

**NEW SILKROUTES GROUP LIMITED**  
(Company Registration No. 199400571K)  
(Incorporated in the Republic of Singapore)

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**OUTCOME OF RESUMPTION OF TRADING PROPOSAL**

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*Capitalised terms in this announcement shall have the same meanings as ascribed to them in the 10 June Announcement (as defined below) unless otherwise defined.*

The Board of Directors (the “**Board**”) of New Silkroutes Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released on 10 June 2024 (the “**10 June Announcement**”) in relation to the submission of the Resumption Proposal.

The Company wishes to update shareholders that the SGX-ST had on 11 September 2024 informed the Company that the Resumption Proposal is rejected (the “**Rejection Letter**”).

In the Rejection Letter, the SGX-ST noted, amongst others, that:

- (a) the Company’s external auditors, Baker Tilly TFW LLP had on 20 August 2024 issued a disclaimer opinion on the Group’s financial statements for the financial year ended 30 June 2023, in relation to (i) use of going concern assumptions; (ii) opening balances and comparative information; (iii) independent review report and notice of compliance issued by Singapore Exchange Regulation; (iv) financial guarantees and provisions; (v) disposal group classified as held for sale and discontinued operation; (vi) disposals of subsidiaries; (vii) disposal of businesses; (viii) Hidderton Limited and its subsidiaries; and (ix) investments in subsidiaries;
- (b) the Group will remain in a net current liability position as at 31 December 2023, based on the Group’s pro-forma financial statements as at 31 December 2023 which took into account the acquisition of Hequ Yuanyang Industrial Co., Ltd. (“**HYI**”) (the “**Acquisition**”);
- (c) the Company’s 12-month cash flow forecast (May 2024 to April 2025) projected that the Company would generate a net cash outflow of S\$3.3 million during this period;
- (d) failure to submit an independent review report by its auditors on the (i) Group’s pro-forma financial statements; (ii) Group’s cash flow projections and (iii) financial projections of HYI;
- (e) based on HYI’s unaudited financial statements for the financial year ended 31 December 2023 (“**FY2023**”), HYI turned profitable only in FY2023 based on annual renewable contracts with two customers;
- (f) HYI’s continued profitability as projected is dependent on the completion of upgrade works over the next three years. The Company has not adequately demonstrated as to how it will be able to fund the upgrade works amounting to approximately S\$15.4 - 19.2 million, given that only S\$2.67 million remained unutilised under the DIP Facility;
- (g) the Company’s Resumption Proposal was submitted after the deadline stipulated under Listing Rule 1304(1); and
- (h) the Company’s failure to comply with the continuing listing requirements in relation to Listing Rules 705(2) and 707(1).

In view of the above, the SGX-ST has informed the Company that trading in the Company's securities will remain suspended as there exists material uncertainty over (i) the Group's ability to operate as a going concern; and (ii) viability of its new business. The Company is hence required to resubmit a revised trading resumption proposal by 31 December 2024, which should include, amongst others, the following:

- (a) Audited financial statements for the financial year ended 30 June 2024 and all outstanding unaudited financial statements;
- (b) The Company convening its Annual General Meeting for the financial year ended 30 June 2024 by 31 December 2024;
- (c) Confirmation to the satisfaction of the SGX-ST that the Company has obtained all the requisite approvals from the various national agencies for the following upgrades planned for HYI: (i) connecting HYI's railway to China's Shenhua Railway, (ii) improvement of the coal loading process, (iii) extension of HYI's railway and (iv) construction of a new pulverised coal field (collectively, the "**Upgrades**");
- (d) The Company demonstrating to the satisfaction of the SGX-ST that it has secured sufficient financing to fund the Upgrades;
- (e) The completion of the improvement of the coal loading process as represented in the Company's indicative milestones and timelines;
- (f) Independent Review Report by the Company's statutory auditors on (i) the Group's pro-forma financial statements (i.e. balance sheet, income statement and cash flow statement); (ii) the Group's cash flow projections; and (iii) HYI's financial projections (including cash flow projections); and
- (g) Audited HYI's latest financial statements for the financial year ended 31 December 2023 by a suitable auditing firm, which must meet the requirements under Listing Rule 712, with an unmodified audit opinion.

In the event of a failure to meet any of the above milestones by 31 December 2024, the SGX-ST will proceed to delist the Company pursuant to Listing Rule 1304. Further, the SGX-ST reserves the right to amend and/or vary the above decision and such decision is subject to changes in the SGX-ST's policies.

The Company is in the process of assessing its next steps and will continue to make further announcements, in compliance with the requirements of the Listing Manual of the SGX-ST, to update shareholders as and when there are any material developments in relation to the matters set out herein.

**Shareholders of the Company are advised to read the 10 June Announcement and any further announcements by the Company carefully and should exercise caution when dealing in the Company's securities. Shareholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

#### **FOR AND ON BEHALF OF THE BOARD**

Mr. Han Binke  
Executive Director and CEO  
12 September 2024