration of a subsidiary to profit or loss	-	-	-	(417)	-	-	-	(417)
Total comprehensive income/(loss) for the financial year	-	-	-	4,367	-	(20,149)	222	(15,560)
Effect of re-domiciliation	302,107	(302,107)	-	-	-	-	-	-
Balance at 30 June 2021	305,378	-	62,949	(3,988)	12,661	(339,848)	(13,441)	23,711

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

	Share capital	Share premium	Other reserves	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 2021	305,378	-	61,979	12,661	(373,114)	6,904
Conversion of shares from convertible bonds	3,000	-	-	-	-	3,000
Profit and total comprehensive income for the financial year	-	-	-	-	16,627	16,627
Balance at 30 June 2022	308,378	-	61,979	12,661	(356,487)	26,531
Balance at 1 July 2020	3,171	300,707	61,979	-	(345,171)	20,686
Issue of Debt Conversion Shares	50	950	-	-	-	1,000
Issue of Option Shares	50	450	-	-	-	500
Issue of Employee Share Options	-	-	-	12,661	-	12,661
Loss and total comprehensive income for the financial year	-	-	-	-	(27,943)	(27,943)
Effect of re-domiciliation	302,107	(302,107)	-	-	-	-
Balance at 30 June 2021	305,378	-	61,979	12,661	(373,114)	6,904

D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended	
	30 June 2022	30 June 2021
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before income tax	6,976	(19,183)
Adjustments for:-		
Amortisation of mining properties	7,192	7,783
Amortisation of discount on provision for rehabilitation and preservation	54	54
Depreciation of property, plant and equipment	6,875	7,233
Exploration and evaluation expenditure written-off	203	1,314
Fair value loss on financial assets at fair value through profit or loss	-	976
Fair value (gain)/loss on fair value through profit or loss financial liabilities (redeemable convertible bonds)	(6,254)	6,254
Gain on de-registration of a subsidiary	-	(417)
Loss/(gain) on disposal of property, plant and equipment	248	(60)
Loss on lease modification	3	-
Investment trading income	(391)	(1,105)
Property, plant and equipment written off	-	3
Employee share based compensation	-	12,661
Interest income	(13)	(32)
Interest expense	1,057	504
Operating cash flows before working capital changes	15,950	15,985
Changes in operating assets and liabilities:-		
Inventories	(141)	708
Other receivables	1,573	(80)
Other current assets	198	(85)
Trade and other payables	588	1,040
Other liabilities	(6,010)	6,530
Currency translation adjustments	(2,386)	2,915
Cash generated from operations	9,772	27,013
Interest received	13	32
Interest paid	(1,022)	(400)
Net taxation paid	(610)	(777)
Net cash generated from operating activities	8,153	25,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to mining properties	(8,371)	(13,885)
Exploration and evaluation expenditure	(4,012)	(8,116)
Purchase of financial assets at fair value through profit or loss	-	(8,768)
Proceeds from sale of financial assets at fair value through profit or loss	9,373	-
Purchase of property, plant and equipment	(3,399)	(5,549)
Proceeds from disposal of property, plant and equipment	116	328
Net cash used in investing activities	(6,293)	(35,990)

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

	Group	
	12 months ended	
	30 June 2022	30 June 2021
	S\$'000	S\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Option Shares	-	500
Net proceeds from borrowings	566	4,457
Net (repayment of)/proceeds from convertible bonds	(3,000)	7,000
Net repayment of lease liabilities	(4,841)	(3,847)
Return from security deposits	18	2
Net cash (used in)/generated from financing activities	(7,257)	8,112
Net decrease in cash and cash equivalents	(5,397)	(2,010)
Cash and cash equivalents at beginning of the financial year	6,211	7,863
Effect of currency translation on cash and cash equivalents	(113)	358
Cash and cash equivalents at end of the financial year	701	6,211

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	801	6,311
Less: fixed deposit pledged	(100)	(100)
Cash and cash equivalents per consolidated statement of cash flows	701	6,211

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. 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 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The Company's immediate and ultimate holding company is Yaaoo 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 fourth quarter and full year ended 30 June 2022 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 annual financial statements for the year 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 ("**Standards**"), 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 and all financial information presented in Singapore dollar are rounded to the nearest thousand (S\$'000) except otherwise indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to the 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 2021.

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 2021) 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 2022, no provision (2021: 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 financial year, there was a write-off of \$203,000 (2021: \$1,314,000) in relation to exploration and evaluation expenditure.

Where the entity has sufficient information to make a decision whether an area of interest is economically feasible, the exploration and evaluation expenditure will be reclassified to mining properties. The accumulated costs for the relevant area of interest will then be amortised over the mine life of the area according to the rate of depletion.

(c) *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.

