ANNUAL REPORT 2023

Turning Pages, Building Wealth Anew

New Silkroutes Group Limited

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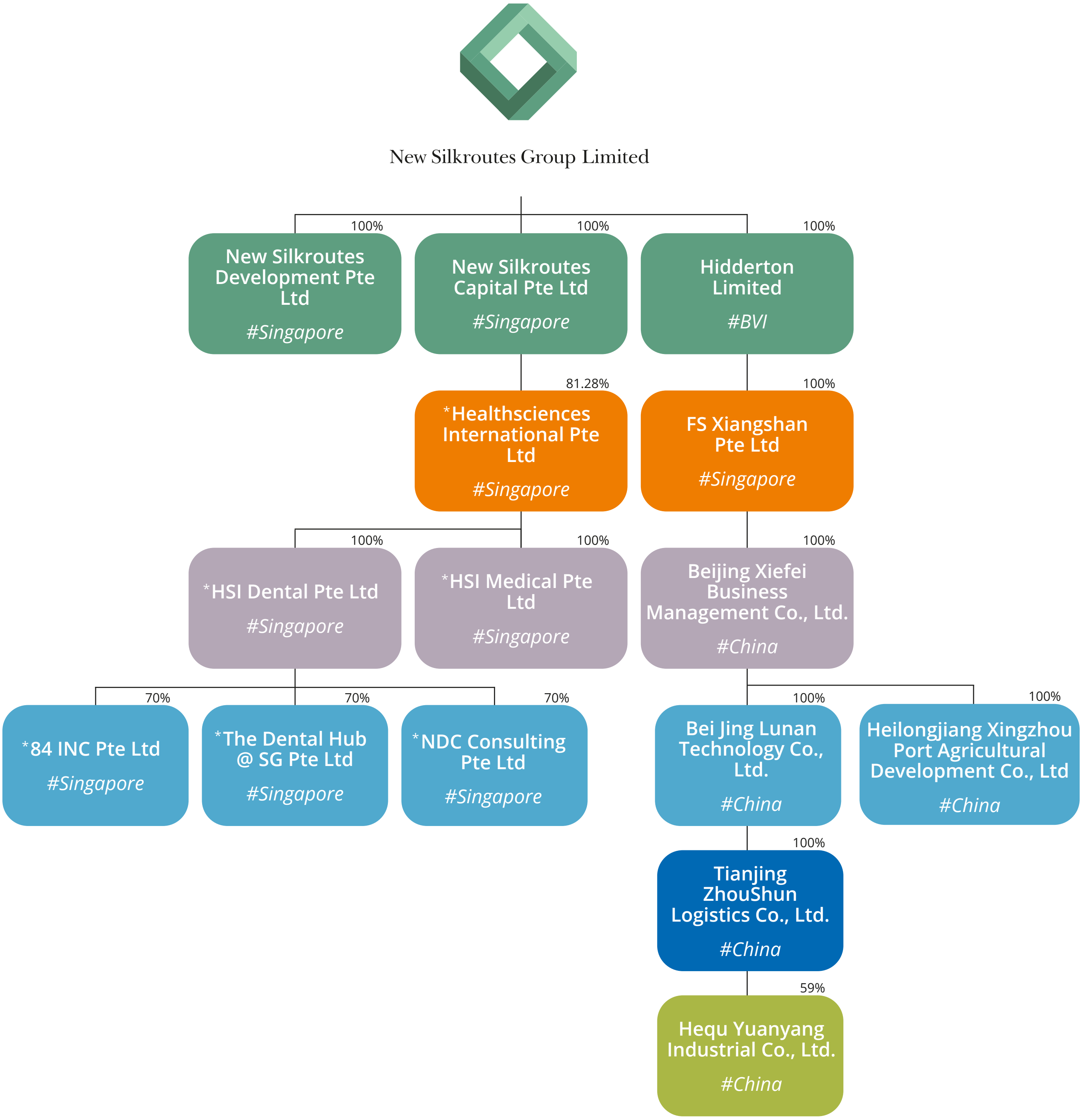
FINANCIAL

OTHERS

NEW SILKROUTES GROUP LIMITED

Resilient and Thriving Future

CORPORATE STRUCTURE
AT 20 AUGUST 2024



*The entities are under liquidation/plan to strike off

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to provide an update on the recent developments of New Silkroutes Group Limited ("**NSG**") for the fiscal year ended 30 June 2023 ("**FY2023**").

The past year presented significant restructuring challenges as we endeavored to divest our existing assets while seeking new opportunities with long-term growth potential. Despite these hurdles, I am proud to report that our dedicated management team, together with our committed Board of Directors, has made significant strides on our strategic turnaround, particularly through our restructuring initiatives.

Over the last year, we successfully divested all interests in our medical, dental, and Traditional Chinese Medicine practices. Additionally, we have completed the disposal of Shanghai Fengwei Garment Accessory Co. Ltd. The prompt and efficient divestiture of these assets—optimizing their value and mitigating liabilities—underscores our commitment to prudent management.

In parallel, NSG is working closely with our financial and legal advisors to finalize the Company scheme, which is pending approval from the relevant regulatory authorities. As NSG strives to comprehensively restructure all remaining liabilities, our management team is also working tirelessly to identify and secure new business opportunities. This will pave the way for NSG to emerge with future growth prospects, and unlock value for all our shareholders.

In conclusion, I extend my deepest gratitude to all our stakeholders for your steadfast support during these transformative and challenging times. Please rest assured, NSG remains committed to shareholder value creation, guided by the principles of sound corporate governance and prudent decision-making.

I thank you sincerely for your continued patience, trust and partnership.

Sincerely,

Mr. Darrell Lim Chee Lek
Chairman of the Board of Directors

CEO'S STATEMENT

The management team at NSG remains dedicated to our comprehensive restructuring strategy. This strategy is focused on divesting non-core operations, optimizing our liability structure, and actively seeking new business opportunities. These efforts are aimed at ensuring a resilient and sustainable future for NSG, enabling us to adapt dynamically to the evolving market landscape.

PERFORMANCE OVERVIEW

For the fiscal year ended 30 June 2023 ("**FY2023**"), NSG reported revenue from continuing operations of S$28.2 million, a decline from S$39.9 million in the previous fiscal year ("**FY2022**"). The decrease in revenue is primarily attributable to the divestiture of our healthcare business. On a positive note, other income improved, with FY2023 at S$2.4 million compared to S$1.4 million in FY2022. This positive shift was largely driven by the disposal of TCM and dental clinics business under the Business Transfer Arrangement.

DISPOSAL OF EXISTING BUSINESESS

Over FY2023, NSG has successfully divested all interests in our medical, dental, and Traditional Chinese Medicine ("**TCM**") practices. Additionally, we have completed the disposal of Shanghai Fengwei Garment Accessory Co. Ltd. ("**Shanghai Fengwei**"). These strategic divestitures mark a significant step forward in our restructuring efforts. This realignment is crucial for driving future growth and enhancing shareholder value.

CEO'S STATEMENT

ACQUISITION OF NEW BUSINESS

We are pleased to announce the completion of NSG acquisition of Tianjin Zhoushun Logistics Co., Ltd ("**TJZS**"), which holds a 59% equity interest in Hequ Yuanyang Industrial Co., Ltd ("**HYI**"). This acquisition presents NSG with a strategic investment opportunity in the transportation industry within the highly developed market of the People's Republic of China ("**PRC**"). HYI is primarily engaged in coal storage and sales, as well as general cargo loading and unloading.This acquisition is poised to turn around our current loss-making position and holds the potential to significantly grow the market capitalization of NSG. It is expected to increase investor interest and consequently improve the liquidity of the Group, thereby enhancing our financial health and operational robustness.

COMPANY SCHEME

NSG has successfully received approval from both creditors and the court for the company's restructuring scheme. We are currently in the process of obtaining approval from the Singapore Exchange ("**SGX**"). In the interim, NSG is diligently working with its financial and legal advisors to meet the requirements set forth by the SGX. Our ongoing focus is to strategically reorganize the company's liabilities, aiming for a streamlined and financially stable future.

FUTURE ENDEAVORS

NSG is actively exploring new business avenues that promise sustainable growth and viable prospects for the future of the Group. Your unwavering support and trust are instrumental in propelling NSG toward a resilient and thriving future.

Sincerely,

Mr. Han Binke
Executive Director and Chief Executive Officer

BOARD OF DIRECTORS

MR DARRELL LIM CHEE LEK

Chairman and Lead Independent Director

Darrell was appointed Independent Non-Executive Director to the NSG Board on 1 August 2020, and subsequently appointed Independent Non-Executive Chairman on 20 October 2020.

Darrell has more than 20 years of capital markets experience, and is co-founder and executive director of iCapital Asia Partners, where he focuses primarily on helping companies, both publicly-listed and privately-held, scale for long term sustainable growth.

Certified by the Singapore Institute of Directors as a Senior Accredited Director, Darrell concurrently serves as non-executive director on several SGX-listed, MAS-licensed, and privately-held companies.

Darrell holds degrees from Oxford University (UK), Sydney University (Australia) and the National University of Singapore. Additionally, Darrell has completed the SMU-SID Directors Program conducted by the Singapore Management University.

MR HAN BINKE

Executive Director and Chief Executive Officer

Mr Han Binke was appointed as Executive Director and Chief Executive Officer on 10 August 2022.

Mr Han has more than 10 years of working and management experience in the financial, investment and real estate funds. He is particularly familiar with the operation of the capital market, has considerable experience in alternative investment, and extensive client resources and financial industry resources in mainland China, Hong Kong, and Singapore. He served as Assistant Vice President in CCB International (China) Ltd., Business Director in Huarong International Financial Holdings Ltd., Investment Director in Teamway International Group Holdings Ltd., Chief Investment Officer in Sinjia Land Ltd., and Chief Executive Officer in Tianjin Real Estate Group Ltd..

Mr Han obtained his Bachelor in finance from Harbin Engineering University (CN) in 2008 and Master of Science in Accounting and Finance in Durham University (UK) in 2010.

MR CHUA SIONG KIAT

Independent Non-Executive Director

Mr Chua was appointed as Independent Non-Executive Director on 1 August 2020.

Mr Chua is an experienced corporate financial executive and consultant with substantial international broad-based financial and management experience of over 30 years; having lived and worked in London, Beijing, Ho Chi Minh City, and Singapore. He is a director of Lighthouse Business Consulting Pte. Ltd., a boutique business consulting firm he founded in 2017. He is the CFO of Memiontec Holdings Ltd., a SGX listed company and serves as independent non-executive director of another three SGX listed companies and a NASDAQ listed company.

Mr Chua is a Fellow Chartered Certified Accountant (FCCA), Certified Internal Auditor (CIA), Fellow Chartered Accountant of Singapore (FCA Singapore), Chartered Valuer and Appraiser (CVA) and Senior Accredited Director by Singapore Institute of Director (SID-SRAD). He holds a Master of Business Administration and Diploma of the Imperial College in Management (MBA, DIC) from Imperial College London Business School, University of London.

MR LIM ENG SENG

Independent Non-Executive Director

Mr Lim was appointed as Independent Non-Executive Director on 11 January 2021.

Mr Lim has 20 years of experience in the capital markets. He was previously based in Hong Kong, with deal experience across Asia Pacific. He has worked for Royal Bank of Scotland plc, TE Asia Healthcare Partners Pte. Ltd. (portfolio of TPG) and Fullerton Health Corp. Ltd.. He is currently the Managing Director of a boutique business consulting firm, focused on healthcare opportunities in the region. He was also the longest serving Chairman of The Singapore Association (HK) from 2008 to 2012.

Mr Lim graduated from Lancaster University (UK) with First Class Honours in 2003.

Key Management Personnel

MR CALVIN WONG KA

Deputy Chief Executive Officer

Mr Wong was appointed as Deputy Chief Executive Officer on 15 May 2023. He brings extensive experience in fixed income finance, real estate, and mining, with a strong expertise in accounting and financial management systems.

Mr Wong earned both his Bachelor's degree in Accounting and Financial Management (2017) and Master's degree in Accounting (2018) from the University of Waterloo, Canada.

Throughout his career, Mr Wong has demonstrated strong leadership and strategic thinking across various financial roles. As Deputy CEO, he is committed to driving growth and innovation within the organization, leveraging his deep industry knowledge and dedication to excellence.

Key Management Personnel

MR WINSTON CHEN QI

Chief Financial Officer

Mr Chen joined the Group in November 2022 as Financial Controller. His duties and responsibilities include overseeing the Group's financial and accounting functions, as well as corporate reporting, secretarial and banking matters.

Mr Chen has more than 20 years of combined experience in audit, finance and accounting. Prior to joining our Group, he worked for QingJian Realty (South Pacific) Group Pte. Ltd, SATS Ltd, Roxy Pacific Holdings Limited.

Mr Chen is a Fellow Member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK).

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Darrell Lim Chee Lek
(Chairman and Lead Independent Director)

Mr Han Binke
(Executive Director and Chief Executive Officer)

Mr Chua Siong Kiat Alex
(Independent Non-Executive Director)

Mr Lim Eng Seng
(Independent Non-Executive Director)

AUDIT AND RISK COMMITTEE

Mr Chua Siong Kiat Alex
(Chairman)

Mr Darrell Lim Chee Lek

Mr Lim Eng Seng

NOMINATING COMMITTEE

Mr Lim Eng Seng
(Chairman)

Mr Darrell Lim Chee Lek

Mr Chua Siong Kiat Alex

REMUNERATION COMMITTEE

Mr Darrell Lim Chee Lek
(Chairman)

Mr Chua Siong Kiat Alex

Mr Lim Eng Seng

COMPANY SECRETARY

Ms Ong Beng Hong

REGISTERED OFFICE

456 Alexandra Road
#24-01 Fragrance Empire Building
Singapore 119962
Tel: (65) 6377 0100 Fax: (65) 6377 0600
www.newsilkroutes.com

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

INDEPENDENT AUDITOR

Baker Tilly TFW LLP

Public Accountants and Chartered Accountants

600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

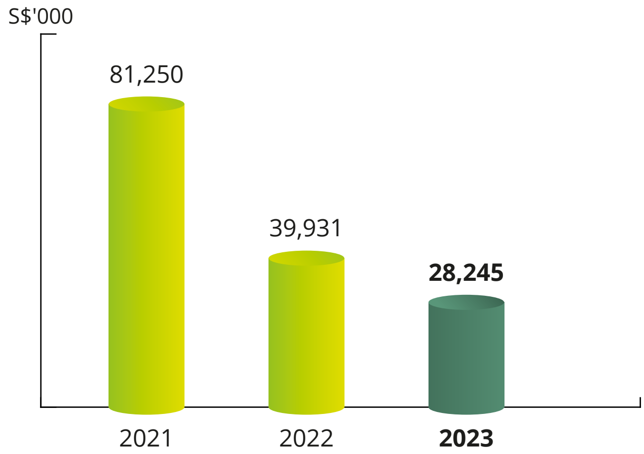
Audit Partner-in-charge: Mr Khor Boon Hong
(Date of Appointment: 8 February 2021)

PRINCIPAL BANKERS

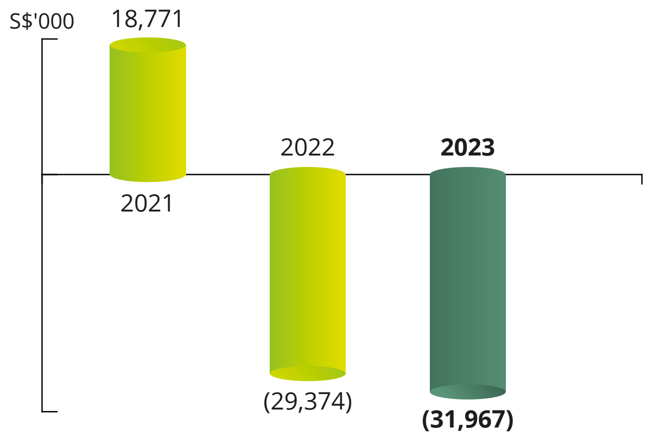
Overseas-Chinese Banking Corporation Limited

FINANCIAL HIGHLIGHTS

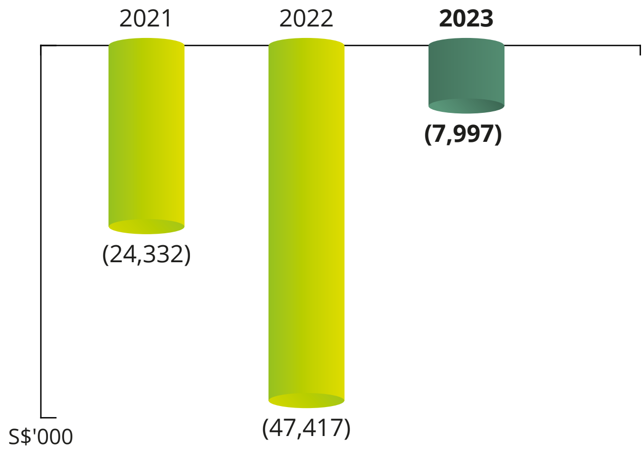
REVENUE FROM CONTINUING OPERATIONS AND DISCONTINUING OPERATION



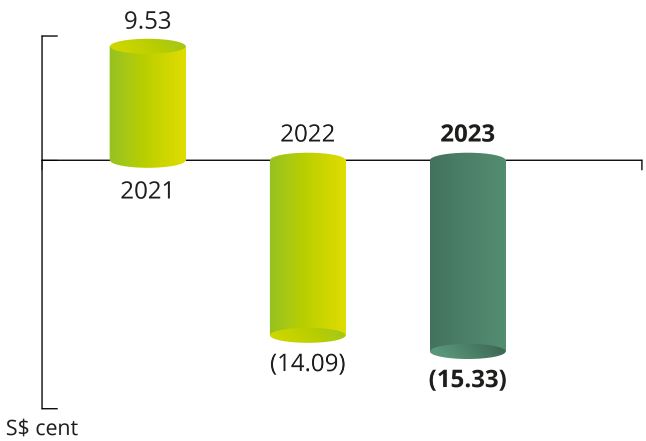
SHAREHOLDERS' EQUITY



(LOSS) AFTER TAX



NET ASSET VALUE PER ORDINARY SHARE



OPERATIONS AND FINANCIAL REVIEW

Over the past twelve months, our strategic focus has encompassed the following key initiatives:

DISPOSAL OF EXISTING BUSINESESS

Over the last year, NSG has successfully divested all interests in our medical, dental, and TCM practices. Additionally, we have completed the disposal of Shanghai Fengwei. These strategic divestitures mark a significant step forward in our restructuring efforts. This realignment is crucial for driving future growth and enhancing shareholder value.

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COMPANY SCHEME

NSG has successfully received approval from both creditors and the court for the company's restructuring scheme. We are currently in the process of obtaining approval from the SGX. In the interim, NSG is diligently working with its financial and legal advisors to meet the requirements set forth by the SGX. Our ongoing focus is to strategically reorganize the company's liabilities, aiming for a streamlined and financially stable future.

FUTURE VENTURES

NSG is actively exploring new business avenues that promise sustainable growth and viable prospects for the future of the Group.

