



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

RECEIPT OF STATUTORY DEMAND 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**”) wishes to announce that Golden Point Group Pty Ltd (“**GPG**”), a wholly-owned subsidiary of the Company has on 16 May 2023, received by post a statutory demand dated 3 May 2023 (the “**Demand**”) from the solicitors acting for Tomson Pte Ltd, Acheron Capital Ltd and their affiliates, including Mr Jan-Eric Samuel (the “**Creditor**”), in relation to the loan principal and interests amount owing by GPG to the Creditor of AUD539,041.10 (the “**Debt**”).

2. SALIENT POINTS OF THE DEMAND FROM THE CREDITOR

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

- (i) The amount demanded is for AUD539,041.10, comprising the principal amount of the loan of AUD500,000.00, pursuant to a loan agreement dated 9 January 2023 between the Creditor and GPG, as amended on 12 January 2023, and interest on the loan between 9 January 2023 and 2 May 2023 of AUD39,041.10.
- (ii) The Creditor requires GPG, 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 Creditor the total of amount of the Debt; or
 - b. To secure or compound for the total of the amount of the Debt, to the Creditor's 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 receiving the statutory demand being placed in liquidation and control being passing to the appointed liquidator.
- (iv) The Creditor 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 GPG.
- (v) GPG 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 loan was previously taken to fund the operations of the Ballarat Goldmine held by Balmaine Gold Pty Ltd (a wholly-owned subsidiary of GPG). As Balmaine has entered into Voluntary Administration as announced on 13 March 2023, the Company is seeking advice from the Administrators if such amounts can be paid from Balmaine to the Creditor and has reached out to the solicitors of the Creditor upon receiving the Demand, to discuss a possible transfer of the loan from GPG to Balmaine such that the loan can be repaid from Balmaine directly.

The Company is also in the midst of securing potential financing to support the continued operations of the Group and is planning to seek for an extension of time for repayment of the outstanding amount.

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

The Shares of the Company have been suspended from trading on the Singapore Exchange Securities Trading Limited since 24 March 2023. 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
17 May 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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