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) *Impairment of non-current assets*

Property, plant and equipment, right-of-use assets, 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. Changes to these estimates and assumptions could result in a change in the carrying value of these assets.

During the current financial year, no impairment loss (2021: Nil) was recognised on the Group's non-current assets.

(b) *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.

(c) *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.

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

(c) Ore reserves, mineral resource and exploration target (cont'd)

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.

(d) 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 current financial year, amortisation of mining properties recognised was \$7,192,000 (2021: \$7,783,000).

(e) 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.

(f) 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.

(g) Impairment of investment 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 year.

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. Segment and revenue information (cont'd)

Geographical segments

The Group operates in one main geographical segment by location of customers which is in Australia.

4.1 Reportable segments

	Gold mining and exploration	Investment holdings	Consolidated
	S\$'000	S\$'000	S\$'000
3 months ended 30 June 2022			
Total segment revenue	22,824	-	22,824
Revenue from external parties	22,824	-	22,824
Investment trading loss	-	(1)	(1)
Interest income	5	-	5
Miscellaneous income	-	105	105
Total other income	5	105	110
Total revenue and other income	22,829	104	22,933
Depreciation	(1,638)	(216)	(1,854)
Amortisation of mining properties	(1,497)	-	(1,497)
Finance expense	(585)	(24)	(609)
Segment (loss)/profit	(2,739)	1,376	(1,363)
Loss before taxation			(1,363)
Taxation			819
Loss for the interim period			(544)
Segment assets	67,945	1,938	69,883
Total assets per statement of financial position			69,883
Expenditures for segment non-current assets			
- Additions to PPE	1,859	22	1,881
- Additions to mining properties	2,337	-	2,337
- Exploration and evaluation expenditure	736	-	736
	4,932	22	4,954
Segment liabilities	33,284	5,674	38,958
Current income tax liabilities			1,267
Total liabilities per statement of financial position			40,225

4.1 Reportable segments (cont'd)

	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	59	22	81
Total other income	60	22	82
Total revenue and other income	24,256	626	24,882
Depreciation	(2,001)	(116)	(2,117)
Amortisation of mining properties	(3,792)	-	(3,792)
Finance expense	(97)	(122)	(219)
Employee share based compensation	-	(12,661)	(12,661)
Fair value loss on fair value through profit or loss financial liabilities (redeemable convertible bonds)	-	(6,254)	(6,254)
Segment loss	(3,301)	(19,408)	(22,709)
Loss before taxation			(22,709)
Taxation			739
Loss for the interim period			(21,970)
Segment assets	70,279	14,476	84,755
Total assets per statement of financial position			84,755
Expenditures for segment non-current assets			
- Additions to PPE	4,684	-	4,684
- Additions to mining properties	6,563	-	6,563
- Exploration and evaluation expenditure	1,735	-	1,735
	12,982	-	12,982
Segment liabilities	38,016	22,354	60,370
Current income tax liabilities			674
Total liabilities per statement of financial position			61,044

4.1 Reportable segments (cont'd)

	Gold mining and exploration	Investment holdings	Consolidated
	S\$'000	S\$'000	S\$'000
12 months ended 30 June 2022			
Total segment revenue	83,477	-	83,477
Revenue from external parties	83,477	-	83,477
Investment trading income	-	391	391
Interest income	13	-	13
Miscellaneous income	-	6,498	6,498
Total other income	13	6,498	6,511
Total revenue and other income	83,490	6,889	90,379
Depreciation	(6,143)	(732)	(6,875)
Amortisation of mining properties	(7,192)	-	(7,192)
Finance expense	(784)	(326)	(1,110)
Segment profit	2,848	4,128	6,976
Profit before taxation			6,976
Taxation			-
Profit for the interim period			6,976
Segment assets	67,945	1,938	69,883
Total assets per statement of financial position			69,883
Expenditures for segment non-current assets			
- Additions to PPE	4,775	1,008	5,783
- Additions to mining properties	8,371	-	8,371
- Exploration and evaluation expenditure	4,012	-	4,012
	17,158	1,008	18,166
Segment liabilities	33,284	5,674	38,958
Current income tax liabilities			1,267
Total liabilities per statement of financial position			40,225

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	88,810	1,680	90,490
Depreciation	(6,799)	(434)	(7,233)
Amortisation of mining properties	(7,783)	-	(7,783)
Finance expense	(311)	(247)	(558)
Employee share based compensation	-	(12,661)	(12,661)
Fair value loss on fair value through profit or loss financial liabilities (redeemable convertible bonds)	-	(6,254)	(6,254)
Segment profit/(loss)	6,046	(25,229)	(19,183)
Loss before taxation			(19,183)
Taxation			-
Loss for the interim period			(19,183)
Segment assets	70,279	14,476	84,755
Total assets per statement of financial position			84,755
Expenditures for segment non-current assets			
- Additions to PPE	13,697	307	14,004
- Additions to mining properties	15,916	-	15,916
- Exploration and evaluation expenditure	8,116	-	8,116
	37,729	307	38,036
Segment liabilities	38,016	22,354	60,370
Current income tax liabilities			674
Total liabilities per statement of financial position			61,044

