



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

RECEIPT OF STATUTORY DEMANDS BY A SUBSIDIARY OF THE GROUP

1. INTRODUCTION

The Board of Directors of Shen Yao Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its announcement dated 7 February 2023 in relation to the receipt of a Notice of Default (the “**Notice**”) by its wholly owned subsidiary, Balmaine Gold Pty Ltd (“**Balmaine**”). All capitalized terms used herein, unless otherwise defined, shall have the meanings ascribed in the aforesaid announcements.

Balmaine has on 24 February 2023, received Statutory Demands (the “**Demand**”) from the solicitors acting for the related group of creditors (the “**Creditors**”), Tomson Pte Ltd (“**Tomson**”) and Acheron Capital Ltd (“**Acheron**”), in relation to the principal amount of loans owing by Balmaine to the Creditors (the “**Loans**”).

2. SALIENT POINTS OF THE DEMAND FROM THE CREDITORS

2.1 The salient points of the Demand are set out as below:

- (i) The aggregate amount of Loans demanded are approximately AUD6.2mil and AUD150k respectively for Tomson and Acheron.
- (ii) The Creditors requires Balmaine, within the statutory period of 21 days or a longer period prescribed by the regulations, after servicing the Demand (the “**Statutory Period**”):
 - a. To pay to the Creditors the total of amount of the Loans; or
 - b. To secure or compound for the total of the amount of the Loans, to the Creditors’ reasonable satisfaction.
- (iii) A failure to respond to a statutory demand can have very serious consequences for a company. In particular, it may result in the company being placed in liquidation and control of the company passing to the liquidator of the company.
- (iv) The Creditors are not demanding on amounts other than the principal of the Loans but reserve their rights to claim such amounts at a later stage. –
- (v) The Creditors may rely on a failure to comply with the Demand within the Statutory Period for compliance as grounds for an application to a court having jurisdiction under the Corporations Act 2001 for the winding up of Balmaine.
- (vi) Balmaine may apply to a court having jurisdiction under the *Corporations Act 2001* for an order setting the demand aside and the application must be made within the Statutory Period after the demand is served.

3. ADDITIONAL INFORMATION

The Company would like to highlight that the representative of the Creditors (the “**Representative**”) was previously a director of Balmaine until 31 January 2023.

Balmaine is currently taking legal advice to determine its next course of action. The Company will update the shareholders via SGXNET as and when there are further material developments in compliance with the listing rules of the SGX-ST.

4. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and investors should consult their stockbrokers, bank managers and other professional advisors if they have any doubt as to the actions they should take.

BY ORDER OF THE BOARD

Yao Liang
Group Executive Chairman and Group Chief Executive Officer
26 February 2023

*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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