



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 4 July 2023, received by mail, a statutory demand dated 28 June 2023 (the “**Demand**”) from the solicitors acting for a supplier (the “**Creditor**”), in relation to a billing of AUD3,144,710.00 and a late payment interest of AUD102,526.04 (the “**Debt**”). The Debt relates to invoice for the capacity upgrade and improvement work carried out on the tailing storage facility of GPG’s wholly-owned subsidiary, Balmaine Gold Pty Ltd. (“**Balmaine**”).

2. SALIENT POINTS OF THE DEMAND FROM THE CREDITOR

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

- (i) The total amount demanded is for AUD3,247,236.04. The Demand has indicated the due date for the invoice as 30 March 2023 and an additional late payment interest of AUD102,526.04 was also being included as part of the Demand. 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.
- (ii) 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.
- (iii) 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.
- (iv) 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 work done by the Creditor was for the capacity upgrade and improvement on the tailing storage facility of Balmaine. Balmaine has not conducted checks on work done by the Creditor upon completion and as Balmaine has entered into Voluntary Administration as announced on 13 March 2023, the check and acceptance did not take place. GPG believes that such amount should be payable upon Balmaine giving final acceptance for work done by the Creditor.

The Company is seeking advice from the Administrators of Balmaine on whether checks can be performed on work done by the Creditor and whether acceptance can be given to the Creditor while Balmaine is still under administration.

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
4 July 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.

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.