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		
		30 June 2022	30 June 2021	Change
		S\$'000	S\$'000	%
(a)	Revenue reported for first half year	42,817	42,347	1.1
(b)	Operating profit after tax before deducting non-controlling interests for first half year	7,937	2,206	NM
(c)	Revenue reported for second half year	40,660	46,374	(12.3)
(d)	Operating loss after tax before deducting non-controlling interests reported for second half year	(961)	(21,389)	(95.5)

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 2022 and 30 June 2021:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at FVTPL	-	8,982	- [^]	- [^]
Financial assets at amortised cost	7,106	13,006	5,704	3,732
	7,106	21,988	5,704	3,732
Financial liabilities				
Financial liabilities at FVTPL	1,000	13,254	1,000	13,254
Financial liabilities at amortised cost	24,963	33,285	45,818	51,409
	25,963	46,539	46,818	64,663

[^] Amount less than \$1,000

6. Profit before taxation

6.1 Significant items

	Group			Group		
	3 months ended			12 months ended		
	30 June 2022	30 June 2021	Change	30 June 2022	30 June 2021	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Cost of sales:-</u>						
Amortisation of mining properties	1,497	3,792	(60.5)	7,192	7,783	(7.6)
Depreciation of property, plant and equipment	1,609	1,962	(18.0)	6,013	6,665	(9.8)

6.1 Significant items (cont'd)

	Group			Group		
	3 months ended			12 months ended		
	30 June 2022	30 June 2021	Change	30 June 2022	30 June 2021	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Other income:-</u>						
Interest income	5	1	NM	13	32	(59.4)
Fair value gain on fair value through profit or loss financial liabilities (redeemable convertible bonds)	-	-	-	6,254	-	NM
Gain on de-registration of a subsidiary	-	-	-	-	417	(100.0)
Gain on disposal of property, plant and equipment	-	60	(100.0)	-	60	(100.0)
Rental income	18	-	NM	24	-	NM
Others	87	21	NM	220	155	41.9
	110	82	34.1	6,511	664	NM
<u>Administrative expenses:-</u>						
Depreciation of property, plant and equipment	245	155	58.1	862	568	51.8
Operating lease - rental expenses	-	3	(100.0)	3	9	(66.7)
<u>Other expenses:-</u>						
Exploration and evaluation expenditure written off	203	1,094	(81.4)	203	1,314	(84.6)
Fair value loss on financial assets at fair value through profit or loss	-	-	-	-	976	(100.0)
Fair value loss on fair value through profit or loss financial liabilities (redeemable convertible bonds)	-	6,254	(100.0)	-	6,254	(100.0)
Loss on disposal of property, plant and equipment	23	59	(61.0)	248	-	NM
Loss on lease modification	3	-	NM	3	-	NM
(Gain)/loss on foreign exchange (net)	(2,421)	(747)	NM	(2,342)	2,937	NM
Other mining expenses	173	(602)	NM	658	916	(28.2)
Plant and equipment written off	-	3	(100.0)	-	3	(100.0)
	(2,019)	6,061	NM	(1,230)	12,400	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	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	(819)	(739)	-	-

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 2021.

9. Net Asset Value

	Group	
	30 June 2022	30 June 2021
Net assets value per ordinary share based on issued share capital at end of financial year (in cents)	0.13	0.11
Number of ordinary shares issued at the end of the year	33,706,206,055	32,706,206,055

	Company	
	30 June 2022	30 June 2021
Net assets value per ordinary share based on issued share capital at end of financial year (in cents)	0.08	0.02
Number of ordinary shares issued at the end of the year	33,706,206,055	32,706,206,055

10. Financial assets at fair value through profit or loss

	Group	
	30 June 2022	30 June 2021
	S\$'000	S\$'000
<i>Financial assets measured at FVTPL</i>		
<u>Current</u>		
Quoted equity investments	-	8,982
	-	8,982
<u>Non-current</u>		
Unquoted equity investments in Africa	—*	—*

* Amount fully impaired

11. Property, plant and equipment

During the financial year ended 30 June 2022, the Group acquired assets amounting to S\$5.8 million (30 June 2021: S\$14.0 million).