OPERATIONS AND FINANCIAL REVIEW

GROUP FINANCIAL PERFORMANCE

In FY2023, the Group realised a revenue of S$28.2 million from continuing operations, reflecting a decline of 29.3% in comparison to the S$39.9 million achieved in FY2022. This reduction was primarily attributed to the disposal all medical, dental and traditional medicine practices.

In aggregate, the Group incurred a net loss of S$8.0 million in FY2023, a reduction from the net loss of S$47.4 million incurred in FY2022. This outcome is primarily ascribed to the one-time recognition of financial guarantee liabilities associated with OCAP Management Pte. Ltd. ("**OCAP**") and Iolani Shipping Limited ("**Iolani**") in FY2022 but not in FY2023.

FINANCIAL POSITION

As at 30 June 2023, the Group had total assets of S$28.3 million and total liabilities of S$61.7 million. Net liabilities stood at S$33.5 million at the end of FY2023 and this translated into a negative net asset value per share of 15.33 cents.

Current assets decreased to S$27.8 million as at 30 June 2023 from S$30.5 million in 30 June 2022, primarily driven by the reduction of trade and other receivables by S$3.2 million.

Current liabilities decreased to S$61.5 million as at 30 June 2023 from S$71.1 million as at 30 June 2022, primarily driven by the reduction of liabilities directly associated with disposal group classified as held for sale of S$10.4 million.

Non-current assets decreased to S$0.5 million as at 30 June 2023 from S$12.2 million as at 30 June 2022, primarily driven by the disposal of all medical, dental and traditional Chinese clinics.

Non-current liabilities decreased to S$0.2 million as at 30 June 2023 from S$0.5 million as at 30 June 2022, primarily driven by the classification of all borrowings to current liabilities.

CORPORATE GOVERNANCE REPORT

New Silkroutes Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance to protect the interests as well as to enhance the long-term value of its shareholders. This is in line with the Code of Corporate Governance 2018 (the "**Code**"). This statement describes the corporate governance policies and practices that have been adopted by the Company together with appropriate explanations where there are deviations from the Code.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board of Directors of the Company (the "**Board**" or "**Directors**") is entrusted with the overall management of the business affairs of the Company and sets the overall strategy and policies on the Group's business direction. The Board holds the Management accountable for its performance, puts in place a code of conduct and ethics, sets the appropriate tone from the top and desired organisational culture, and ensures proper accountability within the Company.

The principal functions of the Board include:

a) approving the overall policies, strategic plans, key operational initiatives, major investments and funding decisions;

b) approving the budget and monitoring the performance of the business;

c) approving the financial results of the Group for release to shareholders;

d) ensuring the implementation of appropriate risk management and control systems to manage the Group's business and financial risks;

e) considering and approving the nominations and re-nominations to the Board as well as the appointment of key personnel;

f) setting the values and standards, including ethical standards, of the Group and ensuring that obligations to shareholders and other stakeholders are understood and met;

g) assuming responsibility for the corporate governance of the Group; and

h) considering sustainability issues as part of its strategic formulation.

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interest of the Company.

Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict. The Company's Constitution provides that a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly, and that a Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. In the event that a Director is interested in any transaction of the Group, he shall inform the Board accordingly and abstain from making any recommendation or decision with regard to the transaction.

In the discharge of its function, the Board is supported by specialty Board Committees that provide independent oversight over the Management, and which also serve to ensure that there are appropriate checks and balances. The key committees are the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee. These Board Committees function within clearly defined terms of reference and operating procedures. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board. Matters which are reserved for the Board's decision include but are not limited to the following:

a) approval of the annual budget and financial results;

b) approval of key activities and business strategies;

c) approval of the corporate strategy and direction of the Group;

d) approval of transactions involving a conflict of interest for a substantial shareholder or a Director or interested person transactions;

e) material acquisitions, disposals, investments, joint ventures and other transactions;

f) corporate or financial restructuring;

g) share issuances and other fundraising initiatives;

g) declaration of dividends and other returns to shareholders; and

h) appointment of new Directors or key personnel.

The Constitution of the Company allows the Directors to participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. In addition to holding meetings, important matters concerning the Company are also put to the Board for its decision by way of written resolutions.

During the financial year ended 30 June 2023 ("**FY2023**"), the Board did not convene any formal meetings as the Group is in the process of restructuring. However, the Board had numerous informed discussions during FY2023. Resolutions of the Board and the relevant Board Committees were passed by way of resolutions in writing pursuant to the Company's constitution after due consideration by the relevant Board and Board Committee members. The full year meetings of the Board, Audit and Risk Committee, Remuneration Committee and Nominating Committee in relation to FY2023 were held on 16 May 2024 (which does not fall in FY2023). While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group and ensures that Directors with multiple board representations give sufficient time and attention to the affairs of the Group.

Generally, a newly-appointed Director will be given briefings by the Management on the history and business operations of the Group. The Company will also provide the newly-appointed Director with a formal letter setting out his/her duties and obligations. In addition, in line with Rule 210(5)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**"), the Company will arrange for newly-appointed directors who have no prior experience as a director of a company listed on the SGX-ST to undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST, unless the Nominating Committee otherwise at its discretion waives the need for the newly-appointed Director to attend the prescribed training. The new Directors of the Company have attended training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

Existing Directors are provided with information on and encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as Directors to the Company. The Directors may also attend appropriate courses and seminars to develop and maintain their skills and knowledge at the Company's expense. As at the date of this Annual Report, all Directors have completed sustainability training as prescribed by the SGX-ST. The Company will, if necessary, organise briefing sessions or circulate memoranda to the Directors to enable them to keep pace with regulatory changes, where such changes have a material bearing on the Group. The Directors are kept abreast of the risks faced by the Company through briefings by the Management at Board meetings and of the latest changes to the Companies Act 1967, the Listing Manual, the Code and the accounting standards by the relevant professionals.

The Management provides Board members with complete, adequate and timely information prior to Board meetings. In addition, all relevant information on budgets, forecasts, monthly internal financial statements, material events and transactions complete with background and explanations are circulated to Directors as and when they arise. For good practice, each business unit head or the key management (or who have submitted proposal to the Board meeting for approval) will be invited to attend and brief the Board on business development and exposure for their respective business units including any material issue, at each Board meeting held quarterly, at the relevant time during the Board meeting. Draft announcements, along with sufficient information relating to the context of the relevant announcement as communicated by email or tele-conversations, will be circulated to the Board for review and approval before dissemination to the shareholders via SGXNET.

The Directors have separate and independent access to the Management, the advice and services of the Company Secretary as well as those of the Company's external advisers (where necessary) at the Company's expense. The Company Secretary assists the Management to prepare the board papers of the Board and Committee meetings for circulation.

The board papers include, among others, the following documents and details:

- background or explanation on matters brought before the Board and the Committees for their decision or information, including issues being dealt with by Management, relevant forecasts, announcements and projections; and
- minutes of the previous Board and Committee meetings.

The Company Secretary and/or representatives from the Company Secretary's office attend meetings of the Board and the Board Committees. The Company Secretary assists to ensure that Board procedures are followed and that the Company complies with the requirements of the relevant regulations, including the requirements of the Companies Act 1967 and the Listing Manual. The appointment and removal of the Company Secretary is a decision of the Board as a whole. Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Annual Report, the Board comprises four members, of whom three are Independent Non-Executive Directors and one of whom is the Executive Director and the Chief Executive Officer of the Company. The current number of Independent Directors complies with Rule 210(5)(c) of the Listing Manual, which requires the Board to have at least two non-executive directors who are independent and free of any material business or financial connection with the Company. Non-executive directors make up a majority of the Board, in line with Provision 2.3 of the Code. All the members of each specialty Board Committee are independent non-executive Directors. The current list of Directors is as follows:

Mr Darrell Lim Chee Lek	(Chairman and Lead Independent Director)
Mr Han Binke	(Executive Director and Chief Executive Officer)
Mr Chua Siong Kiat Alex	(Independent Non-Executive Director)
Mr Lim Eng Seng	(Independent Non-Executive Director)

Under the Code, an independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Under Rule 210(5) of the Listing Manual, a Director will not be independent if he is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Remuneration Committee. A Director would also not be independent if he has been a director for an aggregate period of more than nine years (whether before or after listing). None of the Independent Non-Executive Directors have served on the Board for an aggregate period of more than nine years.

The Independent Directors help develop proposals on strategy, review the performance of the Management in meeting agreed goals and objectives and participate in decisions on the appointment, assessment and remuneration of the Executive Directors and key management personnel. The Independent Directors do not participate in the day-to-day management of the Group.

A Director who is not an employee of the Group and who is not the immediate family member of an employee of the Group and who has no relationship with the Group or its officers or its substantial shareholders which could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company, is considered to be independent. The Board has identified each of the Company's Independent Non-Executive Directors to be independent, after determining, taking into account the views of the Nominating Committee, whether the Director is independent in conduct, character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when they arise.

Provision 2.2 of the Code requires independent directors to make up a majority of the Board where the chairman of the Board is not independent. The current Chairman is Mr Darrell Lim Chee Lek, who is independent. Nonetheless, independent directors make up the majority of the current Board.

The Board was and is able to exercise independent judgment on corporate affairs, as all Directors debate vigorously on subject matters tabled at the Board meetings, regardless of whether they are independent or not. All decisions of the Board are collective decisions without any individual or small group of individuals influencing or dominating the decision-making process.

With the introduction of Rule 710A of the Listing Rules effective from 1 January 2022, the Board has formulated and implemented a board diversity policy that addresses gender, skills and experience and other relevant aspects of diversity.

Under the Board Diversity Policy, the Board considers whether there is an appropriate mix of members taking into account factors including but not limited to an appropriate balance and mix of age, gender, length of service and with relevant skills, experience, background, core competencies (including accounting / finance, legal / corporate governance / sustainability, investment, risk management, business and management experience, and relevant industry knowledge) and other relevant qualities considered essential for the effective governance of the Company. In reviewing the appointments of new Directors, the Board together with the Nominating Committee ensures that it sets relevant objectives to promote and achieve diversity on the Board, and appointments are based on merit and after due consideration of the collective skills needed to strengthen the overall board governance role.

The Board composition reflects the Company's commitment to Board diversity in terms of gender, skills and experience. The table below sets out the Company's diversity targets, timelines for achieving the targets as well as its progress towards achieving the targets:

<table>
<tr><th><u>Target</u></th><th><u>Progress and plans towards achieving target</u></th></tr>
<tr><td>Gender Representation

To enhance gender diversity by appointing at least one female director within 5 years of resumption of trading.</td><td>The Company will continue to work towards having female directors on the Board, whenever possible. The Company shall in any case endeavour, where appropriate and possible, that female candidates are included for consideration when identifying candidates to be appointed as new directors, and if external search consultants are engaged to identify candidates for appointment to the Board, the consultants will be asked to present female candidates for consideration.</td></tr>
<tr><td>Skills and Experience

To ensure skillset of directors on the Board with relevant skills and experience. The Board has identified the following core competencies as important:

(i) Accounting/finance
(ii) Legal/corporate governance/ sustainability
(iii) Investment, risk management, business and management experience
(iv) Relevant industry knowledge</td><td>Currently the proportion of the Board with the identified core competencies is as follows:

<table><tr><th>Core competencies</th><th>Number of Directors</th></tr><tr><td>Accounting/finance</td><td>4</td></tr><tr><td>Legal/corporate governance/ sustainability</td><td>4</td></tr><tr><td>Investment, risk management, business and management experience</td><td>4</td></tr><tr><td>Relevant industry knowledge</td><td>4</td></tr></table>
When identifying new director(s) for appointment to the Board, the Company strives to ensure that candidates who have the relevant skills, expertise and/or experience in the abovementioned core competencies are included for consideration by the Nominating Committee.</td></tr>
<tr><td>Board Independence

To have more than 50% Independent Director representation on the Board where the Chairman of the Board is not independent.</td><td>The Chairman of the Board, Mr Darrell Lim Chee Lek, is independent. Nonetheless, there is a strong independent element in the Board as the Board is currently has 3 Independent Directors, comprising 75% of the Board.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

The Board is of the view that the current Board members comprise persons whose diverse skills, experience, knowledge, expertise and attributes provide for effective direction of the Group. To maintain or enhance the Board's balance and diversity, the Board's structure, size and composition are reviewed annually by the Nominating Committee to ensure that the Board has the appropriate mix of skills, knowledge, expertise, experience, diversity and gender and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Nominating Committee, with the concurrence of the Board, is of the view that, given the scope and nature of the Group's operations, the present size of the Board is appropriate in facilitating effective decision-making.

The independent and/or non-executive members of the Board comprise experienced professionals with management, financial, and industry backgrounds. This enables the Management to benefit from their external and objective perspectives of issues that are brought before the Board. The diverse skills, experience, knowledge and expertise of the Board fosters constructive debates and provide for effective direction of the Group. Independent and/or Non-Executive Directors constructively challenge and help develop proposals on strategy, assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. The Independent and/or Non-Executive Directors meet regularly without the presence of the Executive Directors and the Management, and the chairman of such meetings provides feedback to the Board as appropriate.

The Nominating Committee assesses the suitability of each new Director based on the standing, character and relevance of a candidate's expertise, skills and experience to the Group, before recommending the appointment to the Board.

Key information regarding the Directors is given in the "Board of Directors" section of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

There is a distinct separation of responsibilities between the Chairman and the CEO to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The positions of the Chairman and the CEO are kept separate and are held by Mr Darrell Lim Chee Lek and Mr Han Binke respectively. Mr Darrell Lim Chee Lek is also the Lead Independent Director. Mr Han Binke was appointed as a Non-Executive Director of the Company with effect from 2 June 2022 and subsequently redesignated as Executive Director and appointed as CEO on 10 August 2022, following handover from Dr VicPearly Wong Hwei Pink on 10 August 2022.

As the Chairman, Mr Darrell Lim Chee Lek bears the following responsibilities:

a) leading the Board to ensure its effectiveness on all aspects of its role, stimulating and engendering a robust yet collegiate setting and setting the right ethical and behavioral tone;

b) setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

c) promoting a culture of openness and debate at the Board by encouraging full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views around the boardroom table;

d) ensuring that the Directors receive complete, adequate and timely information;

e) ensuring effective communication with shareholders;

f) encouraging constructive relations within the Board and between the Board and the Management, in particular, between the Board and the CEO;

g) facilitating the effective contribution of independent and/or non-executive Directors towards the Company; and

h) together with the Audit and Risk Committee, promoting high standards of corporate governance.

The CEO is responsible for the day-to-day management of the Group's affairs. He executes the strategic plans set by the Board and ensures that the Directors are kept updated and informed of the Group's business through management reports. Major decisions made by the CEO are reviewed by the Audit and Risk Committee and approved by the Board.

In line with Provision 3.3 of the Code, Mr Darrell Lim Chee Lek as Lead Independent Director would be available to shareholders where they have concerns and for which contact through the normal channels of communications with the Management are inappropriate or inadequate. Mr Lim may be contacted via email at darrell.lim@newsilkroutes.com or by letter (attention to Mr Darrell Lim) to 456 Alexandra Road, #24-01, Fragrance Empire Building, Singapore 119962.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Nominating Committee comprises the following members, all of whom (including the chairman of the Nominating Committee) are independent. The Lead Independent Director is a member of the Nominating Committee:

Mr Lim Eng Seng	(Independent Non-Executive Director; chairman of the Nominating Committee)
Mr Darrell Lim Chee Lek	(Independent Non-Executive Director)
Mr Chua Siong Kiat Alex	(Independent Non-Executive Director)

The Nominating Committee has written Terms of Reference that describe the responsibilities of its members. The duties are as follows:

a) to recommend all Board appointments, including making recommendations on the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board;

b) to recommend to the Board re-nomination of Directors for re-election at the Company's annual general meeting ("**AGM**"), having considered the Directors' contribution and performance. All Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years;

c) to review the independence of the Independent Non-Executive Directors;

d) to ensure that Directors who have multiple board representations give sufficient time and attention to the Company's affairs;

e) to recommend to the Board the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

f) to assess the contribution of each individual Board member to the effectiveness of the Board;

g) to assess the effectiveness of the Board as a whole and the effectiveness of the Board Committees;

h) to recommend to the Board succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

i) to review and recommend to the Board training and professional development programmes for the Board and its Directors; and

j) to ensure complete disclosure of information of Directors as required under the Code.

For appointment of new Directors to the Board, the Nominating Committee would, in consultation with the Board, evaluate and determine the selection criteria (which includes skills, knowledge, expertise, experience and character) with due consideration given to the size and composition and the mix of skills, knowledge and experience of the existing Board. New Directors are appointed by way of a Board resolution after the Nominating Committee has approved their nomination. These new Directors must submit themselves for re-election at the next AGM of the Company in accordance with Article 97 of the Company's Constitution. The Nominating Committee would through various avenues, source for suitable candidates as new Director(s) and appraise the candidates to ensure that they have the relevant experience and caliber to contribute effectively to the Group. These avenues include the Directors' personal contacts, search companies or internal assessments conducted on any suitable candidates within the Group. The Company would undertake background checks and invite the shortlisted candidates to an interview cum discussion that may include a briefing of the business of the Group and its expectation of its Directors' role and duties. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he holds a significant number of other listed company directorships and principal commitments.

CORPORATE GOVERNANCE REPORT

If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director, the Nominating Committee, in consultation with the Board, will determine the selection criteria (which includes skills, knowledge, expertise, experience and character) and select the appropriate candidate for the position.

The Company's Constitution provides for regular retirement of Directors by rotation. At each AGM, one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) will submit themselves for re-nomination and re-election.

The Nominating Committee has assessed the independence of the Independent Non-Executive Directors and is satisfied that there are no relationships which would deem any of the Independent Non-Executive Directors not to be independent.

All Directors are required to declare their board representations in other companies to the Board and the Management. As a guide, Directors should not have more than six listed company board representations. After conducting reviews, the Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group and that the Directors have been adequately carrying out their duties as Directors of the Company.

Details of the appointment of the current Directors including date of initial appointment, date of last re-election and directorships in other listed companies are set out below:

Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present Directorships in Other Listed Companies
Chua Siong Kiat Alex(1)	53	1 August 2020	29 October 2021	Heatec Jietong Holdings Limited(2) VCI Global Limited(2) Ever Glory United Holdings Limited(2) UMS Holdings Limited(2)
Darrell Lim Chee Lek	47	1 August 2020	25 September 2023	BRC Asia Limited(3) Hafary Holdings Limited(3)
Han Binke	39	2 June 2022	25 September 2023	-
Lim Eng Seng(1)	45	11 January 2021	25 September 2023	-

Notes:

(1) Mr Chua Siong Kiat Alex and Mr Lim Eng Seng will retire at the forthcoming AGM pursuant to Article 91 of the Company's Constitution and will be eligible for re-election.

(2) Mr Chua Siong Kiat Alex is a Non-Executive Independent Director of Heatec Jietong Holdings Limited (till 1 September 2024), VCI Global Limited and UMS Holdings Limited; and the Lead Independent Director of Ever Glory United Holdings Limited.

(3) Mr Darrell Lim Chee Lek is a Non-Executive Non-Independent Director of BRC Asia Limited and an Independent Director of Hafary Holdings Limited.

