



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

RESPONSE TO SGX QUERIES

Capitalised terms in this announcement shall have the same meanings as ascribed to them in the Company's announcements released on 17 October 2022 and 2 November 2022 (the "Previous Announcements"), unless otherwise defined.

Shen Yao Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") has received the following queries from the Singapore Exchange Securities Trading Limited (the "**SGX Queries**"). The board of directors (the "**Board**") of the Company has provided the following responses to the SGX Queries.

SGX Query:

We refer to the Company's announcements on 17 Oct 2022 and 2 Nov 2022:

- (a) Change - Announcement of Cessation::Resignation of Deputy Chief Executive Officer.
- (b) Change - Announcement of Cessation::Resignation of Financial Controller.
- (c) Change - Announcement of Cessation::Cessation as General Manager (Balmaine).

We noted that Stephen Robert Jeffers (General Manager (Balmaine)) was appointed to current position on 1 June 2022. The reason for his cessation is stated "Mr Jeffers resigned as he believes he was successfully managing the mining operations but he believes he does not have the full confidence of the CEO."

In addition, with the latest cessation, all key executives mentioned in the Company's FY2022 Annual Report resigned.

1. Please provide details of why Mr Jeffers leaves in less than a year on his current position and whether there are any concerns to be brought to the attention of shareholders.
2. Please elaborate as to why Mr Jeffers believes he does not have the full confidence of the CEO.
3. Please provide Board's assessment and justification as to the impact on the Company's operations in view of the slew of resignations of key executives.
4. Please provide the Board of Directors' confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner and the bases for its views.
5. Please provide the Sponsor's opinion as to whether trading of the Company's shares should be suspended and the basis for such opinion.

Response:

1. As mentioned in the announcement released on 2 November 2022 in relation to Mr Jeffers's resignation, it was stated that his resignation was because he "believes he was successfully managing the mining operations but he believes he does not have the full confidence of the CEO."

It is mentioned in the same announcement that Mr Jeffers has confirmed (a) that all material matters that have a material impact on the operations of the Company have been publicly disclosed (b) that there are no unresolved differences in opinion on material matters between him and the board of directors including matters which would have a material impact on the Group or its financial reporting and (c) there is no matter in relation to the cessation that needs to be brought to the attention of the shareholders of the Company.

2. The reason Mr Jeffers believes he does not have the full confidence of the CEO is because despite his reputation and considerable experience in the mining industry, there have been differences in opinion between Mr Jeffers and the CEO with respect to operational matters.
3.
 - (i) As disclosed in the announcement dated 18 October 2022, Ms Jessica Teo will remain as a consultant to the Group during the transitional period until 31 December 2022, which may be extended on a monthly basis as agreed between the parties;
 - (ii) As disclosed in the announcement dated 18 October 2022, Ms Sun Shuwen's effective date of cessation is 30 November 2022 and she would still be around to oversee the next quarterly reporting of the Group's financial statements for the financial period ended 30 September 2022 which is due on 15 November 2022. In the meantime, the Company is actively recruiting to fill the position to be vacated by Ms Sun. We wish to update that Ms Sun has agreed to remain as a consultant to the Group during the transitional period until 31 December 2022;
 - (iii) As disclosed in the announcement dated 18 October 2022, the Company has put on hold its ongoing investment activities until such time it is able to identify a suitable strategy in view of the uncertainty and volatility across global markets as well as when there is more certainty in terms of funds that can be allocated for investments. In addition, there are currently no open positions in the investment trading activities portfolio. As such, there are currently no plans to find a replacement for Ms Yao Jiajia; and
 - (iv) Mr Trevor Callow, currently the Mine Manager of Balmaine Gold Pty Ltd, will assume the role of Acting General Manager (Balmaine) and will be responsible for the management and operations of Balmaine Gold Pty Ltd. Mr Trevor Callow has been the Mine Manager of Balmaine Gold Pty Ltd since September 2021 and has had prior experience as the Acting General Manager (Balmaine).

Based on the above, the Board has assessed and is satisfied that the resignations are not expected to have a material impact on the operations of the Company.

4. The Board is of the view that all material information has been so disclosed and the Board will continue to update shareholders in a timely manner as and when there are material developments in respect of the foregoing. In view of this, the Board confirms that sufficient information has been disclosed for the trading of the Company's shares to continue in an orderly manner.
5. The Sponsor, having considered the Board's bases for its assessment that the resignations are not expected to have a material impact on the operations of the Company as set out in the response for question 3 above, is of the opinion that there is no requirement for the Company's shares to be suspended.

BY ORDER OF THE BOARD

Yao Liang
Executive Director
3 November 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.

The contact person for the Sponsor is Ms Sheila Ong, Registered Professional, W Capital Markets Pte Ltd, 65 Chulia Street, #43-01 OCBC Centre, Singapore 049513, Telephone (65) 6513 3543.