12. Borrowings

Amount repayable in one year or less, or on demand

	Group		Group	
	30 June 2022		30 June 2021	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Lease liabilities	4,489	-	3,938	-
Borrowings	2,130	2,893	4,457	-
Convertible bonds	-	1,000	-	-
	6,619	3,893	8,395	-

Amount repayable after one year and not later than five years

	Group		Group	
	30 June 2022		30 June 2021	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Lease liabilities	2,549	-	5,555	-
Convertible bonds	-	-	-	13,254
	2,549	-	5,555	13,254

As at 30 June 2022, the Group's lease liabilities are secured by property, plant and equipment with a net book value of S\$7.0 million (30 June 2021: S\$9.0 million).

As at 30 June 2022, the Group's borrowings of S\$2.1 million are secured by properties with a net book value of S\$2.8 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.

During the financial year, Balmaine Gold Pty Ltd ("Balmaine"), a 100% owned subsidiary held through Golden Point Group Pty Ltd ("GPG"), a subsidiary of the Company, entered into a loan agreement with GI 306 Pty Ltd for principal amount of A\$2.2 million with interest rate at 15% per annum. Balmaine also entered into a loan agreement with Tomson Pte. Ltd. for principal amount of up to €10 million, bearing interest rate at 5% per annum. As at 30 June 2022, €2 million loan has been drawdown.

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, eight tranches of the Bonds of an aggregate amount of S\$8,000,000 have been issued. The Bonds was initially recognised at its fair value and subsequently remeasured at fair value. On 30 June 2022, the Company announced that the Subscriber and the Company have mutually agreed to cease issuance of the remaining 2 tranches of bonds of an aggregate amount of S\$2.0 million.

On 16 August 2021, the Bondholder has opted to exercise its right to convert, and the Company has accordingly cancelled, S\$3,000,000 in aggregate principal amount of the Bonds. Pursuant to the conversion, the Company has on 16 August 2021 issued and allotted 1,000,000,000 Conversion Shares to the Bondholder at a conversion price of S\$0.003 per share. The number of shares of the Company has increased from 32,706,206,055 Shares to 33,706,206,055 Shares.

Following the allotment and issue of the Conversion Shares, the Company has repaid S\$4.0 million principal amount of convertible bonds to the Bondholder in November 2021.

As at 30 June 2022, the outstanding principal amount of convertible bonds amounted to S\$1.0 million and will mature and be due for redemption on 4 December 2022, unless otherwise redeemed, converted or purchased and cancelled by the Company prior to maturity in accordance with the terms of the Bonds.

14. Share Capital

The changes in the Company's share capital were as follows:

	No. of Shares	Share Capital S\$'000
As at 1 July 2021	32,706,206,055	305,378
New shares issued on conversion of convertible bonds of S\$3.0 million at the conversion price of S\$0.003 each on 16 August 2021	1,000,000,000	3,000
As at 31 December 2021 / 31 March 2022 / 30 June 2022	33,706,206,055	308,378

The number of Shares that may be issued on the exercise of options as at 30 June 2022 and 30 June 2021 is as follows:

	No. of Shares that may be issued	Share Capital S\$'000
As at 30 June 2022		
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
New shares to be issued on conversion of current outstanding convertible bonds of S\$1.0 million at the conversion price of S\$0.003	333,333,333	1,000
As at 30 June 2021		
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
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

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 2022 is 33,706,206,055 (30 June 2021: 32,706,206,055).

15. Subsequent events

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

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 14 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 14 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 2022 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 financial year 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.

The Company's Independent Auditors, Ernst & Young LLP ("EY"), has issued a disclaimer of opinion ("Disclaimer of Opinion") in their Independent Auditors' Report dated 15 November 2021 in relation to the consolidated financial statements of the Group and the Company for FY2021. The basis for the Disclaimer of Opinion is in relation to (i) insufficient supporting documents and records and (ii) going concern.

The Board would like to provide an update on the efforts taken to resolve the outstanding audit issue in relation to insufficient documents and records.

As previously disclosed in the Annual Report for FY2021 as well as an announcement released by the Company on 18 November 2021 in response to queries raised by the SGX in relation to the Disclaimer of Opinion, this issue arose as a result of a loss of several key personnel within the finance team as well as a lack of proper handover in terms of information, documents and responsibilities. The Company has completed a skills-gap assessment, and having identified areas of weakness, have commenced the process of implementing a series of changes and adjustments such as recruiting to expand and increase the overall competency of the team, implementation of training depending on the requirement of the team and its individual team members etc..

On 29 June 2022, the Company also changed its auditor from EY to Baker Tilly TFW LLP ("Baker Tilly") (details of which are set out in the circular released by the Company on 3 June 2022). This will benefit the Group as Baker Tilly, prior to EY, had served as the auditors of the Company for the period between 14 September 2015 to 18 June 2021 and is familiar with the operations and financial processes of the Group.

Based on current available information, the Board confirms that the impact of the outstanding audit issue on the financial statements have been adequately disclosed.