The Company recognises that its Executive Directors may be invited to become non-executive directors of other companies and that exposure to such appointments can broaden the experience and knowledge of its Executive Directors which will benefit the Company. Executive Directors are therefore allowed, with the Board's consent, to accept non-executive appointments, as long as these are non-competing companies and are not likely to lead to conflicts of interests. Directors are also required to ensure that they are able to give sufficient time and attention to the affairs of the Company.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board has set up a formal assessment process with the use of evaluation forms to evaluate the effectiveness of the Board as a whole and the effectiveness of each Board Committee and individual directors (including the Chairman). The Nominating Committee recommends for the Board's approval the objective performance criteria and process for such evaluation.

The evaluation of the Board's performance as a whole, deals with matters on Board composition, information flow to the Board, Board procedures and Board accountability. Factors such as the structure, size and processes of the Board and the Board's access to information, the Management and the effectiveness of the Board's oversight of the Company's performance are applied to evaluate the performance of the Board as a whole. The evaluation of the performance of the individual Board Committees deals with matters such as the Board Committee's composition, quality of recommendations, expertise of members and timely communication to the Board. The evaluation of the performance of an individual Director deals with matters on an individual Director's attendance at meetings, observance of the individual Director's duties towards the Company and the individual Director's know-how and interaction with fellow Directors.

As part of the evaluation process, each Director completes an evaluation form, which is then returned to the Company Secretary for compilation of average scores. The compiled results are then tabulated and presented to the Nominating Committee and the Board for discussion. The evaluation of Board performance is conducted annually to identify areas of improvement. The Board may, in consultation with the Nominating Committee, propose, where appropriate, new members be appointed to the Board or seek the resignation of Directors. The Company did not engage any external consultant or facilitator to assist with the performance evaluation of the Board, Board Committees or any individual Directors for FY2023.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Remuneration Committee comprises the following members:

Mr Darrell Lim Chee Lek	(Independent Non-Executive Director, chairman of the Remuneration Committee)
Mr Lim Eng Seng	(Independent Non-Executive Director)
Mr Chua Siong Kiat Alex	(Independent Non-Executive Director)

All the members of the Remuneration Committee are Independent Non-Executive Directors (including the chairman of the Remuneration Committee). The Remuneration Committee is empowered to engage, from time to time, human resource professional firms to advise on executive remuneration. The Remuneration Committee will ensure that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the Remuneration Committee. The Company did not appoint any remuneration consultant during FY2023 to provide consulting services in relation to remuneration and compensation matters.

The Remuneration Committee's Terms of Reference provide that the Remuneration Committee's function is primarily to review and make recommendations to the Board on the framework of remuneration for the Board and the key management personnel, as well as the specific remuneration packages for each Director and key management personnel. In particular, the Remuneration Committee reviews the service agreements of the CEO, the CFO and other key executives of the Group. The Remuneration Committee also administers any existing share option plan or performance share plan of the Company, and recommends to the Board, as and when appropriate, any other incentive share schemes or performance bonus schemes (whether long-term or short-term) which may be set up from time to time.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives, share awards and benefits-in-kind, are considered by the Remuneration Committee when reviewing and recommending the remuneration package of the Directors and key management personnel. The Remuneration Committee and the Board takes into account the remuneration and employment conditions within the same industry and of comparable companies when setting remuneration packages. The Remuneration Committee will also review the Company's obligations arising in the event of termination of the service agreements of the Executive Directors and the key management personnel, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss, as the Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of any such breach of fiduciary duties.

Each member of the Board and the Remuneration Committee abstains from voting on any resolution in respect of his/her remuneration package.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

In reviewing and recommending the remuneration of the independent and/or non-executive Directors, the Remuneration Committee adopts a framework based on the guidelines recommended by the Singapore Institute of Directors. The remuneration of the independent and/or non-executive Directors comprises a base fee as well as fees for chairing Board Committees, taking into consideration the effort, time spent and responsibilities of the independent or non-executive Director and the fees paid in comparable companies. Directors' fees, which are only payable and paid to the independent and/or non-executive Directors of the Company, are subject to shareholders' approval at the AGM. The Executive Directors are remunerated in accordance with their service agreements and are not entitled to additional remuneration in the form of Directors' fees.

In reviewing and recommending the remuneration of the Executive Directors and key management personnel (including the key management personnel of the Company's subsidiaries), the Company adopts a remuneration policy comprising a fixed component and a performance-related variable component. The fixed component is in the form of a base salary while the variable component is in the form of a variable bonus that is linked to the performance of the Company (or that of the relevant subsidiaries within the Group in the case of key management personnel of the Company's subsidiaries) and the individual. In addition, long-term incentives, such as the New Silkroutes Performance Share Plan 2017 ("**PSP**") whereby eligible Directors and employees may be entitled to receive fully paid shares in the Company upon the achievement of prescribed performance targets, are in place to strengthen the pay-for-performance policy by rewarding and recognising the contributions of employees to the growth of the Company.

The Remuneration Committee and the Board are of the view that the current remuneration packages are appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting the remuneration, and the relationship between remuneration, performance and value creation.

Details of the remuneration for FY2023 paid and/or payable to the Directors are set out below:

Current directors

Directors Remuneration	Salary & CPF %	Directors' Fees %	Bonus %	Other Benefits %	Total %
S$0 to S$250,000					
Han Binke[(1)]	84	-	9	7	100
Chua Siong Kiat Alex	-	100	-	-	100
Darrell Lim Chee Lek	-	100	-	-	100
Lim Eng Seng	-	100	-	-	100

Note:

(1) Mr Han Binke was appointed as a Non-Executive Director of the Company with effect from 2 June 2022. Mr Han was subsequently redesignated as Executive Director and appointed as Chief Executive Officer on 10 August 2022.

As part of the Company's proposed scheme of arrangement, the Directors have waived the outstanding amounts due to them as at 30 June 2023, including the directors' fees of S$180,000 payable to the Independent Directors, and will instead participate in the scheme of arrangement's distributions. The Company expresses its thanks to the Directors for their continued support and participation in the scheme of arrangement and contributions towards the Company's restructuring.

Directors who retired or resigned in FY2023

Directors Remuneration	Salary & CPF %	Directors' Fees %	Bonus %	Other Benefits %	Total %
S$0 to S$250,000					
VicPearly Wong Hwei Pink *(resigned on 10 August 2022)*	100	-	-	-	100
Shen Yuyun (*resigned on 1 March 2023)*	100	-	-	-	100

Given the highly competitive industry conditions and the sensitivity and confidentiality of employee remuneration matters, the Company believes that the disclosure of the remuneration of individual Directors and executives as recommended by the Code would be disadvantageous to the Group's interests. The Board believes that by disclosing the breakdown showing the level and mix of remuneration paid to the Directors, and the types of compensation in percentage terms and in bands of S$250,000, the current disclosure on remuneration is meaningful and sufficiently transparent in giving an understanding of the remuneration of the Directors, the Company's remuneration policies, level and mix of remuneration, performance and value creation.

The Group had three (3) key management personnel for FY2023 (who are not Directors or the CEO). Details of the remuneration for FY2023 paid and/or payable to the key management personnel (who are not Directors or the CEO) are set out below:

Key Executives Remuneration Band	Salary & CPF %	Bonus %	Other Benefits %	Total %
S$0 to S$250,000				
Chen Qi *(appointed 1 November 2022)*	100	-	-	100
Wong Calvin Ka *(appointed 15 May 2023)*	68	-	32	100
Wan Guowei *(resigned on 31 October 2022)*	100	-	-	100

For FY2023, the Company identified the above persons as its only key management personnel. There are no other key management personnel who are not directors or the CEO. The remuneration of the Group's key management personnel is duly disclosed in this Annual Report.

Given the highly competitive industry conditions and sensitivity and confidentiality of employee remuneration matters, the Company believes the disclosure of the remuneration individually and/or in aggregate of the key management personnel (who are not Directors or the CEO) would be disadvantageous to the Group's interests. The Board believes that by disclosing the breakdown showing the level and mix of remuneration paid to the key management personnel, and the types of compensation in percentage terms and in bands of S$250,000, the current disclosure on remuneration is meaningful and sufficiently transparent in giving an understanding of the remuneration of the employees, the Company's remuneration policies, level and mix of remuneration, performance and value creation.

During FY2023, there were no employees who were substantial shareholders of the Company or who were immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year.

The Remuneration Committee oversees the PSP and determines the eligibility of employees to participate in and the number of options and awards to be granted to each employee under the PSP. No award has been granted under the PSP for FY2023. Please refer to the Circular of the Company dated 5 July 2017 for more information on the PSP.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board recognises that it is responsible for the overall governance of risk by ensuring that the Group maintains sound systems of risk management and internal controls. The Audit and Risk Committee reviews and makes recommendations to the Board on the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

The Company carries out a risk assessment of its business and operations on an ongoing basis. The objectives of the continuous risk assessment are to identify and rank the processes most critical to the business and formulate plans to address the risks relating to these processes. The exercise also aims to establish a proactive risk management environment. The risk assessment covers business operation risk, financial risk, legal risk and reputation risk.

The Company routinely reviews many non-financial factors, such as the quality of corporate governance, employee, vendor and customer management processes, crisis management processes, the Company's use of technology and its deployment of best practices. Early identification of trends gives the Management time to react before problems manifest themselves.

For a more detailed discussion of financial risk management, please refer to Note 30 in the Notes to the Financial Statements on pages 110 to 117.

Based on the internal controls established and maintained by the Company, work performed by the internal auditors and reviews by the Management, the Board, with the concurrence of the Audit and Risk Committee, is of the opinion that there are adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place within the Group to meet the needs of the Group in its current business environment.

The Board has received assurance from:

(i) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board believes that the system of internal controls maintained by the Management and that was in place throughout the financial year and up to date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or loss, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of business risk. The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Audit Committee was renamed as the "Audit and Risk Committee" in September 2018 to better reflect the scope and responsibilities of the committee. The Audit and Risk Committee comprises the following members:

Mr Chua Siong Kiat Alex	(Independent Non-Executive Director; chairman of the Audit and Risk Committee)
Mr Darrell Lim Chee Lek	(Independent Non-Executive Director)
Mr Lim Eng Seng	(Independent Non-Executive Director)

All the members of the Audit and Risk Committee are Independent Non-Executive Directors (including the chairman of the Audit and Risk Committee). The Board is of the opinion that the members of the Audit and Risk Committee are appropriately qualified to discharge their responsibilities. The Audit and Risk Committee does not comprise former partners or directors of the Company's existing audit firm. At least two members, including the Audit and Risk Committee chairman, have recent and relevant accounting or related financial management expertise or experience.

The Audit and Risk Committee has full access to the external auditors and internal auditors without the presence of the Management of the Company. The Audit and Risk Committee has explicit authority to investigate any matter within its Terms of Reference, full access to and co-operation by the Management of the Company and full discretion to invite any Director or the Management of the Company to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The Audit and Risk Committee has written Terms of Reference that describe the responsibilities of its members. These responsibilities are as follows:

a) to review with the external and internal auditors the audit plan (including the nature and scope of the audit before the audit commences) and audit report, and to pay full attention to any material weaknesses reported and the recommendations proposed by the external and internal auditors;

b) to review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and the quarterly and annual financial statements;

c) to review the assurance from the CEO and the CFO on the financial records and financial statements;

d) to review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems and review and approve the statements to be included in the annual report concerning the effectiveness of the Company's internal controls and risk management systems;

e) to discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external or internal auditors may wish to discuss without the presence of the Management at least once a year;

f) to review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors annually. Where the auditors also supply a substantial volume of non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the provision of such services would not affect the independence of the auditors;

g) to review the policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Audit and Risk Committee also discusses with the external auditors any suspected impropriety in financial reporting, fraud or irregularity, or suspected infringement of any Singapore law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response;

h) to investigate any matter within its Terms of Reference, having full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

i) to review transactions falling within the scope of Chapter 9 of the Listing Manual;

j) to consider and make recommendations to the Board on the proposals to the shareholders on the appointment/re-appointment and termination of the external and internal auditors, as well as the audit fee and terms of engagement of the external and internal auditors;

k) to ensure that the appointment where applicable, of a different auditing firm for its subsidiary would not compromise the standard and effectiveness of the audit of the Group;

l) to advise the Board on the Company's overall risk tolerance and strategy;

m) to oversee and advise the Board on the current risk exposures and future risk strategy of the Company;

n) in relation to risk assessment:

   (i) to keep under review the Company's overall risk assessment processes that inform the Board's decision making;

   (ii) to review regularly and approve the parameters used in these measures and the methodology adopted;

   (iii) to set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;

   (iv) to review the Company's capability to identify and manage new risk types;

   (v) before a decision to proceed is taken by the Board, to advise the Board on proposed strategic transactions, focusing in particular on risk aspects and implications on the risk tolerance of the Company, and taking independent external advice where appropriate and available;

   (vi) to review reports on any material breaches of risk limits and the adequacy of proposed actions; and

   (vii) to monitor the independence of risk management functions throughout the organisation.

The Audit and Risk Committee has undertaken a review of all non-audit services provided by the auditors and is of the opinion that the provision of such services will not affect the independence of the auditors.

All employees have direct access to the chairman of the Audit and Risk Committee. The Company's whistle-blowing policy is summarised below at page 31 to 32 of this Annual Report.

In appointing the audit firm for the Group, the Audit and Risk Committee is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual.

The Audit and Risk Committee reviews the effectiveness of the Company's material internal controls (including financial, operational, compliance and information technology controls) and risk management systems annually. The Board and the Audit and Risk Committee are satisfied that the internal controls are adequate.

The Audit and Risk Committee met with the external auditors and internal auditors without the presence of the Management at the full year meeting of FY2023.

For FY2023, the Company has appointed NLA Risk Consulting Pte. Ltd. ("**NLA**") as the Internal Auditors of the Group to perform internal audit work under an internal audit plan. NLA is part of NLA DFK, a group of accounting and advisory firms with a history in Singapore since 1948. NLA DFK is a member firm of DFK International, a top 10 international association of independent accounting firms and business advisers. NLA is a suitably appointed qualified firm of risk consultants (including Certified Internal Auditors), with its processes guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The firm currently maintains an outsourced internal audit portfolio of companies listed on the SGX-ST in various industries, including construction, property development, manufacturing, healthcare, logistics, engineering services and trading. The Engagement Team comprises a Director, a Manager and is supported by a team of trained internal auditors. The Director, Mr Gary Ng has over 20 years of relevant experience and is a Certified Internal Auditor whilst the Manager has more than 10 years of relevant experience and also a Certified Internal Auditor. The Internal Auditors report directly to the chairman of the Audit and Risk Committee on all internal audit matters.

The role of the Internal Auditors is to support the Audit and Risk Committee in ensuring that the Company maintains a sound system of internal controls and risk management by monitoring and assessing the effectiveness of the key controls and procedures, conducting in-depth audits of high-risk areas and undertaking investigation as directed by the Audit and Risk Committee. The Audit and Risk Committee approves the hiring, removal, evaluation and compensation of the Internal Auditors. The Audit and Risk Committee ensures that the Internal Auditors are adequately resourced and has appropriate standing within the Company and has unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit and Risk Committee.

The primary functions of internal audit are to:

a) assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure control procedures are complied with;

b) assess if operations of the business processes under review are conducted efficiently and effectively; and

c) identify and recommend improvement to internal control procedures, where required.

The Audit and Risk Committee is satisfied that the internal audit function is independent, effective and adequately resourced and assesses the same at least annually.

Further to the queries raised by SGX-ST in relation to the announcement released by the Company on 15 October 2020 entitled "Disclaimer of Opinion and Emphasis of Matter by Independent Auditor on Financial Statements", the Company's announcement in reply on 28 October 2020, and the Company's announcement on 18 December 2020 updating shareholders on the appointment of KPMG Services Pte. Ltd. as independent reviewer, the independent review by KPMG Services Pte. Ltd. has concluded and the report issued, as announced by the Company in its announcement dated 1 December 2023.

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. The Company is committed to keeping shareholders informed of material developments in the Group. This is done through appropriate announcements on the SGXNET in accordance with the Listing Manual as well as the Company's website at www.newsilkroutes.com where the public can access information on the Group. The Company does not practice selective disclosures.

Shareholder meetings are the principal forum for communication with Shareholders. At general meetings, shareholders are given the opportunity to communicate their views and direct questions to the Board and the Management relating to the business affairs of the Group. Annual Reports and notices of the AGMs or any other Shareholder meetings (as the case may be) are sent to all Shareholders at least 14 days before the scheduled date of such meeting. All Directors attend general meetings of shareholders, and the external auditors are also present to assist the Directors in addressing any relevant queries raised by the Shareholders. Appropriate management personnel are also present at general meetings to respond, if necessary, to operational questions from Shareholders. All the Directors of the Company at the relevant time attended the AGM of the Company for the financial year ended 30 June 2022 held on 25 September 2023..

A Shareholder who is entitled to attend and vote may either vote in person or in absentia through the appointment of one or more proxies. The Constitution of the Company allows Shareholders to attend and vote at general meetings of the Company by proxies. A Shareholder of the Company may appoint up to two proxies to attend and vote on behalf of the Shareholder at shareholder meetings, save that no limit shall be imposed on the number of proxies for nominee companies.

Relevant intermediaries, as defined in Section 181 of the Companies Act 1967, such as banks, capital market services licence holders which provide custodial services for securities and the Central Provident Fund Board are allowed to appoint more than two (2) proxies to attend, speak and vote at the shareholders' meeting.

In compliance with Rule 730A(2) of the Listing Manual, resolutions tabled at general meetings of Shareholders will be put to vote by poll, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings.

Resolutions to be passed at general meetings are always separate and distinct in terms of issue so that shareholders are better able to exercise their right to approve or deny the issue or motion, unless the issues are interdependent and linked so as to form one significant proposal. Shareholders can also exercise their right to vote in absentia by the use of proxies.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and the Management, and such minutes will be published on the Company's corporate website as soon as practicable. Results of the general meeting are also released as an announcement via SGXNET.

The Group does not have a formal dividend policy. The form, frequency and amount of any proposed dividend will take into consideration the Group's operating results, financial position, working capital requirements and any other relevant considerations the Board deem appropriate. Notwithstanding the foregoing, any pay-out of dividends would be clearly communicated to shareholders via announcements released on SGXNET.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Board places great emphasis on investor relations with the Company to maintain a high standard of transparency so as to promote better investor communications. The Board is mindful of the obligations to provide timely disclosure of material information in accordance with the Corporate Disclosure Policy of the SGX-ST. All material information and financial results are released through SGXNET and where appropriate, through media releases.

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Results and annual reports are announced or issued within the mandatory period. All press releases to explain the Group's strategy, performance and major developments are also made available on SGXNET.

In presenting the annual and quarterly financial statements to Shareholders, it is the aim of the Board to provide a detailed analysis and a balanced and understandable assessment of the Group's performance, financial position and prospects. In addition, the Company will also release timely announcements and news releases of significant corporate developments and activities so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

The Company is committed to regular and proactive communication with its shareholders in line with continuous disclosure obligations of the Company under the Rules of SGX-ST. Pertinent information will be disclosed to Shareholders in a timely, fair and equitable manner. The Company does not practise selective disclosure. Price and/or trade sensitive information is first publicly released before the Company meets with any group of investors or analysts.

