



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

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## RESPONSE TO SGX QUERIES

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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:**

- (1) **We refer to the Company’s announcements on 7 Nov 2022: Change - Announcement of Cessation: Resignation of Independent Director.**

**We noted that Mr Zhan was appointed to current position on 3 February 2020. It was stated in the Company’s annual report that “Mr Zhan has over 35 years of worldwide experience in exploration geology and technical consultancy in mineral and petroleum industries. He is the Chairman of the Nominating Committee and a member of the Audit Committee, the Remuneration Committee and the Shen Yao Performance Award Committee.”**

- (a) **Please provide details on whether any other current board members have relevant mining experience.**
- (b) **Are there concerns in relation to Mr Zhan’s departure, to be brought to the attention of shareholders?**
2. **We note that in the past 12 months, 1 board member and 6 key management have resigned.**
- (a) **In light of the numerous cessations in board and key management, please provide NC’s assessment on whether there are disagreements or concerns to be brought to the attention of shareholders. If so, how have such disagreements / concerns been addressed? If not, what led to the numerous cessations over a short period of time?**
- (b) **In light of the numerous cessations in board and key management, please provide the Sponsor’s assessment on whether there are disagreements or concerns to be brought to the attention of shareholders.**
- (c) **Please provide the Board’s assessment and justification as to the impact on the Company’s operations and performance in view of the resignation of Mr Zhan as well as other key executives.**
- (d) **Please update shareholders on the Company’s progress in reconstituting its board and key management team.**
3. **Please provide the Board’ 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.**

**Response:**

1(a) The remaining members of the Board following the cessation of Mr Zhan Shu comprise:

- Mr Yao Liang, Group Executive Chairman and Chief Executive Officer
- Mr Yao Yilun, Non-Executive, Non-Independent Director
- Mr Sun Shu, Non-Executive Vice Chairman and Non-Executive Lead Independent Director
- Mr Jeffrey Pang Kee Chai, Non-Executive, Independent Director

Although the remaining members of the Board may not have extensive relevant mining experience as Mr Zhan, they have all been with the Company for more than 2 years and Mr Yao Liang has been the Group Chief Executive Officer since 15 May 2020 and has been overseeing the overall business development and general management of the Group since then.

1(b) Save as disclosed in the announcement released on 7 November 2022 in relation to Mr Zhan Shu's resignation, there are no other concerns that should be brought to the attention of shareholders.

2(a) Save as disclosed in the announcement released by the Company in relation to the cessations in board and key management, and to the best of the knowledge of the members of the Nominating Committee, they are not aware of any other disagreements or concerns that should be brought to the attention of shareholders. The reasons for their respective cessations are set out in their respective cessation announcements.

2(b) The Sponsor had conducted interviews with each of the parties in relation to their cessations. Based on the interviews conducted and their confirmation that there are no matters in relation to their cessation that needs to be brought to the attention of the shareholders as stated in their respective cessation announcements, the Sponsor is not aware of any disagreements or concerns to be brought to the attention of the shareholders. The reasons for their respective cessations are set out in their respective cessation announcements.

2(c) (i) As disclosed in the announcements dated 18 October 2022 and 3 November 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 announcements dated 18 October 2022 and 3 November 2022, Ms Sun Shuwen's effective date of cessation is 30 November 2022. In the meantime, the Company has identified a candidate as a replacement for Ms Sun. Her proposed appointment is subject to the completion of the requisite background checks which is currently underway and the Company will make the necessary announcement in relation to the appointment in due course. In addition, Ms Sun has also agreed to remain as a consultant to the Group during the transitional period until 31 December 2022;

(iii) As disclosed in the announcements dated 18 October 2022 and 3 November 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;

(iv) As disclosed in the announcement dated 3 November 2022, 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); and

- (v) Mr Zhan is a Non-Executive Director and is not involved in the day-to-day operations of the Company. Notwithstanding this, the Company is cognizant of the requirements under Catalist Rules 704(7), whereby “..... *In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.*” And has already commenced the process of seeking a replacement for Mr Zhan and will make an announcement on the appointment of a replacement in due course. The replacement for Mr Zhan would be someone with relevant experience in the mining industry.

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

- 2(d) As stated in the response to query 2(c) above, there are currently no plans to find a replacement for the Head of Corporate Investments. As for the remaining positions, the Board is of the view that due to the arrangements that are being put in place as stated in the response to query 2(c) above, the vacancies that will need to be filled on an urgent basis will be that of the financial controller and the independent director. For these positions, as mentioned in the response to query 2(c) above, the Company has already identified a suitable candidate for the position of financial controller and has also commenced the process of seeking a new independent director with the relevant mining experience. The Company will make an announcement in relation to these appointments in due course.
3. 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.

#### **BY ORDER OF THE BOARD**

Yao Liang  
Executive Director  
11 November 2022

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*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.*