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

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

FY2022

The Group recorded a decrease in revenue for the financial year ended 30 June 2022 ("FY2022"). The revenue decreased to S\$83.5 million as compared to S\$88.7 million for the financial year ended 30 June 2021 ("FY2021"), mainly due to the decrease in the volume of gold sold from 35,808 ounces in FY2021 to 33,495 ounces in FY2022. The decrease in revenue was partially offset by the increase in average selling price of gold from S\$2,475 (equivalent to A\$2,462) in FY2021 to S\$2,491 (equivalent to A\$2,532) in FY2022.

The cost of sales included:

- (1) an amortisation of mining properties which decreased from S\$7.8 million in FY2021 to S\$7.2 million in FY2022, mainly due to a decrease in the gold ore processing volume from 311,000 tonnes in FY2021 to 288,000 tonnes in FY2022;
- (2) depreciation of property, plant and equipment which decreased from S\$6.7 million in FY2021 to S\$6.0 million in FY2022; and
- (3) a 2.75% royalty on gold extracted in the Australian state of Victoria, amounting to S\$2.1 million.

Gross profit was S\$5.7 million in FY2022 as compared to S\$10.1 million in FY2021. The decrease in the gross profit was mainly due to decrease in average head grade of ore from 4.2 g/t in FY2021 to 4.1 g/t in FY2022, decrease in volume of gold sold and higher unit input costs as a result of the Russia-Ukraine War.

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\$0.4 million in FY2022 as compared to 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.

Other income recorded an increase of S\$5.8 million to S\$6.5 million in FY2022 as compared to S\$0.7 million in FY2021. This was mainly due to fair value gain on financial liabilities at FVTPL related to redeemable convertible bonds of S\$6.3 million. The increase in other income was partially offset by the absence of a S\$0.4 million gain on de-registration of a subsidiary in FY2021, as there was no such gain in FY2022.

Administrative expenses decreased from S\$18.1 million in FY2021 to S\$5.7 million in FY2022. The decrease was mainly due to fair value of share option of S\$12.7 million in FY2021 as there was no such expense in FY2022.

The Group recorded other gains of S\$1.2 million in FY2022 as compared to other expenses of S\$12.4 million in FY2021. Other gains in FY2022 comprised mainly foreign exchange gain of S\$2.3 million, partially offset by other mining related expenses of S\$0.7 million, exploration and evaluation expenditure written off of S\$0.2 million and loss on disposal of property, plant and equipment of S\$0.2 million. Other expenses in FY2021 comprised 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, exploration and evaluation expenditure written off of S\$1.3 million, realised fair value losses of S\$1.0 million on financial assets at FVTPL related to gold hedging activities and other mining related expenses of S\$0.9 million.

Finance costs increased to S\$1.1 million in FY2022 as compared to S\$0.6 million in FY2021 mainly due to increase in interest expense on hire purchase of S\$0.4 million and increase in interest expense of S\$0.1 million in connection to the Subscription Agreement entered into with Tomson Pte Ltd in December 2020.

4QFY2022

The Group recorded a decrease in revenue for the three months financial period ended 30 June 2022 ("4QFY2022"). The revenue decreased to S\$22.8 million as compared to S\$24.2 million for the three months financial period ended 30 June 2021 ("4QFY2021"), mainly due to the decrease in gold sales volume from 10,086 ounces in 4QFY2021 to 8,897 ounces in 4QFY2022. The decrease in revenue was partially offset by the increase in average selling price of gold from S\$2,307 (equivalent to A\$2,295) in 4QFY2021 to S\$2,591 (equivalent to A\$2,634) in 4QFY2022.

The cost of sales included:

- (1) amortisation of mining properties which decreased from S\$3.8 million in 4QFY2021 to S\$1.5 million in 4QFY2022 mainly due to a decrease in the gold ore processing volume from 79,000 tonnes in 4QFY2021 to 52,000 tonnes in 4QFY2022 and year-end adjustment of amortisation rate which resulted in increase in amortisation in 4QFY2021;
- (2) depreciation of property, plant and equipment which decreased from S\$2.0 million in 4QFY2021 to S\$1.6 million in 4QFY2022; and
- (3) a 2.75% royalty on gold extracted in the Australian state of Victoria, amounting to S\$0.6 million.

Gross loss was S\$1.4 million in 4QFY2022 as compared to S\$2.5 million in 4QFY2021. The decrease in the gross loss was mainly due to the decrease in amortisation, the increase in average selling price of gold as described above and the increase in average head grade of ore from 3.7g/t in 4QFY2021 to 4.3g/t in 4QFY2022. This was partially offset by the decrease in sales volume of gold in 4QFY2022. The Group recorded a gross loss for 4QFY2022 mainly because majority of gold sold were from ore extracted from the previous quarter (3QFY2022) which were of a higher grade. However, during this quarter much costs were expended in expediting development towards orebodies which explained the high costs incurred despite the decrease in gold produced.