The Company does not have an investor relations policy but maintains a website (www.newsilkroutes.com) which allows the public to be aware of the Group's latest development and businesses. Shareholders can provide feedback to the Company via email to the electronic mail address or via mail to the registered office address. Calls and emails requesting information are generally attended to promptly, taking into consideration the fact that key management personnel may need to consult with the Board or any of the Company's relevant advisors before communicating or disseminating certain information.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include regulators, suppliers, employees, customers, top management and shareholders. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

Please refer to the Sustainability Report of the Company for more details on the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2023.

As mentioned above, the Company maintains a website (http://www.newsilkroutes.com), which allows the stakeholders to communicate and engage with stakeholders.

CORPORATE GOVERNANCE REPORT

SUMMARY OF DISCLOSURES – CORPORATE GOVERNANCE

Rule 710 of the Listing Manual requires Singapore-listed companies to describe their corporate governance practices with specific reference to principles and provisions of the Code in their annual reports for the financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the Code.

Board Matters

The Board's Conduct of Affairs

Principle 1

Provision 1.1	Page 14
Provision 1.2	Pages 15, 16
Provision 1.3	Pages 14, 15
Provision 1.4	Page 14
Provision 1.5	Page 15
Provision 1.6	Pages 15, 16
Provision 1.7	Pages 15, 16

Board Composition and Guidance

Principle 2

Provision 2.1	Page 16
Provision 2.2	Page 16
Provision 2.3	Page 16
Provision 2.4	Pages 17, 18
Provision 2.5	Page 18

Chairman and Chief Executive Officer

Principle 3

Provision 3.1	Page 18
Provision 3.2	Page 18
Provision 3.3	Page 19

Board Membership

Principle 4

Provision 4.1	Page 19
Provision 4.2	Page 19
Provision 4.3	Pages 17-20
Provision 4.4	Pages 16, 20
Provision 4.5	Pages 19, 20

Board Performance

Principle 5

Provision 5.1	Pages 20, 21
Provision 5.2	Pages 20, 21

Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 6

Provision 6.1	Page 21
Provision 6.2	Page 21
Provision 6.3	Page 21, 22
Provision 6.4	Page 21

Level and Mix of Remuneration

Principle 7

Provision 7.1	Page 22
Provision 7.2	Page 22
Provision 7.3	Page 22

Disclosure on Remuneration

Principle 8

Provision 8.1	Pages 23, 24
Provision 8.2	Page 24
Provision 8.3	Pages 23, 24

Accountability and Audit

Risk Management and Internal Controls

Principle 9

Provision 9.1	Page 24
Provision 9.2	Page 24

Audit Committee

Principle 10

Provision 10.1	Page 25, 26
Provision 10.2	Page 25
Provision 10.3	Page 25
Provision 10.4	Page 26, 27
Provision 10.5	Page 26

Shareholder Rights and Responsibilities

Shareholder Rights and Conduct of General Meetings

Principle 11

Provision 11.1	Page 27, 28
Provision 11.2	Page 28
Provision 11.3	Page 27
Provision 11.4	Page 27
Provision 11.5	Page 28
Provision 11.6	Page 28

Engagement with Shareholders

Principle 12

Provision 12.1	Page 28
Provision 12.2	Page 28
Provision 12.3	Page 28

Managing Stakeholders Relationships

Engagement with Stakeholders

Principle 13

Provision 13.1	Page 29
Provision 13.2	Page 29
Provision 13.3	Page 29

INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	S$'000	**S$'000**
Rental:		
Shanghai Fengwei Nonwovens Co,. Ltd.	760	-
Interest expense:		
Mr Shen Yuyun	218	-

For full disclosure, please note that there is an amount of S$1.58 million owing from Shanghai Fengwei Nonwovens Co., Ltd. ("**SFNW**") a company majority owned by Mr Shen Yuyun (a substantial shareholder of the Company) to Shanghai Fengwei Garment Accessory Co., Ltd. ("**Shanghai Fengwei**"), a wholly owned subsidiary of the Company, which amount was owing prior to the Group's acquisition of Shanghai Fengwei. SFNW and New Silkroutes Capital Pte. Ltd., a wholly owned subsidiary, has entered into a lease agreement and the amount owing from SFNW will be used to offset against the rental payable by Shanghai Fengwei for the use of the land.

As disclosed in the announcement dated 21 July 2023, New Silkroutes Capital Pte. Ltd. ("**NSC**"), a wholly owned subsidiary of the Company, has entered into an Equity Transfer Agreement with Shanghai Yikang Non-Woven Fabric Co., Ltd. for the disposal of all of the shares held by NSC in Shanghai Fengwei, representing 100% of the total issued and paid up share capital of Shanghai Fengwei. The disposal of Shanghai Fengwei was completed in the financial year ended 30 June 2024.

The Group does not have a general mandate for interested person transactions.

DEALINGS IN COMPANY'S SECURITIES

In compliance with Rule 1207(19) of the Listing Manual, all employees of the Group are reminded to abstain from dealing in securities of the Company, and the Company is reminded to abstain from dealing in its own securities, two weeks before the announcement of the quarterly results of the Group and one month before the announcement of the full year results of the Group. Officers of the Group are expected to observe insider trading laws at all times and are discouraged from dealing in the Company's securities on short-term considerations.

MATERIAL CONTRACTS

Save as previously disclosed by the Company on SGXNET, there are no material contracts entered into by the Company or any of its subsidiary companies involving the interests of the CEO, and any Director or controlling shareholder.

SUSTAINABILITY REPORTING

The Company has prepared a sustainability report with regard to its practices for the financial year ended 30 June 2023 and such report shall describe the Company's sustainability practices with reference to the following: (a) material environmental, social and governance factors; (b) policies, practices and performance; (c) targets; and (d) sustainability reporting framework. The sustainability report will be issued on SGXNET on 20 September 2024.

WHISTLE-BLOWING POLICY

Consistent with its "zero tolerance" stance to fraud, bribery, corruption and other unethical behavior or conduct, the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

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The Group maintains procedures for the confidential and anonymous reporting of complaints by employees. Employees are able to make reports on a confidential basis and, if so requested by the employee, on an anonymous basis to the fullest extent possible. An employee may refer a complaint to the Designated Officers under the whistle-blowing policy, or the Audit and Risk Committee of the Company if said complaint has not been effectively addressed after being raised internally with the Designated Officer or where the complaint relates to the conduct of the Designated Officer. Investigations of the complaints shall be treated on a confidential basis, maintaining the anonymity of the employee concerned, involve only persons who need to be involved in order to properly carry out the investigation and will, on a best effort basis, be carried out in a timely manner.

The whistle-blowing policy aims to provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoing or concerns, particularly in relation to fraud, controls or ethics, without fear of reprisals when whistleblowing in good faith; and ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The Company will not take any disciplinary actions against an employee who in good faith reports a complaint, nor demote or terminate the employment of such an employee or threaten to do so with the deliberate intent to discourage an employee from reporting a complaint or with the deliberate intent to engage in retaliatory conduct against the employee for reporting a complaint.

The Audit and Risk Committee reviews the whistle-blowing policy and its effectiveness from time to time, with recommendations regarding any amendments thereto to be made to the Board of Directors of the Company for approval, and the whistle-blowing policy, including any amendments thereto, are made known to all employees of the Group.

The contact information of the Designated Officers and the Chairman of the Audit and Risk Committee is available in the whistle-blowing policy.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual, the information as set out in Appendix 7.4.1 of the Listing Manual relating to Mr Chua Siong Kiat Alex and Mr Lim Eng Seng, being the Directors who are seeking re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

	Mr Chua Siong Kiat Alex	**Mr Lim Eng Seng**
Date of initial appointment	1 August 2020	11 January 2021
Dates of last re-appointment (if applicable)	29 October 2021	25 September 2023
Age	53	45
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has approved the appointment of Mr Chua Siong Kiat Alex after taking into account his experience and ability to contribute to the Company.	The Board has approved the appointment of Mr Lim Eng Seng after taking into account his experience and ability to contribute to the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director; Chairman of the Audit and Risk Committee; Member of the Remuneration Committee; Member of the Nominating Committee	Independent Non-Executive Director; Chairman of the Nominating Committee; Member of the Audit and Risk Committee; Member of the Remuneration Committee
Professional qualifications	Master of Business Administration and Diploma of the Imperial College in Management with Imperial College London Business School, University of London (MBA, DIC) Fellow Chartered Accountant, Singapore (FCA Singapore) Certified Internal Auditor (CIA) Fellow Member of the Association of Chartered Certified Accountants (FCCA) Chartered Valuer and Appraiser (CVA) Senior Accredited Director conferred by the Singapore Institute of Directors (SID)	BSc Finance (First Class), Lancaster University (2003)

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	Mr Chua Siong Kiat Alex	Mr Lim Eng Seng
Working experience and occupation(s) during the past 10 years	2023 to present: Chief Financial Officer, Memiontec Holdings Ltd. 2021 to 2023: Group Chief Financial Officer, Tee International Limited 2015 to present: Director of Lighthouse Business Consulting Pte. Ltd. 2020 to 2021: Chief Financial Officer of Wai Fong Construction Pte Ltd 2017 to 2018: Appointed Chief Financial Officer, Global Hospitality Trust Project, of Amare Investment Management Group Pte. Ltd. 2016 to 2017: Executive Director and Head of Non-Property Division (February 2017 to July 2017), Interim Group Chief Operating Officer (July 2016 to February 2017), Alternate Director (March 2016 to February 2017) of Pacific Star Development Limited 2013 to 2015: Executive Director (appointed November 2013) and Chief Financial Officer of Libra Group Limited	2024 to present: Director, TW Pengu Management Pte. Ltd. 2015 to present: Director, Clearwater Advisors Limited 2015 to 2019: Consultant, TE Asia Healthcare 2013 to 2015: General Manager, Fullerton Healthcare 2012 to 2013: General Manager, SIN Capital Group 2010 to 2012: Vice President, Hong Kong Origination, Royal Bank of Scotland
Shareholding interest in the Company and its subsidiaries	Nil	Nil

	Mr Chua Siong Kiat Alex	Mr Lim Eng Seng
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of the Company's principal subsidiaries* * "Principal subsidiary" refers to a subsidiary whose latest audited consolidated pre-tax profits (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of the Group (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) accounts for 20% or more of such pre-tax profits of the group.	No	No
Conflict of interest (including any competing business) "Conflicts of interest" include situations in which interested persons:— (1) Carry on business transactions with the Company or provide services to or receive services from the Company or the Group; (2) Lend to or borrow from the Company or the Group; (3) Lease property to or from the Company or the Group; or (4) Have an interest in businesses that are competitors, suppliers or customers of the Company or the Group."	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes

OTHERS

	Mr Chua Siong Kiat Alex	Mr Lim Eng Seng
Other principal commitments* including directorships * “Principal Commitments” shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.	Past (for the last 5 years): Director, China Yuanbang Property Holdings Limited Director, Axington Inc Director, Kitchen Culture Holdings Limited Director, China Star Food Group Limited (currently known as Zixin Group Holdings Limited) Director, National Arthritis Foundation Director, Omni Sharing Pte. Ltd. Director, Nutryfarm International Limited (in judicial management) Director, JES International Holdings Limited Group Chief Financial Officer, Tee International Nominee Director, TEE Infrastructure Private Limited Nominee Director, Trans Equatorial Pte Ltd (in creditors’ voluntary liquidation) Present: Director, Heatec Jietong Holdings Limited (till 1 September 2024) Director, Starwork Vision Pte. Ltd. Director, Robotic Vision Inc. Pte. Ltd. Director, Lighthouse Business Consulting Pte. Ltd. Director, VCI Global Limited Director, Ever Glory United Holdings Limited Chief Financial Officer, Memiontec Holdings Ltd. (“MHL”) Director, MIT Investment Pte. Ltd. (a 100% subsidiary of MHL) Director, UMS Holdings Limited	Past (for the last 5 years): Nil Present: Director, Clearwater Advisors Limited Director, TW Pengu Holdings Limited Director, OncoCare Medical Pte Ltd Director, TCI Cardiology Pte Ltd Director, TW Pengu Management Pte. Ltd. Director, Singapore Breast Surgery Center Pte. Ltd. Director, Can-Care Holdings (S) Pte. Ltd. Director, Can-Care Pte Ltd Director, Can-Care Health Systems (M) Sdn Bhd Director, Philippines Cancer Centers Pte. Ltd. President, Philippines Cancer Centers Holdings, Inc. President, Central Luzon Integrated Oncology Center Inc. Director, OncoCare Medical Malaysia Sdn Bhd

	Mr Chua Siong Kiat Alex	Mr Lim Eng Seng
Disclose the following matters concerning an appointment of Director, CEO, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes Please refer to Appendix A below.	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

	Mr Chua Siong Kiat Alex	Mr Lim Eng Seng
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

	Mr Chua Siong Kiat Alex	Mr Lim Eng Seng
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes Please refer to Appendix A below.	Yes Mr Lim is an independent non-executive director of a company listed on the SGX-ST when such company and its board of directors received a show cause letter from the SGX-ST in respect of potential breaches of certain rules of the Listing Manual of the SGX-ST. The SGX-ST had issued a private warning to the company and a private reminder to the relevant directors of the company (which includes Mr Lim) relating to the breach of certain rules of the Listing Manual. For the avoidance of doubt, no disciplinary action was taken against the company and its relevant directors by the SGX-ST for these breaches.
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

	Mr Chua Siong Kiat Alex	Mr Lim Eng Seng
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only:		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the Director to undergo training as prescribed by the SGX-ST (if applicable).	N.A. This is a re-election of a director.	N.A. This is a re-election of a director.

Appendix A

Pursuant to Appendix 7.4.1 of the Listing Manual, Mr Chua Siong Kiat Alex has responded as follows:

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

Yes

If yes, please provide full details

Mr. Chua served as a director in (i) Durabeau Industries Pte Ltd ("**DIPL**") and (ii) LH Aluminium Industries Pte. Ltd. ("**LHAI**") from 15 February 2017 to 13 July 2017. In May 2019, Pacific Star Development Limited ("**PSD**"), the parent company of both DIPL and LHAI, announced its decision to discontinue its aluminium business division for commercial reasons and placed both DIPL and LHAI under creditors' voluntary liquidation ("**CVL**"). Mr. Chua had resigned as the director of DIPL and LHAI in July 2017, and was not involved in the subsequent events which led to the CVL of DIPL and LHAI in May 2019 (which had commenced almost two (2) years after his resignation). Further details in relation to the liquidation can be found in PSD's SGXNet announcements dated 22 May 2019 and 31 May 2019.

Mr. Chua joined TEE International Limited ("**TEE**") as the Group Chief Financial Officer from 1 October 2021 to 10 January 2023. As announced on 16 December 2021, TEE had commenced the winding up process of its wholly-owned subsidiary, Trans Equatorial Engineering Pte. Ltd. ("**Trans Equatorial**") by way of CVL. As requested by the Board of Directors of TEE, Mr. Chua was appointed as a director of Trans Equatorial just prior to the commencement of the CVL proceedings in order to facilitate and assist the appointed liquidators with the CVL process. Mr. Chua was not previously involved in the events which led to the liquidation of Trans Equatorial. Mr. Chua ceased to be a director of Trans Equatorial on 10 January 2023, his last day of employment with TEE.

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere

Yes

If yes, please provide full details

Mr. Chua is an independent non-executive director of a company listed on the SGX-ST when such company and its board of directors received a show cause letter from the SGX-ST in respect of potential breaches of certain rules of the Listing Manual. The SGX-ST had issued a private warning to the company and a private reminder to the relevant directors of the company (which includes Mr. Chua) relating to the breach of certain rules of the Listing Manual. Save for these, no other action (such as public reprimands, imposition of fines or penalties) was taken against the company and its relevant directors by the SGX-ST for these breaches.

Mr. Chua was an independent non-executive director of Axington Inc. ("**Axington**") from July 2020 to August 2020. In July 2021, following an internal review conducted by the reconstituted board of Axington (the "**Internal Review'**), Axington was required to, in consultation with the SGX-ST, among others, investigate further into the circumstances leading to outstanding placement proceeds pursuant to a placement exercise completed in August 2020 ("**Independent Review**"), in light of potential breaches of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). Axington had subsequently released the executive summary ("**Executive Summary**") of the Independent Review, which was conducted by a law corporation, and the Executive Summary had highlighted (a) potential breaches of certain Catalist Rules, and (b) potential breach of fiduciary duties by other individuals. Mr. Chua was not involved in the logistics leading up to the completion of the placement, nor was Mr. Chua involved in the Internal Review or the Independent Review. To the best of Mr. Chua's knowledge, there were no investigations conducted by the SGX-ST or any government authorities in respect of the potential breaches highlighted in the Executive Summary.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The directors hereby present their statement to the members together with the audited consolidated financial statements of New Silkroutes Group Limited (the "**Company**") and its subsidiaries (the "**Group**") and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2023.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company as set out on pages 50 to 138 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**"); and

(ii) at the date of this statement, after considering the measures taken by the Group and the Company with respect to the Group's and the Company's ability to continue as going concerns as described in Note 3 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Han Binke
Chua Siong Kiat
Darrell Lim Chee Lek
Lim Eng Seng

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act.

Share options

Performance Share Plan

The New Silkroutes Performance Share Plan 2017 (the "**NSPSP**") was approved by the shareholders during the Extraordinary General Meeting on 21 July 2017. The NSPSP contemplates the awarding of fully paid-up shares, free of payment, to selected employees of the Company and its subsidiaries, including executive directors of the Company.

Share options (cont'd)

Performance Share Plan (cont'd)

The total number of new ordinary shares in the Company which may be issued in all awards granted under the NSPSP shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. The Company does not have any subsidiary holdings.

No awards have been granted to directors, controlling shareholders of the Company or their associates and no directors or employees of the Company have received 5% or more of the total awards available under the NSPSP.

No awards have been granted under the NSPSP since the commencement of the NSPSP and during the financial year. At the end of the financial year, there were no outstanding awards or unissued shares of the Company or its subsidiaries under the NSPSP.

The NSPSP is subject to a maximum period of ten years, and will expire on 20 July 2027.

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit and Risk Committee

The Audit and Risk Committee of the Company, consisting all independent directors, is chaired by Chua Siong Kiat (Chairman) and includes Darrell Lim Chee Lek and Lim Eng Seng.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act.

The Audit and Risk Committee is satisfied with the independence and objectivity of the independent auditors.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting.

On behalf of the directors

Han Binke
Executive Director and Chief Executive Officer

Chua Siong Kiat
Independent Non-Executive Director

20 August 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEW SILKROUTES GROUP LIMITED

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of New Silkroutes Group Limited (the "**Company**") and its subsidiaries (the "**Group**") as set out on pages 50 to 138, which comprise the statements of financial position of the Group and the Company as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Going concern assumptions

As disclosed in Note 3 to the financial statements, the Group incurred a net loss of S$7,997,000 during the financial year ended 30 June 2023, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by S$33,771,000 and S$48,377,000 respectively. Additionally, as disclosed in Note 1 to the financial statements, the Group is undergoing restructuring exercise.

Furthermore, as disclosed in Notes 9, 15, and 37 to the financial statements, the Group completed the disposals of its major subsidiaries and acquired new subsidiaries. This has led to uncertainties arising from these transactions that may impact the Group's future financial performance.

These factors indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and the Company to continue as going concerns.

