

# NEW SILKROUTES GROUP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199400571K)

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## RESPONSES TO QUESTIONS FROM SHAREHOLDERS FOR ANNUAL GENERAL MEETING TO BE HELD ON 4 SEPTEMBER 2024

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The Board of Directors (the “**Board**”) of New Silkroutes Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to thank shareholders for submitting their questions ahead of the Company’s Annual General Meeting to be held on 4 September 2024 at 2.00 p.m.. The Company’s responses to the Shareholders’ queries are set out below:

### Question 1:

*With the Group being suspended from trading on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since 17 November 2021 and approaching the 3-year deadline to resume trading on 17 November 2024, please explain the rationale of substantial increase in directors’ fees of up to \$300,000 for the financial year ending 30 June 2025 (“**FY2025**”) compared to S\$180,000 for the financial year ending 30 June 2024 (“**FY2024**”).*

#### **Company’s response:**

The Company would like to clarify that the proposed amount of Directors’ fees payable to the current three (3) Independent Non-Executive Directors of the Company for FY2025 will remain unchanged at S\$180,000. The additional amount of Directors’ fees of up to S\$300,000 for FY2025 takes into consideration the amount of Directors’ fees payable to any new independent and/or non-executive Directors of the Company who may be appointed from time to time in FY2025.

### Question 2:

*Please provide details of trading resumption.*

#### **Company’s response:**

The Company would like to inform shareholders that the Company had submitted a resumption of trading proposal to the SGX-ST on 10 June 2024 and the Company has been responding to queries raised by SGX-ST. The Company will continue to update the shareholders as and when there are any material developments in relation to the above.

### Question 3:

*Please explain the goodwill impairment loss of \$2,110,000 recognised for TDH Group and HSI.*

#### **Company’s response:**

During the financial year, the Group disposed of the businesses of TDH Group and HSI, resulting in an impairment of the goodwill attributable to these businesses.

**Question 4:**

*With the disposal of the healthcare segment, what will be the core business for the Company going forward? Logistics?*

**Company's response:**

Hequ Yuanyang Industrial Co., Ltd., which operates in the logistics industry, will be the core business for the Group.

**Question 5:**

*Referring to Notes 28 and 29 of the financial statements:*

- (a) *In relation to the 37 million plus due to Ontario, what is the Board's plan to pay off this current liability without any core business going forward?*
- (b) *There is consideration payable of almost 3 million at 11% p.a. interest rate. Why such a high rate? What is the underlying subsidiary that was acquired? Is the subsidiary still relevant in view of the restructuring? If not, why not dissolve it and stop incurring high interest rates loan?*

**Company's response:**

- (a) The amount due to Ontario will be converted to share capital of the Company after successful execution of the Company's Scheme of Arrangement, no payment is required.
- (b) The amount is related to the acquisition of Shanghai Fengwei Garment Accessory Co., Ltd. ("**Shanghai Fengwei**"). As previously disclosed, Shanghai Fengwei has been disposed of. The balance is due to a Scheme Creditor, which shall be paid according to the Company's Scheme of Arrangement.

**Question 6:**

*Any update on the SGX investigation and Independent Review?*

**Company's response:**

The Company has engaged legal advisors to advise on the above and will continue to update the shareholders as and when there are any material developments.

**Question 7:**

*Referring to pages 51-52 of the FY2023 Annual Report, with the Current Ratio (Current Assets / Current Liabilities) of 0.45, can the Board explain why the Company is still a going concern? The Company is experiencing a severe liquidity crunch?*

**Company's response:**

The Company estimates that with successful execution of the Scheme of Arrangement, it will return to a net asset position. Please refer to the "Proposed restructuring exercise" on page 60 of the FY2023 Annual Report.

**Question 8:**

*Any update on the search for a new auditor?*

**Company's response:**

The Company management has negotiated with a few prospective auditors and will update shareholders when there are material developments on this matter.

**BY ORDER OF THE BOARD**

Mr Han Binke  
Executive Director and CEO

30 August 2024