



**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:**

**We refer to the Company’s announcements on 26 Feb 2023, titled “RECEIPT OF STATUTORY DEMANDS BY A SUBSIDIARY OF THE GROUP”:**

#### **1. Please provide the Company’s plan and timelines to resolve the issue.**

##### **Response:**

Balmaine Gold Pty Ltd (“**Balmaine**”) is currently engaging the Creditors with a view to resolving the matter. Concurrently it is also seeking legal advice to determine its next course of action.

The Company is cognizant of the 21 days timeline given by the Statutory Demand and is working towards resolving the issue within the timeline.

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.

#### **2. Please provide Board’s assessment as to the impact on the Company’s operations and going concern.**

##### **Response:**

Based on current cash flow and projections, Balmaine is able to generate positive operational cashflows and operate as a going concern. The Ballarat Gold Mine is now fully operational and producing higher grade gold currently, as compared to previous years. Based on the production statistics, it is expected that the higher-grade gold production will sustain throughout FY2024.

The projected cash flows generated from operations in the next few months, is expected to be sufficient for repayment of the loan amounts as claimed under the Statutory Demands (the “**Statutory Demand**”).

Balmaine is currently in talks with the Creditors with a view to achieving a settlement, which can be in the form of a deferred payment scheme, amongst other options.

The Group is currently also looking at various other options including fund raising and refinancing.

Barring unforeseen circumstances, the Board is of the view that the operations are not materially affected by the Statutory Demand and that the Group can remain a going concern.

#### **3. Please provide Board’s assessment as to whether trading of the Company’s shares should be suspended and the basis for such assessment.**

As explained in the Company's response to query 2 above, the Board of the Company is of the view that the operations are not materially affected by the Statutory Demand and the Group can remain as a going concern. As such the Board is of the view that a trading suspension of the Company's shares is not necessary.

The Board will continue to update shareholders as and when there are material developments.

**4. Please provide the Sponsor's assessment as to the impact on the Company's operations and going concern.**

**Response:**

The Sponsor, having considered the Board's bases for its assessment that the operations are not materially affected by the Statutory Demand and that the Group can remain a going concern as set out in response to query 2, concurs with the Board's assessment. In addition, under the Statutory Demand, Balmaine has a statutory period of 21 days or a longer period prescribed by the regulations to pay the Creditors. The Company will update the Shareholders when they are material developments in due course.

**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:**

The Sponsor, having considered the following, is of the view that there is no requirement for the trading of the Company's shares to be, after taking into account the following:

- (i) the Board has assessed and provided its bases that the Group is able to continue operating as a going concern as set out in the Company's response to query 2;
- (ii) the Board's basis and view that the trading of the Company's shares should not be suspended as set out in the Company's response to query 3;
- (iii) under the Statutory Demand, Balmaine has a statutory period of 21 days or a longer period prescribed by the regulations to pay the Creditors; and
- (iv) the Company does not fall under any of the circumstances set out in Rule 1303(3) of the Catalyst Rules.

**6. 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.**

**Response:**

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 where they are material developments in respect of the foregoing. In view of this, the Board confirms that sufficient information has been disclosed to enable to enable trading of the Company's shares to continue in an orderly manner.

**BY ORDER OF THE BOARD**

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

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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.*