Nevertheless, in the preparation of the financial statements, the Board of Directors believes that the use of going concern assumption is appropriate after taking into consideration of the factors as disclosed in Note 3 to the financial statements.

The ability of the Group and Company to continue as going concerns is dependent on the ability of the Group and the Company to successfully, among others, convert their debts into equity, raise additional funding, restructure their operations and the ability of the Group to invest in new business to generate sufficient and sustainable operating profits and cash flows to meet its obligations as and when they fall due. These are premised on future events and market conditions, the outcomes of which are inherently uncertain.

We were unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the use of the going concern assumption in the preparation of the accompanying financial statements and whether any adjustments might be necessary in respect of the accompanying financial statements.

The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to provide for further liabilities that may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities respectively. No such adjustments have been made to the financial statements.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

2. Opening balances and comparative information

The financial statements dated 31 August 2023 for the financial year ended 30 June 2022 contained a disclaimer of opinion on those financial statements. The basis for disclaimer of opinion on the financial statements is disclosed in Note 39 to the financial statements.

In view of the matters described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 30 June 2022, we were unable to determine whether the opening balances as at 1 July 2021, the corresponding figures and its related disclosures for the financial year ended 30 June 2022 were fairly stated and appropriately disclosed.

Since opening balances as at 1 July 2022 entered into the determination of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended 30 June 2023, as well as affect how the balances presented in the Group's and Company's statements of financial position as at 30 June 2023 were derived, we were unable to determine whether adjustments might have been found necessary in respect of the Group's and the Company's financial statements for the financial year then ended.

Our report on the current financial year's financial statements of the Group and the Company is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

3. Independent review report and Notice of Compliance issued by Singapore Exchange Regulation ("SGX RegCo")

The Company appointed KPMG Services Pte Ltd ("**KPMG**") on 18 December 2020 to conduct independent review on the following matters:

(i) the tripartite Management Agreement dated 18 April 2020 between the Company, Shanghai Fengwei Garment Accessory Co., Ltd ("**Shanghai Fengwei**"), a wholly-owned subsidiary of the Company, and a third party, Shanghai Minlin New Textile Materials Sales Centre ("**Shanghai Minlin**") and the Management Services Agreement dated 18 April 2020 between Shanghai Fengwei and Shanghai Minlin; and

(ii) the valuation of the Group's 4.534% equity interest in Thai General Nice Coal and Coke Co., Ltd, classified as financial assets fair value through other comprehensive income in the consolidated financial statements of the Group for the financial year ended 30 June 2020.

As disclosed in Note 37 to the financial statements, the Company received the independent review report from KPMG Services Pte. Ltd. on 1 December 2023 and also on the same day, the SGX RegCo issued Notice of Compliance to the Company.

The Board of Directors is reviewing the findings in the independent review report, and the Company has engaged external legal counsel to assist the Board in determining the appropriate steps to be taken by the Company moving forward.

As at the date of this report, the review by the Board of Directors is still on-going. Consequently, we were unable to determine the potential financial impact, if any, arising from the findings of the KPMG. We were also unable to determine whether any additional audit procedures may be required, and whether there will be any financial impact on the accompanying financial statements.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

4. Financial guarantees and provisions

(a) As disclosed in Notes 26 and 34 to the financial statements, the Company has issued financial guarantees to the banks in respect of banking facilities extended to its subsidiaries. The Company assessed the expected credit loss ("**ECL**") related to these financial guarantees to be insignificant.

Based on information available to us, we were unable to determine whether any allowance for ECL might be required for these guarantees provided by the Company. Accordingly, we were unable to determine whether any adjustments and/or disclosures to the accompanying financial statements might be necessary.

(b) As disclosed in Notes 1 and 3 to the financial statements, the Group and the Company commenced its restructuring exercise since the previous the financial year, which included a proposed conversion of debt to equity, moratorium protection and a potential scheme of arrangement, as well as disposal of certain assets and investments. As disclosed in Note 37 to the financial statements, the restructuring exercise is still ongoing as at the date of these financial statements, we were unable to determine whether any provision for liabilities might be required on the restructuring activities. Accordingly, we were unable to determine whether any adjustments to and/or disclosures in the accompanying financial statements might be necessary.

5. Disposal group classified as held for sale and discontinued operation

The consolidated financial statements of the Group for the financial year ended 30 June 2023 included the unaudited financial statements of Shanghai Fengwei, a wholly-owned subsidiary of the Group. As disclosed in Note 22 to the financial statements, the total assets and liabilities of Shanghai Fengwei presented as disposal group classified as held for sale were S$21,396,000 and S$6,605,000, respectively. Shanghai Fengwei's revenue and loss for the year included in the consolidated statement of profit or loss and other comprehensive income amounted to S$15,185,000 and S$1,797,000 respectively.

Shanghai Fengwei is the last remaining business in the healthcare segment, however, the Group did not present the net loss of the healthcare segment as a discontinued operation in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and related disclosures as required under SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. The Group also did not re-present the corresponding figures of the healthcare segment as discontinued operation. The net loss of the healthcare segment for the current and previous financial years are disclosed in Note 35 to the financial statements.

We were unable to get access to the books and records of Shanghai Fengwei and thus unable to perform audit procedures which we consider necessary. We were also unable to carry out review of subsequent events. Accordingly, we were unable to determine whether any adjustments to and/or disclosures in the accompanying financial statements might be necessary. Had the Group been presenting the healthcare segment as discontinued operation, many elements in the accompanying financial statements would have been materially affected. The effects on the accompanying financial statements have not been determined.

6. Disposals of subsidiaries

As disclosed in Note 9 to the financial statements, the loss on disposals of subsidiaries amounted S$4,319,000 for the financial year ended 30 June 2023. The revenue and loss contributed from the disposed subsidiaries amounted to S$11,636,000 and S$228,000 respectively.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

6. Disposals of subsidiaries (cont'd)

We were unable to obtain the underlying accounting records and supporting documents of the significant components making up the profit or loss items and the assets and liabilities of the disposed subsidiaries. Consequently, we were unable to obtain sufficient appropriate audit evidence in respect of the revenue, loss, and the resultant net loss on disposal of subsidiaries for the financial year ended 30 June 2023. We were also unable to determine the appropriateness of consolidation adjustments with respect to the disposed subsidiaries, and the resultant changes in ownership interests attributable to the owners and non-controlling interests of the Group. Accordingly, we were unable to determine whether any adjustments to these amounts in the accompanying financial statements were necessary nor ascertain the appropriateness and completeness of the related disclosures in the accompanying financial statements.

7. Disposal of businesses

(a) Unaudited financial information of 84 INC Pte Ltd, The Dental Hub@SG Pte Ltd, and NDC Consulting Pte. Ltd. (referred to collectively as the "**TDH Group**") and Healthscience International Pte Ltd ("**HSI**") were consolidated into the financial statements of the Group for the financial year ended 30 June 2023. The total assets and total liabilities, revenue and net loss of TDH Group included in the consolidated statement of financial position of the Group as at 30 June 2023 were S$287,000, S$160,190, S$1,307,000 and S$160,000 respectively. The total assets and total liabilities, revenue and net loss of HSI included in the consolidated statement of financial position of the Group as at 30 June 2023 were S$403,000, S$1,757,000, S$489,000 and S$410,000 respectively. The total goodwill impairment loss recognised for TDH Group and HSI during the financial year was S$2,110,000.

We were unable to satisfy ourselves that the financial information of TDH Group and HSI is in form and content appropriate and proper for the purpose of the preparation of the consolidated financial statements of the Group for the financial year ended 30 June 2023 and whether the goodwill impairment loss of S$2,110,000 was appropriate. We were also unable to determine the appropriateness of consolidation adjustments, including those adjustments related to non-controlling interests, with respect to the TDH Group and HSI.

Consequently, we were unable to conclude whether the financial information of the TDH Group and HSI which had been consolidated in the Group's consolidated financial statements are free from material misstatements and whether any other adjustments might have been found necessary in respect of the goodwill impairment loss, non-controlling interests and the multiple elements making up the accompanying financial statements for the financial year ended 30 June 2023. We were also unable to determine whether the related disclosures in the accompanying financial statements were adequate.

(b) As disclosed in Note 5 to the financial statements, the Group entered into a business transfer agreement to sell the dental business of TDH Group for a total consideration of S$1,650,000. The Group received S$390,000 and the remaining S$1,260,000 was paid to other shareholders of the TDH Group. Out of the sum paid to other shareholders of the TDH Group approximately $1,093,000 (Note 10) is exchanged for the waiver of put options granted to them under the terms of the sale and purchase agreement dated 10 October 2017. The gain recognised by the Group during the year from the sale of the dental business was S$814,000.

Based on the information available to us, we are unable to obtain sufficient and appropriate audit evidence to evaluate the reasonableness of the allocation of the sale consideration, specifically in determining the value attributed to the waiver of the put option and the sale consideration of the dental business and the gain recognised from the sale. As a result, we were unable to ascertain whether adjustments to these amounts were necessary and the related disclosures in the accompanying financial statements were adequate.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

7. Disposal of businesses (cont'd)

(c) On 28 April 2023, the Group entered into an assets purchase agreement to transfer the assets and Chinese Medicine business of HSI for approximately S$202,000. As disclosed in Note 5 to the financial statements, a gain of S$200,000 was recognised from the sale of business.

Based on the information provided by management, we were unable to obtain sufficient audit evidence to verify the accuracy of the gain recognised. Consequently, we were unable to determine whether adjustments were necessary and the related disclosures in the accompanying financial statements were adequate.

8. Hidderton Limited and its subsidiaries

(a) As disclosed in Note 15 to the financial statements, on 26 April 2023, the Company acquired 100% equity interest of Hidderton Limited, a company registered in the British Virgin Islands for cash consideration of US$1. Hidderton Limited holds 100% equity interest in FS Xiangshan Pte. Ltd., which in turn holds 100% equity interest in Beijing Xiefei Business Management Co., Ltd.

On 18 May 2023, Beijing Xiefei Business Management Co., Ltd., acquired 100% equity interest of Beijing Lunan Technology Co., Ltd ("**Beijing Lunan**") for cash consideration of approximately S$70,000 (RMB 365,000). Goodwill arising from the acquisition was assessed by management to be S$314,000. Management had not carried out an appropriate purchase price allocation exercise for the above business combinations in accordance with the requirements of SFRS(I) 3 *Business Combinations*. The Group subsequently recognised an impairment loss of S$321,000 on goodwill attributable to Beijing Lunan during the financial year.

We were unable to determine whether the fair values allocated to the identifiable assets and liabilities of subsidiaries acquired were appropriate, and whether there were any other identifiable assets (including intangible assets), liabilities and contingent liabilities which need to be separately identified and recognised at the date of the acquisition. We were also unable to obtain sufficient audit evidence to assess the appropriateness of the impairment assessment performed by the Group and thus unable to determine whether the recognised impairment loss on goodwill was appropriate. Accordingly, we were unable to determine whether any adjustments to the accompany financial statements were necessary. In addition, we were unable to ascertain whether the disclosures in the accompanying financial statements were adequate.

(b) Unaudited financial information of Hidderton Limited and its subsidiaries ("**Hidderton Group**") were consolidated into the consolidated financial statements of the Group for the financial year ended 30 June 2023. The total assets and total liabilities of Hidderton Group included in the consolidated statement of financial position of the Group as at 30 June 2023 were S$4,875,000 and S$285,000 respectively. The revenue and net loss of Hidderton Group amounted to S$4,384 and S$368,000 respectively were included in the consolidated statement of profit or loss and other comprehensive income of the Group for the financial year ended 30 June 2023.

We were unable to satisfy ourselves that the financial information of Hidderton Group is in form and content appropriate and proper for the purpose of the preparation of the consolidated financial statements of the Group for the financial year ended 30 June 2023. Consequently, we were unable to conclude whether the financial information of the Hidderton Group which had been consolidated in the Group's consolidated financial statements are free from material misstatements and whether any other adjustments might have been found necessary in respect of the multiple elements making up the accompanying financial statements for the financial year ended 30 June 2023.

9. Investments in subsidiaries

As disclosed in Note 15 to the financial statements, the Company's investments in subsidiaries were carried at S$14,609,000. During the financial year, the Company recognised an additional impairment loss amounted to S$9,647,000 to write down the cost of investment in New Silkroutes Capital Pte. Ltd. to its estimated recoverable amount.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

9. Investments in subsidiaries (cont'd)

Based on the information as provided by management, we were unable to obtain sufficient audit evidence to satisfy ourselves that the estimated recoverable amount was determined in accordance with SFRS(I) 1-36 *Impairment of Assets* and the impairment loss recognised during the year is appropriate. Accordingly, we were unable to determine whether any adjustments to and/or disclosures the accompanying financial statements might be necessary.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the accompanying financial statements in accordance with Singapore Standards on Auditing and to issue an independent auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on other legal and regulatory requirements

In our opinion, in view of the significance of the matters referred in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Khor Boon Hong.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

20 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group	
		2023	2022
	Note	**S$'000**	S$'000 (Restated)
Revenue	4	**28,245**	39,931
Other income	5	**2,374**	1,392
Purchases of finished goods		**(15,382)**	(21,551)
Changes in inventories of finished goods		**(60)**	(148)
Employee benefits expense	6	**(8,722)**	(12,771)
Amortisation of intangible assets	13	**(126)**	(125)
Depreciation of property, plant and equipment		**(1,188)**	(1,878)
Depreciation of right-of-use assets		**(1,656)**	(2,087)
Bad debts written off		**(19)**	(331)
Impairment loss on trade and other receivables		**–**	(64)
Fair value change of the call and put option liability		**–**	(724)
Prepayment written off		**–**	(770)
Plant and equipment written off		**–**	(37)
Impairment loss on intangible assets	13	**(2,431)**	(5,998)
Intangible assets written off	13	**–**	(762)
Loss on disposal of subsidiaries	9	**(4,319)**	–
Loss on financial guarantee	29	**–**	(37,247)
Other operating expenses		**(3,435)**	(2,831)
Finance costs	7	**(899)**	(998)
Loss before tax	10	**(7,618)**	(46,999)
Tax expense	8	**(379)**	(418)
Loss for the financial year		**(7,997)**	(47,417)
Other comprehensive income/(loss), net of tax:			
Item that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation		**418**	(534)
Other comprehensive income/(loss) for the financial year, net of tax		**418**	(534)
Total comprehensive loss for the financial year		**(7,579)**	(47,951)
(Loss)/profit for the financial year attributable to:			
Owners of the Company		**(7,907)**	(47,664)
Non-controlling interests		**(90)**	247
		(7,997)	(47,417)
Total comprehensive (loss)/profit for the financial year attributable to:			
Owners of the Company		**(7,551)**	(48,145)
Non-controlling interests		**(28)**	194
		(7,579)	(47,951)
Loss per share attributable to owners of the Company (cent)			
- Basic and diluted	11	**(3.79)**	(22.86)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2023

	Note	Group			Company		
		30 June 2023 S$'000	30 June 2022 S$'000 (Restated)	1 July 2021 S$'000 (Restated)	**30 June 2023 S$'000**	30 June 2022 S$'000 (Restated)	1 July 2021 S$'000 (Restated)
ASSETS							
Non-current assets							
Property, plant and equipment	12	**178**	2,074	4,233	**173**	5	12
Intangible assets	13	**–**	7,809	25,705	**–**	–	284
Right-of-use assets	14	**307**	1,998	5,140	**307**	–	567
Subsidiaries	15	**–**	–	–	**14,609**	24,256	27,839
Prepayments	19	**–**	347	992	**–**	–	992
Long-term receivables	16	**–**	–	467	**–**	–	–
Deferred tax assets	17	**–**	–	49	**–**	–	–
Total non-current assets		**485**	12,228	36,586	**15,089**	24,261	29,694
Current assets							
Inventories	18	**36**	1,759	3,212	**–**	–	–
Trade and other receivables	16	**2,963**	6,169	8,892	**385**	281	544
Prepayments	19	**125**	981	542	**42**	–	304
Cash and bank balances	20	**3,220**	2,098	8,742	**162**	–	95
Fixed deposits	20	**32**	53	550	**–**	–	–
Financial asset at fair value through profit or loss	21	**–**	–	–	**–**	–	–
		6,376	11,060	21,938	**589**	281	943
Disposal group classified as held for sale	22	**21,396**	19,410	–	**–**	–	–
Total current assets		**27,772**	30,470	21,938	**589**	281	943
Total assets		**28,257**	42,698	58,524	**15,678**	24,542	30,637
EQUITY AND LIABILITIES							
EQUITY							
Share capital	23	**120,784**	120,784	120,784	**120,784**	120,784	120,784
Treasury shares	24	**(1,182)**	(1,182)	(1,182)	**(1,182)**	(1,182)	(1,182)
Other reserves	25	**234**	861	(3,583)	**62**	62	62
Reserve of disposal group classified as held for sale	22	**1,016**	(4,925)	–	**–**	–	–
Accumulated losses		**(152,819)**	(144,912)	(97,248)	**(153,146)**	(142,256)	(98,229)
Equity attributable to owners of the Company		**(31,967)**	(29,374)	18,771	**(33,482)**	(22,592)	21,435
Non-controlling interests		**(1,513)**	429	1,427	**–**	–	–
Total equity		**(33,480)**	(28,945)	20,198	**(33,482)**	(22,592)	21,435

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2023

	Note	Group 30 June 2023 S$'000	Group 30 June 2022 S$'000 (Restated)	Group 1 July 2021 S$'000 (Restated)	Company 30 June 2023 S$'000	Company 30 June 2022 S$'000 (Restated)	Company 1 July 2021 S$'000 (Restated)
LIABILITIES							
Non-current liabilities							
Borrowings	26	**–**	511	2,037	**–**	–	–
Lease liabilities	27	**194**	–	1,775	**194**	–	366
Deferred tax liabilities	17	**–**	37	200	**–**	–	–
Other payables		**–**	–	7,586	**–**	–	–
Total non-current liabilities		**194**	548	11,598	**194**	–	366
Current liabilities							
Trade and other payables	28	**52,733**	6,992	10,338	**48,832**	9,555	8,620
Contract liabilities	29	**–**	–	202	**–**	–	–
Borrowings	26	**2,058**	9,525	14,595	**–**	–	–
Financial guarantee liabilities	29	**–**	37,579	–	**–**	37,579	–
Lease liabilities		**134**	–	1,114	**134**	–	216
Current income tax payable		**13**	–	479	**–**	–	–
		54,938	54,096	26,728	**48,966**	47,134	8,836
Liabilities directly associated with disposal group classified as held for sale	22	**6,605**	16,999	–	**–**	–	–
Total current liabilities		**61,543**	71,095	26,728	**48,966**	47,134	8,836
Total liabilities		**61,737**	71,643	38,326	**49,160**	47,134	9,202
Total equity and liabilities		**28,257**	42,698	58,524	**15,678**	24,542	30,637