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 decrease in fair value gain of S\$0.6 million in 4QFY2022 as compared to 4QFY2021.

Administrative expenses decreased from S\$14.6 million in 4QFY2021 to S\$1.5 million in 4QFY2022. The decrease was mainly due to a non-recurring non-cash item resulting from fair value of share option of S\$12.7 million in 4QFY2021 as there was no such expense in 4QFY2022 and investment trading related expenses of S\$0.4 million in 4QFY2021 as there was no such expense in 4QFY2022.

The Group recorded other gains of S\$2.0 million in 4QFY2022 as compared to other expenses of S\$6.1 million in 4QFY2021. Other gains in 4QFY2022 comprised mainly gain on foreign exchange of S\$2.4 million due to the appreciation of Singapore Dollar (SGD) against Australian Dollar (AUD), partially offset by other mining related expenses of S\$0.2 million and exploration and evaluation expenditure written off of S\$0.2 million. Other expenses in 4QFY2021 comprised 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\$0.5 million, partially offset by gain on foreign exchange of S\$0.7 million.

Finance costs increased by S\$0.4 million to S\$0.6 million in 4QFY2021 mainly due to increase in interest expense on hire purchase of S\$0.4 million.

Financial Position Review

Current assets decreased by S\$14.9 million from S\$22.9 million as at 30 June 2021 to S\$8.0 million as at 30 June 2022. The decrease was mainly due to:

- The decrease in financial assets at FVTPL of S\$9.0 million, which was attributed to the sale of financial assets at FVTPL;
- The decrease in cash and cash equivalents of S\$5.5 million; and
- The decrease in other receivables of S\$0.3 million, which was mainly due to the decrease in amount due from brokers of S\$1.2 million and VAT recoverable of S\$0.2 million, partially offset by the increase in receivable of income tax refund of S\$1.2 million.

Non-current assets of S\$61.9 million as at 30 June 2022 was comparable to non-current assets as at 30 June 2021.

Property, plant and equipment decreased by S\$3.1 million mainly attributed to depreciation of S\$6.9 million, loss on currency exchange of S\$1.7 million due to the appreciation of SGD against AUD and loss on disposal of PPE of S\$0.2 million, partially offset by additions of property, plant and equipment of S\$5.8 million.

Exploration and evaluation expenditure increased by S\$3.1 million mainly attributed to additions of capitalised expenditure of S\$4.0 million, partially offset by currency exchange loss as a result of appreciation of SGD against AUD of S\$0.7 million and exploration and evaluation expenditure written off of S\$0.2 million.

Mining properties increased by S\$0.3 million mainly attributed to the additions amounting to S\$8.4 million during the period, partially offset by amortisation charge of S\$7.2 million in FY2022 and loss on currency exchange of S\$0.9 million due to appreciation of SGD against AUD.

Current liabilities decreased from S\$30.3 million as at 30 June 2021 to S\$26.4 million as at 30 June 2022. The decrease of S\$3.9 million was mainly attributed to the decrease in trade and other payables of S\$6.6 million, mainly due to decrease in trade payables of S\$1.1 million, accrued gold royalty of S\$2.8 million and accrued geology and mining of S\$1.9 million. This was partially offset by:

- The increase in convertible bonds of S\$1.0 in relation to the subscription agreement entered with Tomson Pte. Ltd.;
- The increase in lease liabilities of S\$0.6 million which was mainly attributed to the lease of Plutus Mazu's new office; and
- The increase in borrowings of S\$0.6 million which was mainly attributed to A\$2.2 million loan from GI 306 Pty Ltd and €2.0 million loan from Tomson Pte. Ltd., partially offset by the decrease in revolving credit facilities with a financial institution of S\$4.5 million.

Non-current liabilities decreased from S\$30.7 million as at 30 June 2021 to S\$13.8 million as at 30 June 2022. The decrease was mainly attributed to:

- The decrease in convertible bonds due to the conversion of S\$3.0 million convertible bonds on 16 August 2021, repayment of S\$4.0 million principal amount of convertible bonds in November 2021 and the fair value adjustment of S\$6.3 million; and
- The decrease in lease liabilities of S\$3.0 million which was attributed to repayment of lease liabilities in FY2022;

Deferred consideration of S\$2.6 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 94, note 27 of the Company's FY2021 annual report.

Total equity increased from S\$23.7 million as at 30 June 2021 to S\$29.7 million as at 30 June 2022. This was mainly attributed to:

- The increase in share capital of S\$3.0 million, attributed to the conversion of S\$3.0 million convertible bonds at the conversion price of S\$0.003 each on 16 August 2021; and
- The decrease in accumulated losses from S\$339.8 million as at 30 June 2021 to S\$331.8 million as at 30 June 2022, which reflected the Group's consolidated profit attributed to equity holders for the year.

