

NEW SILKROUTES GROUP LIMITED

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

RESPONSES TO SGX QUERIES

The Board of Directors (the “**Board**”) of New Silkroutes Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to the Company’s announcement dated 27 September 2024 (the “**Previous Announcement**”) in relation to the unaudited financial results of the Company for the period ended 31 March 2024 (the “**3Q FY2024 Results**”).

Capitalised terms in this announcement (unless otherwise defined or the context otherwise requires) have the same meaning ascribed to them in the Previous Announcement.

SGX-ST’s query:

1. *In its 3Q FY2024 Results, the Company disclosed prepayments amounting to S\$2,045,000 as 31 March 2024.*

Please disclose:

- (i) *a breakdown of the prepayments amounting to S\$2,045,000 and identify the nature of the prepayments;*
- (ii) *when the prepayments were made, and the terms of the prepayments; and*
- (iii) *rationale for provision of the prepayments as at 31 March 2024 exceeded purchases of finished goods for the quarter ended 31 March 2024; and*
- (iv) *the identities of the suppliers and whether they are related parties of the Group.*

Company’s response:

<u>Names</u>	<u>Description</u>	<u>Payment dates</u>	<u>Amount</u> S\$’000
北京骆克商业管理有限公司	Advance for acquisition of TZJS & HYI	30-Oct-23	746
深圳市和众诚供应链有限公司	Loan to others, subsequently reclassified to other receivables	23-Feb-24	559
灏林德（北京）商贸有限公司		05-Mar-24	433
汇鑫伟业（天津）国际贸易有限公司		09-Feb-24	75
KINGFOKDEVELOPMENTPTE LTD, Thong Soak Ying & Fragrance Regal PL	Prepaid rental	Aug 2023 to Jan 2024	96
上海予帛生物科技有限公司	Prepaid consultation fee	10-Aug-23	47
Arthur J. Gallarher (Singapore)	Directors' liability Insurance	21-Jun-23	35
江苏苏相律师事务所	Prepaid legal fee	23-Feb-24	19
Kordamentha Pte Ltd	Prepaid liquidator fee	22-Nov-23	10
Prudentia Assurance Company Singapore (Pte) Limited	Medical insurance	27-Sep-23	9

SGX	Prepaid listing fee	29-Feb-24	5
Utilities companies in SG and China	Prepaid utilities	Mar 2024	4
北京市百瑞（东城区）律师事务所	Prepaid legal fee	15-Jan-24	2
	Others		5
			2,045
			2,045

The above prepayments are not related to the purchase of finished goods.

None of the above are related parties of the Group.

SGX-ST's query:

2. *Please provide a breakdown of trade and other payables amounting to S\$43,101,000 and S\$52,733,000 as at 31 March 2024 and 30 June 2023 respectively. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.*

Company's response:

Payables @ 30 June 2023

<u>Description</u>	<u>Way of settlement</u>	<u>Amount</u>
		S\$'000
Amount due to Ontario	Will be converted into the Company's shares after Scheme	37,196
Advance receipt for SHFW disposal	Credited to PL upon disposal in 2024Q3	5,079
Amount due to SHFW	Waived in 2024Q3	3,773
Scheme creditors	Will be partially paid upon execution of Scheme	3,714
DIP Facility	Largely repaid in 2024Q3	1,420
Other payables and accruals under HSI and 3 dormant subsidiaries	Will be settled or reversed during liquidation/strike off	515
Accruals	Mainly audit fee, professional fee, director fee	448
Non-scheme creditors (new debts)	Mainly related to audit and financial advisor, will be fully paid	273
Others		315
		52,733

Payables @ 31 March 2024

<u>Description</u>	<u>Way of settlement</u>	<u>Amount</u>
		S\$'000
Amount due to Ontario	Will be converted into the company's shares after Scheme	37,196

Scheme creditors	Will be partially paid upon execution of Scheme	3,682
Non-scheme creditors (new debts)	Mainly related to audit and Financial advisor, will be fully paid	500
Accruals	Mainly audit fee, professional fee, director fee	706
Other payables and accruals under HSI	Will be settled or reversed during liquidation/strike off	584
DIP Facility	Largely repaid in 2024Q3	138
Others		295
		43,101

SGX-ST's query:

3. *Please provide further details on the Company's efforts taken to resolve each outstanding audit issue.*

Company's response:

- i. Going concern assumptions

The assumptions are dependent on the successful execution of the Scheme as per the Company's previous announcements. The management is working towards the execution of the Scheme.

- ii. Opening balances as at 1 July 2022 for the financial year ended 30 June 2022 whose report dated 31 August 2023 contained a disclaimer of opinion

As the opening balances of the Company's consolidated accounts were qualified in last year's financial statements, it is impractical for the management to do anything about it.

- iii. Financial impact related to independent review report and notice of compliance issued by Singapore Exchange Regulation

As per the Company's previous announcement, the Company has engaged Shook Lin & Bok LLP as legal advisors to review and advise on the above. The review is in progress and the Company will continue to update shareholders as and when there are material developments, especially in relation to the financial impact.

- iv. Financial guarantees and provisions in respect of banking facilities extended to its subsidiaries.

The financial guarantee liabilities were not recorded in the Company's financial statements as the Company is undergoing the Scheme and the management is unable to reliably estimate the amount of contingent liabilities at 30 June 2023.

For the provision related to the restructuring exercise, due to the inherent nature of the provision, the management is unable to reliably estimate the amount and timing of those contingent liabilities and estimate the liabilities.

Upon execution of Scheme, the relevant liabilities under financial guarantees will be settled, and thereafter, this issue will be solved.

- v. Classification and appropriateness of the disposal group classified as held for sale and discontinued operation

As SHFW has been disposed of, the issue will not persist in the future.

- vi. Appropriateness of accounting for disposals of subsidiaries

As those subsidiaries have been disposed of, the issue will not persist in the future.

- vii. Appropriateness of accounting for disposal of businesses

Those businesses have been disposed of, the issue will not persist in the future.

- viii. Appropriateness of accounting for acquisition of Hidderton Limited and its subsidiaries

Due to the time constraints in the FY2024 audit, the issue may remain at this juncture. The management has engaged a valuer to value Beijing Lunan Technology Co., Ltd. at the acquisition date, the impact will likely be solved in FY2025.

- ix. Appropriateness of the impairment loss recognised for the investments in subsidiaries

The management will try to solve this issue in the FY2024 audit.

SGX-ST's query:

- 4. *It is disclosed on Page 27 of 3Q FY2024 Results that the Company has completed the acquisition of Tianjin Zhoushun Logistics Co., Ltd in FY2024, which indirectly holds 59% of Hequ Yuanyang Industrial Co., Ltd., primarily engaged in the business of coal storage and sales and general cargo loading and unloading.*

Please disclose:

- (i) the completion date of the said acquisition.*
- (ii) whether the 3Q FY2024 Results included the operations of the acquisition.*

Company's response:

The completion date of the acquisition is 25 June 2024. The 3Q FY2024 Results did not include the operations of the acquisition.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests. Shareholders of the Company and potential investors are advised to read all further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Mr Han Binke
Executive Director and Chief Executive Officer

6 November 2024