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Attributable to owners of the Company									
2023	**Share capital S$'000**	**Treasury shares S$'000**	**Foreign currency translation reserve S$'000**	**Capital reserve S$'000**	**Other reserves S$'000**	**Reserve of disposal group classified as held for sale S$'000**	**Accumulated losses S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Balance at 1 July 2022	120,784	(1,182)	799	62	–	(4,925)	(144,912)	(29,374)	429	(28,945)
Loss for the financial period	–	–	–	–	–	–	(7,907)	(7,907)	(90)	(7,997)
Other comprehensive income										
- Foreign currency translation differences	–	–	356	–	–	–	–	356	62	418
Total comprehensive income/(loss) for the financial period	–	–	356	–	–	–	(7,907)	(7,551)	(28)	(7,579)
Contributions by and distributions to owners										
- Dividends	–	–	–	–	–	–	–	–	(658)	(658)
Transactions with owners in their own capacity as owners	–	–	–	–	–	–	–	–	(658)	(658)
Reserve attributable to disposal group classified as held for sale	–	–	(954)	(62)	–	1,016	–	–	–	–
Disposal of a subsidiary	–	–	–	–	33	4,925	–	4,958	(1,256)	3,702
Balance at 30 June 2023	**120,784**	**(1,182)**	**201**	**–**	**33**	**1,016**	**(152,819)**	**(31,967)**	**(1,513)**	**(33,480)**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Attributable to owners of the Company									
2022	Share capital S$'000	Treasury shares S$'000	Foreign Currency translation reserve S$'000	Capital reserve S$'000	Other reserves S$'000	Reserve of disposal group classified as held for sale S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 July 2021, as restated	120,784	(1,182)	1,280	62	(4,925)	–	(97,248)	18,771	1,427	20,198
(Loss)/profit for the financial period	–	–	–	–	–	–	(47,664)	(47,664)	247	(47,417)
Other comprehensive loss:										
- Foreign currency translation differences	–	–	(481)	–	–	–	–	(481)	(53)	(534)
Total comprehensive (loss)/income for the financial period	–	–	(481)	–	–	–	(47,664)	(48,145)	194	(47,951)
Contributions by and distributions to owners										
- Dividends	–	–	–	–	–	–	–	–	(1,192)	(1,192)
Transactions with owners in their own capacity as owners	–	–	–	–	–	–	–	–	(1,192)	(1,192)
Reserve attributable to disposal group classified as held for sale	–	–	–	–	4,925	(4,925)	–	–	–	–
Balance at 30 June 2022, as restated	120,784	(1,182)	799	62	–	(4,925)	(144,912)	(29,374)	429	(28,945)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Company	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Accumulated losses S$'000	Total equity S$'000
Balance at 1 July 2021, as restated	120,784	(1,182)	62	(98,229)	21,435
Loss for the year, representing total comprehensive loss for the financial period	–	–	–	(44,027)	(44,027)
Balance at 30 June 2022	120,784	(1,182)	62	(142,256)	(22,592)
Loss for the year, representing total comprehensive loss for the financial period	–	–	–	(10,890)	(10,890)
Balance as at 30 June 2023	**120,784**	**(1,182)**	**62**	**(153,146)**	**(33,482)**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Group	
	2023	2022
	S$'000	S$'000
		(Restated)
Cash flows from operating activities		
Loss before taxation:	**(7,618)**	(46,999)
Adjustments for:		
Amortisation of intangible assets	**126**	125
Impairment loss on intangible assets	**2,431**	5,998
Depreciation of property, plant and equipment	**1,188**	1,878
Depreciation of right-of-use assets	**1,656**	2,087
Interest expense	**899**	998
Loss o n financial guarantee	**–**	37,247
Fair value change of call and put option liability	**–**	724
Bad debts written-off	**19**	331
Impairment losses recognised on trade and other receivables	**–**	64
Prepayment written-off	**–**	770
Plant and equipment written off	**–**	37
Intangible assets written-off	**–**	762
Loss on disposal of subsidiaries	**4,319**	–
Gain on disposal of business	**(1,014)**	–
Waiver of put options	**1,093**	–
Unrealised foreign exchange differences	**(728)**	(811)
Operating cash flows before working capital changes:	**2,371**	3,211
Changes in inventories	**914**	1,073
Changes in trade and other receivables	**(4,628)**	1,116
Changes in prepayments	**(334)**	259
Changes in trade and other payables	**2,707**	930
Changes in contract liabilities	**–**	(208)
Cash generated from operations	**1,030**	6,381
Income tax paid	**(574)**	(415)
Net cash generated from operating activities	**456**	5,966

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Group	
	2023	2022
	S$'000	S$'000
		(Restated)
Cash flows from investing activities		
Acquisition of intangible assets	**–**	(470)
Purchase of property, plant and equipment	**(621)**	(238)
Proceed from disposal of plant and equipment	**41**	–
Net cash inflow from the disposal of subsidiaries (Note 9)	**1,043**	–
Proceed from disposal of business (Note 5)	**592**	–
Advance receipt from disposal of subsidiary	**5,079**	–
Net cash outflow from acquisition of subsidiary (Note 15)	**(62)**	–
Net cash generated from/(used in) investing activities	**6,072**	(708)
Cash flows from financing activities		
Dividends paid to the non-controlling interests of the subsidiaries	**(658)**	(1,192)
Interest paid	**(665)**	(778)
Proceeds from loans	**2,392**	232
Restricted cash and cash balances	**–**	602
Repayment of loans	**(8,172)**	(2,119)
Repayment of lease liabilities	**(882)**	(1,280)
Repayment of profit guarantee	**–**	(4,074)
Advances from a creditor	**922**	498
Net cash used in financing activities	**(7,063)**	(8,111)
Net decrease in cash and cash equivalents	**(535)**	(2,853)
Cash and cash equivalents at beginning of financial year	**5,679**	8,881
Exchange differences on translation of cash and cash equivalents	**(677)**	(349)
Cash and cash equivalents at end of financial year	**4,467**	5,679

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

A. Reconciliation of movements of liabilities to cash flow arising from financing activities

	Lease liabilities (Note 27) S$'000	Borrowings (Note 26) S$'000	Advances from a creditor (Note 28) S$'000
Group			
Balance at 1 July 2022	–	10,036	498
Changes from financing cash flow:			
Advances from	–	–	922
Interest paid	(91)	(574)	–
Proceeds from loans	–	2,392	–
Repayment of lease liabilities	(882)	–	–
Repayment of loans	–	(8,172)	–
Total changes from financing cash flows	(973)	(6,354)	922
Effect of changes in foreign exchange rates	–	(793)	–
Other changes:			
New lease liabilities	668	–	–
Interest expense	91	574	–
Disposal	(1,373)	–	–
Reclassified from disposal group	1,915	–	–
Reclassified to disposal group held for sale (Note 22)	–	(1,405)	–
	1,301	(831)	–
Balance at 30 June 2023	**328**	**2,058**	**1,420**

The accompanying notes form an integral part of these financial statements.

A. Reconciliation of movements of liabilities to cash flow arising from financing activities (cont'd)

	Lease liabilities (Note 27) S$'000	Borrowings (Note 26) S$'000	Advance receipt of profit guarantee S$'000	Advances from a creditor (Note 28) S$'000
Group				
Balance at 1 July 2021	2,889	16,632	4,000	–
Changes from financing cash flow:				
Advances from	–	–	–	498
Interest paid	(162)	(616)	–	–
Proceeds from loans	–	232	–	–
Repayment of lease liabilities	(1,280)	–	–	–
Repayment of loans	–	(2,119)	–	–
Repayment of profit guarantee	–	–	(4,074)	–
Total changes from financing cash flows	(1,442)	(2,503)	(4,074)	498
Effect of changes in foreign exchange rates	21	(93)	(151)	–
Other changes:				
New lease liabilities	718	–	–	–
Interest expense	162	616	–	–
Reclassified to disposal group held for sale (Note 22)	(1,915)	(4,616)	–	–
Others	(433)	–	225	–
	(1,468)	(4,000)	225	–
Balance at 30 June 2022	–	10,036	–	498

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

The Company (Co. Reg. No. 199400571K) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The address of the registered office and principal place of business of the Company is at 456 Alexandra Road, #24-01 Fragrance Empire Building, Singapore 119962.

The principal activity of the Company is that of investment holding company. The principal activities of the subsidiaries are disclosed in Note 15.

Proposed restructuring exercise

On 24 May 2022, 2810198 Ontario Inc ("**Ontario**") entered into a binding Memorandum of Agreement ("**MOA**") with the Company. Ontario acquired all the rights and interests the debts the Company owed to certain third-party creditors.

The Company on 9 January 2023 applied to the High Court of the Republic Singapore (the "**Court**") for moratorium protection pursuant to Section 64 of the Insolvency, Restructuring, and Dissolution Act 2018 ("**IRDA**"). On 6 February 2023, the Court granted the moratorium protection sought until 9 July 2023, which was subsequently extended to 9 October 2023, and further extended to 9 December 2023. The purpose of the moratorium is to facilitate the reorganisation of the liabilities and business of the Company and the Group, to preserve the value of the Group's core business and maintain a sustainable capital structure. During the moratorium, the Company worked with its advisors to formulate a scheme of arrangement which would benefit all its creditors at large.

On 1 December 2023, the Company announced that following the proposal of a "pre-packaged" scheme of arrangement pursuant to Section 71 of the IRDA (the "**Proposed Scheme**") to its creditors, the Company has applied to the Court for an order approving the Proposed Scheme and the Court has granted the orders sought, thereby approving the Proposed Scheme.

The restructuring exercise is still ongoing as at the date of these financial statements.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements are presented in Singapore dollar ("**SGD**" or "**S$**"), which is the Company's functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand (S$'000), except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Change in functional and presentation currency

Prior to 1 July 2022, the United States Dollar ("**US$**") was regarded as the functional currency of the Company and the consolidated financial statements were also presented in US$. The Company had, having reviewed its business and operating environment, changed its functional currency from US$ to Singapore Dollar ("**SGD**" or "**S$**") during the financial year ended 30 June 2023. The change in functional currency of the Company was applied prospectively from the date of change on 1 July 2022, in accordance with SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates*.

Following with the change in functional currency, the Company and the Group had also changed its presentation currency to S$. The change in presentation currency has been applied retrospectively in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The comparative information of the Group and the Company in these financial statements have been restated to conform with the current year's presentation.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("**SFRS(I) INT**") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I).

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and of the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 June 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2 Summary of significant accounting policies (cont'd)

2.2 Basis of consolidation (cont'd)

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2.3. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests ("**NCI**") are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition date fair value or, when applicable, on the basis specified in another standard.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

2 Summary of significant accounting policies (cont'd)

2.3 Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combinations. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.4 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.5 Revenue recognition

The Group recognises revenue from the following major sources:

- sales of goods; and
- healthcare consultancy and medical service

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

The Group sells healthcare products, nonwoven fabric and related products. Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied, which is the point when control of goods has transferred to the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Healthcare consultancy and medical service

Revenue from the provision of clinical consultations and treatments are recognised when the services to be provided are completed at a point in time.

Revenue from the provision of aesthetics and traditional Chinese medical services sold in bundled packages are recognised upon completion of services rendered over time based on number of sessions utilised.

2 Summary of significant accounting policies (cont'd)

2.6 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2.7 Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

2.8 Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are recognised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are recognised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in profit or loss using the effective interest method.

2.9 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**").

Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2 Summary of significant accounting policies (cont'd)

2.9 Foreign currencies (cont'd)

Translation of Group entities' financial statements

The financial performance and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(b) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(c) All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the foreign currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2.10 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax liability is provided on all taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 Summary of significant accounting policies (cont'd)

2.10 Income taxes (cont'd)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

2.11 Property, plant and equipment

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price, and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to allocate the depreciable amounts of all property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Buildings	30
Medical and other equipment	5 - 15
Computers	2 - 5
Furniture, fittings and renovations	3 - 10
Office equipment	2 to 5
Motor vehicles	5

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones).

2 Summary of significant accounting policies (cont'd)

2.12 Leases (cont'd)

When a Group entity is the lessee (cont'd)

For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct costs, less any lease incentives received.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.14.

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient to all its leases.

2 Summary of significant accounting policies (cont'd)

2.13 Intangible assets (other than goodwill)

Development costs

Costs directly attributable to the development of software are capitalised as intangible assets only when technical feasibility of the software is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll related costs of employees directly involved in the development of the software. These costs are amortised using the straight-line method over their estimated useful lives of 10 years. Research costs are recognised as expense when incurred.

Other intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed as at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2.14 Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

2 Summary of significant accounting policies (cont'd)

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.16 Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date- the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets at amortised cost. The classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

Debt instruments

Debt instruments include cash and bank balances, fixed deposit, trade and other receivables (excluding prepayments). The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("**EIR**") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

2 Summary of significant accounting policies (cont'd)

2.16 Financial assets (cont'd)

Impairment

The Group recognises an allowance for expected credit losses ( ) for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "**12-month ECL**"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "**lifetime ECL**").

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Cash and cash equivalents in the consolidated statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to insignificant risk of change in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged fixed deposits.

2.18 Financial liabilities

Financial liabilities include trade and other payables, borrowings and lease liabilities. Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at FVTPL, directly attributable transaction costs.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value. Other financial liabilities are measured at amortised cost using the effective interest method.

2 Summary of significant accounting policies (cont'd)

2.18 Financial liabilities (cont'd)

For financial liabilities other than FVTPL, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of financial liabilities at FVTPL are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

2.19 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair values.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers* and the amount of expected loss computed using the impairment methodology under SFRS(I) 9 *Financial Instruments*.

2.20 Provisions of other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

2.21 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

2 Summary of significant accounting policies (cont'd)

2.24 Disposal groups held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

2.25 Contingent liability

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the statement of financial position of the Group, except liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgements in applying the entity's accounting policies (cont'd)

Going concern assumption

The Group and the Company incurred net losses of S$7,997,000 (2022: S$47,417,000) and S$10,890,000 (2022: S$44,027,000) respectively during the financial year ended 30 June 2023, and as of that date, the Group's and the Company's current liabilities exceeded the current assets by S$33,771,000 (2022: S$40,625,000) and S$48,377,000 (2022: S$46,853,000) respectively.

These factors indicate the existence of material uncertainties that may cast significant doubts about the Group's and the Company's abilities to continue as going concerns.

The Directors of the Company are of the view that the going concern assumption is appropriate for the preparation of these financial statements based on the following assessments:

(i) On 9 January 2023, the Company applied to the High Court of the Republic of Singapore (the "**Court**") for moratorium protection pursuant to Section 64 of the Insolvency, Restructuring, and Dissolution Act 2018 ("**IRDA**"). On 6 February 2023, the Court granted a moratorium until 9 July 2023, which was subsequently extended to 9 October 2023, and thereafter until 9 December 2023. The purpose of the moratorium was to facilitate the reorganisation of the liabilities and the business of the Company and the Group, and to maintain a sustainable capital structure.

During the moratorium, the Company worked with its advisors to formulate a scheme of arrangement which would benefit all its creditors at large ("**Scheme**"). The scheme document, comprising, among other things, the Scheme and the Explanatory Statement, was sent to the creditors on 6 September 2023. Under the Scheme, each creditor (save for 3 creditors that are related to the Company) ("**Class A Scheme Creditor**") was given the option to elect between (a) converting approximately 1% of its debt into equity in the Company ("**Equity Option**"), or (b) receiving a cash payment equivalent to up to 6% of its debt ("**Cash Option**"), in full and final settlement of its debt. In addition, any surplus cash that the Company receives from the disposal of Shanghai Fengwei would be distributed *pari passu* to the Class A Scheme Creditors. The objective of the Scheme is to restructure the liabilities of the Company by reducing the Company's debt to a sustainable level, and thereby allow the Company to continue as a going concern.

The Scheme was approved by all the Class A Scheme Creditors that voted on the Scheme. On 20 October 2023, the Company consequently applied to the Court to approve the Scheme pursuant to Section 71(1) of the IRDA. On 1 December 2023, the Court sanctioned the Scheme.

(ii) The Scheme is subject to several conditions precedent being met prior to 1 December 2024, including obtaining the approval of the SGX-ST for the resumption of trading of the Company's shares on the Mainboard of the SGX-ST. The Company has made an application to the SGX-ST for the resumption of trading of its shares. SGX-ST is currently reviewing the Company's application and has made several queries, which the Company is addressing.

(iii) 2810198 Ontario ("**Ontario**"), the largest creditor of the Group, has elected for the Equity Option. In the event that the Scheme is implemented, Ontario is expected to hold 70% of the shares of the Company. Ontario has plans to use the Company as a vehicle to hold various businesses. The future value of the Company will be underpinned by the value of the businesses and investments that Ontario injects into the Company.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgements in applying the entity's accounting policies (cont'd)

Going concern assumption (cont'd)

(iv) In the meantime, Ontario has provided the Company with rescue financing. On 14 September 2023, the Company and Ontario executed an agreement for Ontario to provide rescue financing of up to S$5.9 million to the Company, to fund (i) the Company's working capital requirements, (ii) the Company's restructuring costs, and (iii) the implementation of the Cash Option under the Scheme. Following the Company's application to the Court pursuant to Section 67(1) of the IRDA, the debt arising from Ontario's rescue financing has been conferred priority over all the preferential debts specified in Section 203(1)(a) to (i) of the IRDA and all other unsecured debts.

The Directors are of the opinion that the above would allow the Group to restructure its operations and enable the Group and the Company to pay their debts as and when they fall due.

For these reasons, the financial statements have been prepared on the assumptions that the Group and Company will continue as going concerns. The financial statements did not include any adjustments that may result in the event that the Group and Company are unable to continue as going concerns. In the event that the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to realise its assets and discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment test for cash-generating unit containing goodwill and intangibles

A cash-generating unit ("**CGU**") to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs of disposal and its value in use. Where the recoverable amount of the CGU is less than its carrying amount, such impairment loss is recognised in profit or loss.

Significant judgement and estimates by management are required in assessing: (i) whether the carrying amount of the CGU can be supported by its market value based on comparable assets or the net present value of future cash flows which are estimated based upon the continued use of the assets in the business; and (ii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are extrapolated using a suitable growth rate and then discounted using an appropriate discount rate. Changing the assumptions selected by management to determine the level of impairment, including the growth rate and discount rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amounts of the Group's intangible assets, including goodwill, at the end of the reporting period, and the basis and assumptions used to determine the recoverable amount of the CGU, are disclosed in Note 13.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty policies (cont'd)

Impairment of investments in subsidiaries

The Company assess whether there are any indicators of impairment in investments in subsidiaries at each reporting date. Investments are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The determination of fair value less costs of disposal involves estimation of the fair values of the underlying assets and liabilities of the subsidiary, less incremental costs for disposing the asset. When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cash flows.

The carrying amount of the Company's investments in subsidiaries is disclosed in Note 15.

4 Revenue

	Group	
	2023	2022
	S$'000	S$'000
Revenue	**28,245**	39,931

The following table provides a disaggregation disclosure of the Group's revenue by major product lines and timing of revenue recognition.

	Group	
	2023	2022
	S$'000	S$'000
Major product/service line		
- Healthcare products	**15,185**	22,266
- Healthcare services	**13,056**	17,665
- Others	**4**	–
	28,245	39,931
Timing of revenue recognition		
- At a point in time	**28,245**	38,929
- Over time	**–**	1,002
	28,245	39,931

5 Other income

	Group	
	2023	2022
	S$'000	S$'000
Government grants	**150**	324
Interest income	**29**	76
Value-added tax refund	**433**	531
Gain on disposal of business	**1,014**	–
Miscellaneous income	**748**	461
	2,374	1,392

Government grants received comprise grant income received under Jobs Support Scheme, Primary Care Program, Wage Credit Scheme and Job Growth Incentive.