The increase in total equity was partially offset by the increase in negative foreign currency translation reserve of S\$4.8 million to S\$8.8 million as at 30 June 2022, due to record of foreign currency difference arising from consolidation.

The Group had net current liabilities of S\$18.4 million as at 30 June 2022. However, the Group continues to generate positive cash flows from operating activities. The directors of the Company believe that the Group, barring unforeseen circumstances, will continue to generate positive cash flows from its mining operations. As such, there are reasonable grounds to believe that the Group will be able to operate as a going concern.

Cash Flow Statement

Net cash generated from operating activities in FY2022 was S\$8.2 million as compared to S\$25.9 million in FY2021. 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 outflows of S\$6.2 million. The working capital outflows in FY2022 were attributed mainly to the decrease in other liabilities of S\$6.0 million and the decrease in currency translation adjustment of S\$2.4 million, partially offset by the decrease in trade and other receivables of S\$1.6 million and the increase in trade and other payables of S\$0.6 million. The Group also paid income tax of S\$0.6 million and interest expense of S\$1.0 million in FY2022.

Net cash used in investing activities in FY2022 was S\$6.3 million as compared to S\$36.0 million in FY2021. The net cash used in investing activities in FY2022 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$12.4 million and purchase of property, plant and equipment of S\$3.4 million, partially offset by proceeds from sale of financial assets at fair value through profit or loss of S\$9.4 million. Comparatively, the net cash used in FY2021 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$22.0 million, purchase of financial assets at fair value through profit or loss of S\$8.8 million and purchase of property, plant and equipment of S\$5.5 million, partially offset by proceeds from disposal of property, plant and equipment of S\$0.3 million.

Net cash used in financing activities in FY2022 was S\$7.3 million, mainly attributed to the net repayment of S\$3.0 million principal amount of convertible bonds and repayment of lease liabilities of S\$4.8 million, partially offset by the proceeds from borrowings of S\$0.6 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

The global recovery continues even as the pandemic resurges, but uncertainty has increased due to the Russia-Ukraine War, and supply chain disruptions. We expect gold price to remain volatile amid the uncertainties in global developments. Looking forward, the major risks for the fluctuations in gold price will be continued inflation, rising interest rates and ongoing geopolitical instability experienced globally. At the same time, rising costs of supplies including energy and logistics have resulted in business across all sectors, including the gold mining industry experiencing cost pressures. Against this backdrop, it remains vital that the Group continues with its ongoing efforts to improve in terms of operations and process with an objective of maximizing returns.

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 2021.

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.

16 Disclosure pursuant to Rule 706(A)

There was no acquisition or sale of shares by the Company during the financial year which requires disclosure pursuant to Rule 706(a) of the Catalist Rules.

Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

17 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

18 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

19 A breakdown of sales

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

20 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

21 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	27	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 announcements released by the Company on 15 May 2020 and 28 August 2020).

22 Use of proceeds

The Company has previously provided updates on the use of proceeds from the issuance of the eight tranches of the Bonds via financial statement announcement for the second quarter ended 31 December 2020 released on the SGXNET on 10 February 2021, announcement dated 7 July 2021, financial statement announcement for the third quarter ended 31 March 2022 released on the SGXNet on 13 May 2022. As stated in these announcements, all the proceeds from the issuance of the eight tranches of the Bonds have been fully utilised for the Group's growth and expansion plans.

23 **Additional information required for mineral, oil and gas companies**

1) **Rule 705(6)(a) of the Catalyst Rules**

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

In 4QFY2022, 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	150	98	(52)
General working capital	100	99	(1)
Total	250	197	(53)

Explanation for the variances:

The variances between projected and actual expenditure in 4QFY2022 was a result of recent exploration utilising past exploration material to further review and define the mineralisation prospect of the Tarnagulla Gold Project in anticipation of further extensive exploration.

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 2022 to 30 September 2022 ("1QFY2023")), the Group's use of funds/cash for production activities is expected to be as follows:

Purpose	Amount (AUD'000)
Exploration and related activities	150
General working capital	100
Total	250

During the coming quarter, Ironbark Mining will pursue the renewal of Retention Licence 2027 ("Tarnagulla Gold Project"), and further advance a Work Plan which proposes to regain access underground of the Tarnagulla Gold Project through historic underground development and permit extensive and thorough exploration of the Tarnagulla Gold Project.

During the current quarter, Ironbark Mining undertook a review of the mineral tenements of the Company and chose to withdraw three exploration tenement applications previously submitted with the Earth Resources Regulation, Victoria. It was because the three tenement applications distracted the Company's focus of highly prospective tenements located within Central and Eastern Victoria.