On 1 February 2023, the Group entered into a business transfer agreement to sell the dental business of 84 INC Pte Ltd, The Dental Hub@SG Pte Ltd, and NDC Consulting Pte. Ltd. (referred to collectively as the "**TDH Group**") for a total consideration of S$1,650,000. The Group received S$390,000 and the remaining S$1,260,000 was paid to other shareholders of the TDH Group. Out of the sum paid to other shareholders of the TDH Group approximately S$1,093,000 (Note 10) is exchange for the waiver of Put Options granted to them under the terms of the sale and purchase agreement dated 10 October 2017. The gain recognised from the sale of the dental business by the Group was S$814,000.

On 28 April 2023, the Group entered into an assets purchase agreement to transfer the assets and business of Healthsciences International Pte Ltd ("**HSI**") Chinese Medicine for sale consideration of approximately S$202,000. The gain recognised from the sale of business was S$200,000.

6 Employee benefits expense

	Group	
	2023	2022
	S$'000	S$'000
Staff:		
- Salaries, wages and bonuses	**5,637**	8,875
- Contributions to defined contribution plans	**395**	460
- Other short-term employee benefits	**635**	250
	6,667	9,585
Key management personnel compensation:		
- Salaries, wages and bonuses	**1,944**	3,048
- Contributions to defined contribution plans	**90**	138
- Other short-term employee benefits	**21**	–
	2,055	3,186
Total employee benefits expenses	**8,722**	12,771
Key management personnel compensation comprises:		
- Directors of the Company	**368**	390
- Directors of subsidiaries	**1,175**	2,715
- Other key management personnel	**512**	81
	2,055	3,186

7 Finance costs

	Group	
	2023	2022
	S$'000	S$'000
Interest expenses on:		
- lease liabilities	**91**	162
- loans from financial institutions	**574**	616
- other borrowings	**234**	220
	899	998

8 Tax expense

	Group	
	2023	2022
	S$'000	S$'000
Current tax:		
- Current year	**416**	523
- Changes in estimates related to prior years	**–**	(26)
	416	497
Deferred tax:		
- Origination and reversal of temporary differences	**–**	(129)
- Changes in estimates related to prior years	**(37)**	50
Tax expense recognised in profit or loss	**379**	418

The tax expense on the results of the financial year differ from the amount of income tax determined by applying the applicable income tax rates in respective jurisdictions due to the following factors:

	Group	
	2023	2022
	S$'000	S$'000
Loss before tax	**(7,618)**	(46,999)
Tax at statutory rates applicable to different jurisdictions	**(1,468)**	(8,161)
Tax effect of expenses that are not deductible	**1,920**	8,619
Tax effect of income that is not taxable	**(224)**	(33)
Income tax rebates and incentives	**(104)**	(163)
Tax effect of unused tax losses not recognised as deferred tax assets	**64**	295
Deferred tax liabilities related to fair value adjustments on acquisition of subsidiaries	**–**	(115)
Change in unrecognised temporary differences	**8**	–
Changes in estimates of current taxation related to prior years	**–**	(26)
Changes in estimates of deferred taxation related to prior years	**(37)**	50
Others	**220**	(48)
	379	418

Income tax is calculated at 17% (2022: 17%) for Singapore and 25% (2022: 25%) for China for the estimated assessable (losses)/profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9 Disposal of subsidiaries

During the financial year ended 30 June 2023, the Group completed the disposals of the following subsidiaries:

(a) On 2 February 2023, the other shareholders of Crescent Dental Clinic Pte. Ltd., DentalTrendz JP Pte. Ltd., Trendz Dental Surgeons Pte. Ltd., L'ving Vine Dental Clinic Pte. Ltd., Dover Dental Surgery Pte. Ltd. and DentalTrendz Pte. Ltd. (the "**Trendz Clinics**") exercised the call option to purchase the Call Option Shares (as defined in the share purchase agreement dated 26 May 2017), being all of the HSI Dental Pte. Ltd. ("**HSID**")'s shares in each of the Trendz Clinics for an aggregate consideration of S$1,280,000.

    The Company accepted the shareholder's exercise of the call option and the completion took place on 7 February 2023.

(b) On 12 May 2023, the HSID entered into a sale and purchase agreement on for the disposal of its entire shareholding interest in Orange Orthodontics and Dentofacial Orthopaedics and Wren Dental and Medical Supplies Pte. Ltd. ("**Orange Group**") to the other shareholder of the Orange Group, for an aggregate consideration of S$375,000 and completed the same on 12 May 2023.

(c) On 3 May 2023, the Company entered into a sale and purchase agreement to dispose of its shareholdings in Dr Chua's Family Clinic Pte. Ltd., HL Clinic Pte Ltd, HL Family Clinic & Surgery (Bedok) Pte. Ltd., HK Family Clinic & Surgery Pte. Ltd., HL Dermahealth Clinic Pte Ltd and Lily Aw Medical Services Pte Ltd ("**Medical Group**") for a consideration of S$2,200,000. The disposal was completed on 5 May 2023.

The assets and liabilities related to the disposal were presented as disposal groups classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* as at 30 June 2022 (Note 22).

9 Disposal of subsidiaries (cont'd)

The effects of the disposal on the Group's financial statements are as shown below:

	Trendz S$'000	Orange S$'000	Medical S$'000	Group Total S$'000
Assets				
Property, plant and equipment	181	155	166	502
Right-of-use assets	221	278	319	818
Goodwill	405	–	9,367	9,772
Cash and bank balances	252	182	2,378	2,812
Inventories	–	35	458	493
Trade receivables	215	64	343	622
Other receivables	529	11	121	661
Total assets	1,803	725	13,152	15,680
Liabilities				
Trade payables	85	117	251	453
Other payables	567	175	384	1,126
Put option liability	–	–	3,352	3,352
Lease liabilities	242	302	330	874
Current income tax payable	24	7	377	408
Deferred tax liabilities	10	15	12	37
Total liabilities	928	616	4,706	6,250
Net identifiable assets and liabilities	875	109	8,446	9,430
NCI disposed	(139)	(90)	(1,027)	(1,256)
Net assets disposed	736	19	7,419	8,174
Cash consideration	1,280	375	2,200	3,855
Gain/(loss) on disposal	**544**	**356**	**(5,219)**	**(4,319)**

The effect of the disposal of subsidiaries on the cash flows of the Group is as follows:

	Group 2023 S$'000
Cash consideration	**3,855**
Less: cash and cash equivalents in subsidiaries disposed	**(2,812)**
Net cash inflow on disposal	**1,043**

10 Loss before tax

	Group	
	2023	2022
	S$'000	S$'000
Loss before tax is arrived at after charging:		
Audit fees:		
- auditor of the Company	**193**	205
- other auditors - network firms	**–**	50
- other auditors - non-network firms	**55**	–
Non-audit fees:		
- auditor of the Company	**–**	–
- other auditors - network firms	**–**	–
- other auditors - non-network firms	**–**	–
Legal, professional fees and other charges	**889**	677
Waiver of put options	**1,093**	–

11 Loss per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2023	2022
Net loss attributable to equity holders of the Company (S$'000)	**(7,907)**	(47,664)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	**208,465**	208,465
Basic and diluted earnings per share (cent per share)	**(3.79)**	(22.86)

12 Property, plant and equipment

Group	Buildings S$'000	Medical and other equipment S$'000	Computers S$'000	Furniture, fittings and renovations S$'000	Office equipment S$'000	Motor vehicles S$'000	Total S$'000
2023							
Cost							
At 1 July 2022	1,190	3,038	18	52	17	349	4,664
Additions	–	87	52	334	43	105	621
Disposals	–	–	–	(50)	–	(46)	(96)
Disposal through business transfer	–	(3)	(49)	–	(11)	–	(63)
Written off	–	–	(2)	–	–	–	(2)
Reclassified to disposal group held for sale (Note 22)	(1,012)	(2,182)	–	–	(22)	(373)	(3,589)
Currency translation differences	(178)	(940)	(2)	–	7	(35)	(1,148)
At 30 June 2023	**–**	**–**	**17**	**336**	**34**	**–**	**387**
Accumulated depreciation							
At 1 July 2023	531	1,901	11	–	–	147	2,590
Depreciation	68	854	44	139	16	67	1,188
Disposals	–	–	–	(50)	–	(46)	(96)
Disposal through business transfer	–	(3)	(42)	–	(11)	–	(56)
Written off	–	–	(2)	–	–	–	(2)
Reclassified to disposal group held for sale (Note 22)	(465)	(928)	–	–	(10)	(154)	(1,557)
Currency translation differences	(134)	(1,824)	4	75	35	(14)	(1,858)
At 30 June 2023	**–**	**–**	**15**	**164**	**30**	**–**	**209**
Net carrying value							
At 30 June 2023	**–**	**–**	**2**	**172**	**4**	**–**	**178**

12 Property, plant and equipment (cont'd)

Group	Buildings S$'000	Medical and other equipment S$'000	Computers S$'000	Furniture, fittings and renovations S$'000	Office equipment S$'000	Motor vehicles S$'000	Total S$'000
2022							
Cost							
At 1 July 2021	1,315	5,204	111	463	58	353	7,504
Additions	–	78	39	87	3	31	238
Written off	–	(14)	(12)	(41)	(7)	(28)	(102)
Reclassified to disposal group held for sale (Note 22)	–	(1,337)	(121)	(464)	(53)	–	(1,975)
Currency translation differences	(125)	(893)	1	7	16	(7)	(1,001)
At 30 June 2022	1,190	3,038	18	52	17	349	4,664
Accumulated depreciation							
At 1 July 2021	497	2,352	85	208	18	111	3,271
Depreciation	175	1,495	20	106	14	68	1,878
Written off	–	(14)	(12)	(5)	(7)	(27)	(65)
Reclassified to disposal group held for sale (Note 22)	–	(1,035)	(82)	(315)	(41)	–	(1,473)
Currency translation differences	(141)	(897)	–	6	16	(5)	(1,021)
At 30 June 2022	531	1,901	11	–	–	147	2,590
Net carrying value							
At 30 June 2022	659	1,137	7	52	17	202	2,074

12 Property, plant and equipment (cont'd)

	Computers S$'000	Furniture, fittings and renovations S$'000	Office equipment S$'000	Total S$'000
Company				
2023				
Cost				
At 1 July 2022	15	1	31	47
Additions	2	173	2	177
At 30 June 2023	**17**	**174**	**33**	**224**
Accumulated depreciation				
At 1 July 2022	12	1	29	42
Depreciation	2	5	2	9
At 30 June 2023	**14**	**6**	**31**	**51**
Net carrying value				
At 30 June 2023	**3**	**168**	**2**	**173**
2022				
Cost				
At 1 July 2021	15	1	30	46
Currency translation difference	–	–	1	1
At 30 June 2022	15	1	31	47
Accumulated depreciation				
At 1 July 2021	8	1	25	34
Depreciation	4	–	3	7
Currency translation difference	–	–	1	1
At 30 June 2022	12	1	29	42
Net carrying value				
At 30 June 2022	3	–	2	5

13 Intangible assets

Group	Goodwill S$'000	Customer relationship S$'000	CMS development costs S$'000	Service right S$'000	Trademark S$'000	Total S$'000
2023						
Cost						
At 1 July 2022	7,439	375	2,115	122	452	10,503
Acquisition of subsidiary (Note 15)	314	–	–	–	–	314
Reclassified from disposal group held for sales (Note 22)	2,110	–	–	–	–	2,110
Reclassified to disposal group held for sales (Note 22)	(7,439)	(375)	–	–	(452)	(8,266)
Written off	–	–	(2,115)	(122)	–	(2,237)
Currency translation differences	7	–	–	–	–	7
At 30 June 2023	**2,431**	**–**	**–**	**–**	**–**	**2,431**
Accumulated amortisation and impairment						
At 1 July 2022	–	141	2,115	122	316	2,694
Amortisation	–	36	–	–	90	126
Impairment loss	2,431	–	–	–	–	2,431
Reclassified to disposal group held for sales (Note 22)	–	(179)	–	–	(406)	(585)
Written off	–	–	(2,115)	(122)	–	(2,237)
Currency translation differences	–	2	–	–	–	2
At 30 June 2023	**2,431**	**–**	**–**	**–**	**–**	**2,431**
Representing:						
Accumulated amortisation	–	–	–	–	–	–
Accumulated impairment loss	2,431	–	–	–	–	2,431
	2,431	–	–	–	–	2,431
Carrying amount						
At 30 June 2023	**–**	**–**	**–**	**–**	**–**	**–**

13 Intangible assets (cont'd)

Group	Goodwill S$'000	Customer relationship S$'000	CMS development costs S$'000	Service right S$'000	Trademark S$'000	Other development cost S$'000	Total S$'000
2022							
Cost							
At 1 July 2021	24,942	362	2,042	122	437	284	28,189
Additions	–	–	–	–	–	470	470
Written off	–	–	–	–	–	(762)	(762)
Reclassified to disposal group held for sales (Note 22)	(17,862)	–	–	–	–	–	(17,862)
Currency translation differences	359	13	73	–	15	8	468
At 30 June 2022	7,439	375	2,115	122	452	–	10,503
Accumulated amortisation and impairment							
At 1 July 2021	–	102	2,042	122	218	–	2,484
Amortisation	–	35	–	–	90	–	125
Impairment loss	5,998	–	–	–	–	–	5,998
Reclassified to disposal group held for sales (Note 22)	(6,051)	–	–	–	–	–	(6,051)
Currency translation differences	53	4	73	–	8	–	138
At 30 June 2022	–	141	2,115	122	316	–	2,694
Representing:							
Accumulated amortisation	–	141	740	122	316	–	1,319
Accumulated impairment loss	–	–	1,375	–	–	–	1,375
	–	141	2,115	122	316	–	2,694
Carrying amount							
At 30 June 2022	7,439	234	–	–	136	–	7,809

13 Intangible assets (cont'd)

	Company
	Other development cost
	S$'000
Cost	
Balance at 1 July 2021	284
Additions	470
Written off	(762)
Currency translation difference	8
Balance at 30 June 2022, 1 July 2022 and 30 June 2023	–
Accumulated amortisation	
Balance at 1 July 2021, 30 June 2022, 1 July 2022 and 30 June 2023	–
Carrying amount	
Balance at 30 June 2022 and 30 June 2023	–

Write-off of other development cost

Other development cost of the Group relates to cost paid to vendors to develop an artificial intelligence platform which can be used to provide genomic-driven healthcare. No amortisation was charge in the prior years as the platform was still under development stage. During the financial year ended 30 June 2022, the project was terminated and consequently the cost was written off.

Impairment testing for a cash-generating unit containing goodwill

At the end of the reporting period, goodwill is attributable to the Group's cash-generating units ("**CGUs**") comprising (i) Beijing Lunan Technology Co., Ltd. (the "**Beijing Lunan**"), (ii) Shanghai Fengwei Garment Accessory Co., Ltd. (the "**Shanghai Fengwei**"), (iii) 84 INC Pte. Ltd.,The Dental Hub@SG Pte. Ltd. and NDC Consulting Pte. Ltd. (collectively, the "**TDH**" companies) and (iv) Healthsciences International Pte. Ltd. ("**HSI Chinese Medicine**") as follows:

	Group	
	2023	2022
	S$'000	S$'000
Cash-generating units		
Beijing Lunan	-	–
Shanghai Fengwei	-	7,439
TDH Group	-	–
HSI Chinese Medicine	-	–
	-	7,439

13 Intangible assets (cont'd)

For the financial year ended 30 June 2023

Beijing Lunan

During the financial year, the Group recognised goodwill of S$314,000 (2022: Nil) arising from the acquisition of Beijing Lunan (Note 15). At the reporting date, management carried out impairment review of the goodwill relating to Beijing Lunan. The VIU calculation is determined based on management approved cash flow projections covering a five-year period, using an average growth rate of 10% pre-tax discount rate of 13.05% and a terminal growth rate of 2%. This review led to the recognition of full impairment loss of S$321,000 (2022: Nil).

Shanghai Fengwei

During the financial year, the Group entered Memorandum of understanding to dispose of Shanghai Fengwei for cash consideration of approximately S$16,975,000 (RMB 88 million) as disclosed in Note 22. The expected sale consideration from disposal of Shanghai Fengwei is higher than the carrying value of Shanghai Fengwei as at 30 June 2023, hence no impairment loss was recognised for the financial year ended 30 June 2023 (Note 22).

TDH Group and HSI Chinese Medicine

In the previous financial year, the goodwill relating to TDH Group and HSI Chinese Medicine was initially classified within disposal group held for sale. However, during the financial year, management reclassified the goodwill associated with TDH Group and HSI Chinese Medicine back to intangible assets, as the proposed sales of the entities did not materialise.

Subsequently, the Group disposed of the businesses of TDH Group and HSI Chinese Medicine and wrote off goodwill amounted to S$2,110,000 (2022: Nil).

For the financial year ended 30 June 2022

In connection with the Group restructuring exercise, goodwill attributable to the HSI Dental, HSI Medical and HSI Chinese Medical's CGUs were re-classified to disposal group held for sale (Note 22).

Prior to the re-classification, the Group carried out impairment review of the goodwill relating to HSI Dental, HSI Medical and HSI Chinese Medicine's CGUs using VIU of the respective CGUs as estimated by management and this review led to the recognition of impairment loss of S$5,998,000 and the carrying amount of the goodwill after impairment loss was S$11,811,000 (Note 22).

Shanghai Fengwei's VIU calculation was determined based on management approved cash flow projections covering a five-year period, using an average growth rate of 7% pre-tax discount rate of 13.27% and a terminal growth rate of 2%.

14 Right-of-use assets

The Group and the Company lease several leasehold premises (clinics and factory) and office premises. The average lease term is 3 years.

	Leasehold premises S$'000	Office premises S$'000	Total S$'000
Group			
2023			
Cost			
At 1 July 2022	3,861	–	3,861
Additions	255	413	668
Reclassified to disposal group held for sale (Note 22)	(3,454)	–	(3,454)
Currency translation differences assets	(662)	–	(662)
At 30 June 2023	**–**	**413**	**413**
Accumulated depreciation			
At 1 July 2022	1,863	–	1,863
Depreciation	1,550	106	1,656
Reclassified to disposal group held for sale (Note 22)	(2,364)	–	(2,364)
Currency translation differences	(1,049)	–	(1,049)
At 30 June 2023	**–**	**106**	**106**
Carrying amount			
At 30 June 2023	**–**	**307**	**307**

14 Right-of-use assets (cont'd)

	Leasehold premises S$'000	Office premises S$'000	Total S$'000
Group			
2022			
Cost			
At 1 July 2021	6,692	681	7,373
Additions	718	–	718
Lease modification	(7)	–	(7)
Derecognition of right-of-use	(482)	(699)	(1,181)
Reclassified to disposal group held for sale (Note 22)	(3,517)	–	(3,517)
Currency translation differences assets	457	18	475
At 30 June 2022	3,861	–	3,861
Accumulated depreciation			
At 1 July 2021	2,118	115	2,233
Depreciation	1,913	174	2,087
Lease modification	(4)	–	(4)
Derecognition of right-of-use assets	(482)	(292)	(774)
Reclassified to disposal group held for sale (Note 22)	(1,707)	–	(1,707)
Currency translation differences	25	3	28
At 30 June 2022	1,863	–	1,863
Carrying amount			
At 30 June 2022	1,998	–	1,998

14 Right-of -use assets (cont'd)

	Company Office premises	
	2023	2022
	S$'000	S$'000
Cost		
At 1 July	**–**	681
Additions	**413**	**–**
Derecognition of right-of-use	**–**	(699)
Currency translation differences	**–**	18
At 30 June	**413**	**–**
Accumulated amortisation		
At 1 July	**–**	114
Depreciation	**106**	174
Derecognition of right-of-use	**–**	(291)
Currency translation differences	**–**	3
At 30 June	**106**	–
Carrying amount		
At 30 June	**307**	–

In previous year, the Group's leasehold premises of S$1,998,000 was secured for the bank borrowings (Note 26).