Ironbark Mining holds mineral tenements covering other historic goldfields with other mineral commodities, which while having been mined historically for mineralisation, have not been subject to significant systematic modern exploration activities.

Ironbark Mining will continue to undertake surface soil geochemical programs over selected project areas to determine the direction of future exploration programs, and to identify areas considered devoid of exploration potential which can be surrendered from the current mineral tenements package.

The aim of Ironbark Mining is to identify Mineral Resources which could lead to future mining operations. This can be achieved through detailed exploration undertaken by the Company, or through the acquisition or application of further tenement areas. Ironbark Mining is presently developing a comprehensive portfolio of exploration prospects amenable to exploration in the State of Victoria.

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.

BALLARAT GOLD PROJECT

GPG operates a well-established gold mine located at Ballarat in the world-renowned Victorian goldfields. The Ballarat Gold Project consists of multiple tenements forming the Ballarat operations which incorporates the major goldfield components of Ballarat. In addition, the Company holds exploration tenements providing regional prospect exposure along a corridor to the west of the Ballarat Gold Project, associated with the regionally significant Avoca Fault Zone, separating the world class structural sub zones of the Bendigo and Stawell gold sub-provinces. The combined tenements associated with the Ballarat and Western structural zone provide coverage over 171 square kilometres of granted exploration tenements, 162 square kilometres over exploration tenements under application, and 1,896.21 hectares of granted Mining Licences.

Facilities at the Ballarat Gold Mine include a 600,000 tonne per annum processing plant with gravity gold and gold concentrate recovery circuits. The Ballarat Gold Project holds significant potential for future expansion, with the mineralisation known to extend along strike within the granted Mining Licences, and present mining having only focused on the Ballarat East line of mineralisation, with no current mining having been undertaken upon the western parallel Ballarat West Goldfield, which historically operated at a significantly higher gold recovered grade of 14g/t Au in comparison to the presently mined Ballarat East Goldfield of 9g/t Au.

Exploration programs are being developed to further assess the known mineralisation extensions along strike and parallel to the identified orebodies and are anticipated to be implemented for coming reporting period. While mineralisation is anticipated to be present in economic quantities, it is a requirement to undertake significant mine design and scheduling to determine the effectiveness of gaining access and introducing the new ore structures into the current mine scheduling sequences.

In FY2022, Ballarat Gold Mine processed 288,000 tonnes of gold-bearing ore through its gold processing plant, at a grade of 4.1g/t, resulting in the production of approximately 33,000 refined ounces of gold in FY2022. Ballarat Gold Mine achieved an average gold price of A\$2,532 per ounce during FY2022.

The Ballarat Gold Project completed 53,437 underground drill metres in FY2022. This drilling centred on the continuation of exploration efforts in near-mine targets in the Victoria, Britannia, Llanberris, Golden Point, Canton, Sovereign, and Normanby compartments. The purpose of this drilling was to understand the complicated geological conditions associated with gold mineralisation and to define the mineralisation and significant structures to incorporate into the mine design and scheduling. This drilling was a combination of exploration and infill drilling – the former activity conducted to continue to define further sources of gold-bearing mineralisation, the latter to better define the known areas and improve the level of knowledge to allow detailed mine planning to be completed ahead of mining. The drilling was roughly evenly split between infill and exploration, with 27,245 m of infill drilling and 26,191 m of exploration drilling for the reporting period.

Works on the design, planning, and permitting of the current and future Tailings Storage Facilities continued during the year, a vital component to the ongoing operations of the Ballarat Gold Project.

GPG's exploration focus remains centred on World renowned and high-class Bendigo Zone of the Victorian Goldfields. At the end of the year, the Group holds five granted Exploration Licences, one Retention Licence and two Mining Licences. In addition, the Group has ten Exploration Licence Applications submitted with the Regulator. The primary focus of exploration remains the Ballarat Gold Project where the Group has consolidated the northern and southern extents of the Ballarat East Goldfield, and a significant portion of the higher grade but lower primary productive Ballarat West Goldfield.

TARNAGULLA GOLD PROJECT

Current exploration by the Company is focusing on the immediate areas surrounding the past mining completed between 1994 and 2000, which is the present focus of the Company in seeking a Work Plan to re-open the underground workings to allow underground access for future highly detailed exploration programs from the underground exposures. In addition, the Company is undertaking exploration and reviews of the regional geological prospect of the tenements, with the intent to identify future project areas which are considered to host the potential for shallow, surface and or deep, underground mineralisation potential. It is envisaged that this work will culminate in further surface geochemical soil sampling programs and identify prospect areas suitable for further exploration drilling programs.

There were no mining or exploration related activities that were undertaken by the remaining subsidiaries of the Group in FY2022.

BY ORDER OF THE BOARD

Yao Liang

Executive Chairman

26 August 2022

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

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

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