The carrying amounts of lease liabilities and the maturity analysis of lease liabilities are disclosed in Notes 27 and 30 respectively.

15 Subsidiaries

	Company	
	2023	2022
	S$'000	S$'000
Unquoted equity shares, at cost	**64,664**	64,664
Less: Accumulated impairment losses	**(50,055)**	(40,408)
	14,609	24,256

15 Subsidiaries (cont'd)

Movement of cost of investments in subsidiaries is as follows:

	Company	
	2023	2022
	S$'000	S$'000
Unquoted equity shares, at cost		
At beginning of financial year	**64,664**	62,447
Currency translation differences	**–**	2,217
At end of financial year	**64,664**	64,664

Movement in the allowance for impairment loss in investment in subsidiaries is as follows:

	Company	
	2023	2022
	S$'000	S$'000
At beginning of financial year	**40,408**	34,608
Additional impairment loss	**9,647**	4,530
Currency translation differences	**–**	1,270
At end of financial year	**50,055**	40,408

During the financial year, an impairment loss of S$9,647,000 (2022: S$4,530,000) was recognised to write down the cost of investment in New Silkroutes Capital Pte. Ltd. ("**NSC**") as the recoverable amount of certain subsidiaries held by NSC is less than the carrying value. The recoverable amounts of these investments are determined based on the estimation of the fair values of the underlying assets and liabilities of these subsidiaries. This fair value measurement is categorised in the Level 3 of the fair value hierarchy.

15 Subsidiaries (cont'd)

(i) Details of the Group's significant subsidiaries are as follows:

Name of company	Principal activities	Country of business/ incorporation	Equity holding 30 June 2023 %	30 June 2022 %
Held by the Company				
New Silkroutes Capital Pte. Ltd. (1)	Investment holding	Singapore	**100**	100
Hidderton Limited (2)	Investment holding	BVI	**100**	–
New Silkroutes Development Pte Ltd (3)	Dormant	Singapore	**100**	–
Held by New Silkroutes Capital Pte. Ltd.				
New Silkroutes Group (Europe) Limited (3)	Investment holding	Malta	**–**	100
Healthsciences International Pte. Ltd. (5)	Distributors of health supplements and Chinese proprietary medicine, providers of clinical management services, and healthsciences consultants	Singapore	**81.28**	81.28
HSI Asia Pte. Ltd. (4)	Investment holding	Singapore	**100**	100
HSI Specialists Pte. Ltd. (4)	Investment holding	Singapore	**100**	100

15 Subsidiaries (cont'd)

(i) Details of the Group's significant subsidiaries are as follows (cont'd):

Name of company	Principal activities	Country of business/ incorporation	Equity holding	
			30 June 2023	30 June 2022
			%	%
Held by New Silkroutes Capital Pte. Ltd. (cont'd)				
Shanghai Fengwei Garment Accessory Co., Ltd. (7)	Manufacture of non-woven fabric	People's Republic of China	**100**	100
New Silkroutes TCM (Beijing) Co., Ltd (6)	Distribution of Traditional Chinese Medicine products	People's Republic of China	-	100
Held by New Silkroutes Group (Europe) Limited				
IEG Malta Limited (2)	Wholesale and retail trading of crude oil, intermediate fuel oil and other distillates	Malta	-	100
Held by Healthsciences International Pte. Ltd.				
HSI Dental Pte. Ltd. (5)	Investment holding	Singapore	**100**	100
HSI Medical Pte. Ltd. (1)	Investment holding	Singapore	**100**	100
Held by HSI Specialists Pte. Ltd.				
HSI Cardiology Pte. Ltd.(4)	Specialised Medical Services	Singapore	**100**	100
Held by HSI Dental Pte. Ltd.				
Crescent Dental Clinic Pte. Ltd.	Dental services	Singapore	-	70
Dentaltrendz JP Pte. Ltd.	Dental services	Singapore	-	70
Trendz Dental Surgeons Pte. Ltd.	Dental services	Singapore	-	70
L'ving Vine Dental Clinic Pte. Ltd.	Dental services	Singapore	-	70
Dover Dental Surgery Pte. Ltd.	Dental services	Singapore	-	70
Dentaltrendz Pte. Ltd.	Management services	Singapore	-	70
Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd.	Dental services	Singapore	-	51

15 Subsidiaries (cont'd)

(i) Details of the Group's significant subsidiaries are as follows (cont'd):

Name of company	Principal activities	Country of business/ incorporation	Equity holding 30 June 2023 %	30 June 2022 %
Held by HSI Dental Pte. Ltd. (cont'd)				
Wren Dental and Medical Supplies Pte. Ltd.	Medical and dental supplies	Singapore	–	51
84 INC Pte. Ltd.	Dental services	Singapore	**70**	70
The Dental Hub@SG Pte. Ltd.	Dental services	Singapore	**70**	70
NDC Consulting Pte. Ltd.	Dental services	Singapore	**70**	70
Held by HSI Medical Pte. Ltd.				
Dr Chua's Family Clinic Pte. Ltd.	General medical services	Singapore	–	51
HL Clinic Pte Ltd	General medical services	Singapore	–	60
HL Family Clinic & Surgery (Bedok) Pte. Ltd.	General medical services	Singapore	–	60
HK Family Clinic & Surgery Pte. Ltd.	General medical services	Singapore	–	60
HL Dermahealth Clinic Pte Ltd	Aesthetic clinic	Singapore	–	60
Lily Aw Medical Services Pte Ltd	General medical services	Singapore	–	60
Held by Hidderton Limited				
FS Xiangshan Pte Ltd [1]	Investment holding	Singapore	**100**	–
Held by FS Xiangshan Pte Ltd				
Beijing Xie Fei Business Management Co., Ltd	Investment holding	China	**100**	–
Held by Beijing Xie Fei Business Management Co., Ltd				
Beijing Lunan Technology Co., Ltd	Investment holding	China	**100**	–

15 Subsidiaries (cont'd)

(i) Details of the Group's significant subsidiaries are as follows (cont'd):

(1) Audited by Baker Tilly TFW LLP.
(2) Not required to be audited by law of country of incorporation.
(3) Exempted from audit as the subsidiaries were dormant during financial year.
(4) The subsidiaries have been struck off on 15 April 2024.
(5) The subsidiaries have been placed into creditors' voluntary liquidation on 29 September 2023.
(6) The subsidiary was liquidated on 13 June 2023.
(7) The subsidiary is classified as disposal group held for sale at the reporting date.

(ii) Acquisition of subsidiaries

The Company on 26 April 2023 acquired 100% equity interest of Hidderton Limited, a company registered in the British Virgin Islands for cash consideration of US$1. Hidderton Limited holds 100% equity interest in FS Xiangshan Pte. Ltd., which in turn holds 100% equity interest in Beijing Xiefei Business Management Co., Ltd..

On 18 May 2023, Beijing Xiefei Business Management Co., Ltd., acquired 100% equity interest of Beijing Lunan Technology Co., Ltd for cash consideration of approximately S$70,000 (RMB365,000).

The Group acquired these subsidiaries as part of the Group's restructuring exercise.

(a) Fair values of identifiable assets and liabilities of subsidiaries at acquisition date

	Hidderton Limited Group S$'000	**Beijing Lunan S$'000**	**Total S$'000**
Cash and bank balances	4	4	8
Inventories	–	37	37
Other payables	(4)	(285)	(289)
Net identifiable assets acquired	–	(244)	(244)
Goodwill arising from acquisition	–	314	314
Cash consideration paid	**–**	**70**	**70**

The effects of the acquisition of subsidiaries on the cash flows of the group is as below:

	2023 S$'000
Cash consideration	**(70)**
Less: cash and cash equivalents in subsidiaries acquired	**8**
Net cash outflow on acquisition	**(62)**

15 Subsidiaries (cont'd)

*(iii) Summaries financial information of subsidiaries with material non-controlling interests (**"NCI"**)*

The Group has the following subsidiary that have NCI that are considered by management to be material to the Group:

Name of subsidiary	Country of incorporation	Ownership interests held by NCI
Healthsciences International Pte. Ltd. and its subsidiaries	Singapore	18.72%

The following are the summarised financial information of Healthsciences International Pte. Ltd. This financial information includes consolidation adjustments but before inter-company eliminations.

Summarised statement of financial position

	2023 S$'000
Total assets	**2,916**
Total liabilities	**(2,574)**
Net assets	**342**
Net assets attributable to non-controlling interests	**39**

Summarised statement of profit or loss and other comprehensive income

	2023 S$'000
Revenue	**9,211**
Expenses	**(13,414)**
Loss for the year	**(4,203)**
Income tax expenses	**(415)**
Loss after tax	**(4,618)**
Loss allocated to non-controlling interests	**(90)**
Dividends paid to NCI	**658**

16 Trade and other receivables

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Trade receivable:				
- Third parties	**–**	6,083	**–**	–
Less: Loss allowance				
- Third parties	**–**	(158)	**–**	–
	–	5,925	**–**	–
Other receivables:				
- Subsidiaries	**–**	–	**2**	147
- Deposits	**392**	140	**337**	97
- Consideration receivables	**1,845**	1,864	**1,845**	1,864
- Other receivables	**2,571**	104	**46**	37
	4,808	2,108	**2,230**	2,145
Less: Loss allowance				
- Third parties	**(1,845)**	(1,864)	**(1,845)**	(1,864)
	2,963	244	**385**	281
Total trade and other receivables	**2,963**	6,169	**385**	281

The non-trade amounts due from subsidiaries, which represent advances to and payments on behalf of the subsidiaries, are unsecured, interest-free and repayable on demand.

Consideration receivables

Consideration receivables arose from the disposal of subsidiaries in 2017 and 2016. The amount was fully impaired in prior years.

17 Deferred taxation

	Group	
	2023	2022
	S$'000	S$'000
At beginning of financial year	**(37)**	(151)
Recognised in profit or loss (Note 8)	**37**	79
Reclassified to disposal group held for sale (Note 22)	**–**	40
Currency translation differences	**–**	(5)
At end of financial year	**–**	(37)
Comprising:		
Deferred tax assets	**–**	–
Deferred tax liabilities	**–**	(37)
	–	(37)

Deferred tax assets/(liabilities) are attributable to the following:

	Unused tax losses S$'000	Fair value adjustments on acquisition of subsidiaries S$'000	Accelerated tax depreciation S$'000	Total S$'000
Group				
Balance at 1.7.2021	49	(148)	(52)	(151)
Recognised in profit or loss (Note 8)	(50)	115	14	79
Reclassified to disposal group held for sales (Note 23)	–	–	40	40
Exchange difference on translation	1	(4)	(2)	(5)
Balance at 30.6.2022	–	(37)	–	(37)
Recognised in profit or loss	–	37	–	37
Balance at 30.6.2023	**–**	**–**	**–**	**–**

17 Deferred taxation (cont'd)

At the end of the reporting period, the Group and the Company have deferred tax assets that are not recognised in the statements of financial position, as follows:

	Group and Company	
	2023	2022
	S$'000	S$'000
Unused tax losses	**–**	46,296
Deferred tax assets not recognised	**–**	7,870

The unused tax losses are allowed to be carried forward and used to offset against the future taxable profits of the Company in which the items arose, subject to agreement by the relevant tax authorities and compliance with the applicable tax regulations in Singapore. The unused tax losses have no expiry date. Deferred tax assets have not been recognised in respect of these items due to the uncertainty as to whether future taxable profits will be available against which the Company can utilise the benefits.

18 Inventories

	Group	
	2023	2022
	S$'000	S$'000
Raw materials	**36**	904
Finished goods	**–**	855
	36	1,759
Less: Allowance for inventories	**–**	–
	36	1,759

The cost of inventories recognised as expense and included in purchases of finished goods and changes in inventories of finished goods amounted to S$15,382,000 (2022: S$21,551,000) during the financial year.

19 Prepayments

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Service fee	**–**	–	**–**	–
Others	**125**	1,328	**42**	–
	125	1,328	**42**	–
Represented by:				
Current	**125**	981	**42**	–
Non-current	**–**	347	**–**	–
	125	1,328	**42**	–

20 Cash and bank balances

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Cash on hand	**4**	3	**–**	–
Cash in banks	**3,216**	2,095	**162**	–
	3,220	2,098	**162**	–
Fixed deposits pledged	**32**	53	**–**	–
	3,252	2,151	**162**	–

At the end of the reporting period, the fixed deposits of the Group amounting to S$32,000 (2022: S$53,000) were pledged to bank to secure bank loans (Note 26).

20 Cash and bank balances (cont'd)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2023	2022
	S$'000	S$'000
Cash and bank balances and fixed deposits	**3,252**	2,151
Less: Cash restricted in use	**(1)**	(1)
Less: Fixed deposits pledged	**(32)**	(53)
Add: Disposal groups classified as held for sale (Note 22)	**1,248**	3,582
	4,467	5,679

Cash restricted in use relates to funds held in designated bank accounts which are earmarked only for the purpose of letters of credit.

21 Financial asset at fair value through profit or loss

	Group	
	2023	2022
	S$'000	S$'000
Unquoted equity shares, at cost		
- International Energy Group Pte. Ltd ("**IEG**")	**–**	–

Investment in unquoted equity shares relate to the Group's investment in IEG which was previously accounted for as investment in subsidiary. With the commencement of liquidation process on 5 January 2021, the Group reclassified the investment to financial asset at fair value through profit or loss.

In the previous financial year, the fair value of the investment is determined based on the net expected amounts to be realised through the sale of assets and repayment of obligations as assessed by management as at end of reporting period. Based on management's assessment, the fair value of the investment as at 30 June 2022 was S$Nil. Fair value measurement of unquoted equity shares is classified as Level 3 in the fair value hierarchy.

During the financial year, IEG was dissolved after the completion of the creditors' voluntary liquidation procedures. The net amount recovered from the liquidation of IEG is S$Nil.

22 Disposal groups classified as held for sale

For the financial year ended 30 June 2023

As part of the Group restructuring exercise, on 28 April 2023, the Group entered into a legally binding Memorandum of Understanding to dispose Shanghai Fengwei for cash consideration of approximately S$16,975,000 (RMB88 million). On 21 July 2023, the Group executed the equity transfer agreement with the purchaser. Accordingly, the assets and liabilities of the Shanghai Fengwei have been presented as a disposal group classified as held for sale. Shanghai Fengwei was previously part of the Group's healthcare segment.

Details of disposal group assets classified as held for sale are as follows:

	S$'000
Property, plant and equipment	**2,032**
Intangible assets (Note 13)	
- Goodwill	**7,439**
- Customer relationship and trademark	**242**
Prepayments	**1,537**
Right-of-use assets (Note 14)	**1,090**
Cash and bank balances (Note 20)	**1,248**
Inventories	**795**
Trade and other receivables	**7,013**
	21,396

Details of liabilities assets associated with disposal group classified as held for sale are as follows:

	S$'000
Trade and other payables	**584**
Loans from financial institutions [Note (i)]	**6,021**
	6,605

Details of reserve associated with disposal group classified as held for sale are as follows:

	S$'000
Foreign currency translation reserve	**954**
Capital reserve	**62**
	1,016

22 Disposal groups classified as held for sale

For the financial year ended 30 June 2023 (cont'd)

Loans from financial institutions

The loans are secured by personal guarantee from a ex-director of the subsidiary and pledge over a director's land.

For the financial year ended 30 June 2022

As part of the Group restructuring exercise, the directors have approved to sell the group of companies under HSI Dental Pte. Ltd., HSI Medical Pte. Ltd. and HSI Chinese Medicine (the "**Disposal Group**"). Accordingly, the assets and liabilities of the Disposal Group have been presented as a disposal group classified as held for sale. The Disposal Group was previously part of the Group's healthcare segment.

Details of disposal group assets classified as held for sale were as follows:

	S$'000
Property, plant and equipment [Note (i)]	502
Intangible assets	
- Goodwill (2022: net of impairment loss of S$5,998,000)	11,811
Right-of-use assets	1,810
Cash and bank balances (Note 20)	3,582
Inventories	485
Trade and other receivables	1,220
	19,410

Details of liabilities associated with disposal group classified as held for sale are as follows:

	S$'000
Trade and other payables [Note (ii)]	9,850
Loans from financial institutions [Note (iii)]	4,616
Lease liabilities	1,915
Current income tax payable	578
Deferred tax liabilities	40
	16,999

22 Disposal groups classified as held for sale (cont'd)

For the financial year ended 30 June 2022 (cont'd)

Details of reserve associated with disposal group classified as held for sale are as follows:

	S$'000
Net present value of the call and put options liability	(4,925)

i) Property, plant and equipment

At end of the previous reporting period, the carrying amount of the Disposal Group's plant and equipment under lease arrangement comprised of medical and other equipment of S$33,000.

ii) Consideration payables

Included in trade and other payables were consideration payables of S$8,310,000 being the put liability arising from the acquisition of medical clinics in 2019. The put liability relates to the put option held by the vendors to sell the non-controlling interests ("**NCI**") in the medical clinics to the Group and was measured based on a multiple of the future earnings of the medical clinics.

In conjunction with the acquisition, the vendor also granted a call option to the subsidiary to buy the remaining shares in the medical clinics at multiple of the future earnings of the medical clinics. The fair value of the call option at 30 June 2022 is immaterial.

iii) Loans from financial institutions

The loans were secured by corporate guarantees by the Company and fellow subsidiaries of the group and personal guarantee from a director of the subsidiary.

The disposal, except for TDH Group and HSI Chinese Medicine, was completed during the financial year (Note 9). The assets and liabilities with TDH Group and HSI Chinese Medicine were reclassified to the respective assets and liabilities of the Group during the financial year.

23 Share capital

	2023		2022	
	Number of shares	**S$'000**	Number of shares	S$'000
Group and Company				
Issued and fully paid with no par value				
At beginning and end of financial year	**211,908,869**	**120,784**	211,908,869	120,784

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

The Company's subsidiaries do not hold any shares in the Company as of 30 June 2023 and 30 June 2022.

24 Treasury shares

	2023		2022	
	Number of shares	**S$'000**	Number of shares	S$'000
Group and Company				
Issued and fully paid with no par value				
At beginning and end of financial year	**3,444,200**	**(1,182)**	3,444,200	(1,182)

25 Other reserves

	Group		**Company**	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Foreign currency translation reserve	**201**	799	**–**	–
Capital reserve	**–**	62	**62**	62
Other reserve	**33**	–	**–**	–
	234	861	**62**	62

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the presentation currency.

Capital reserve

This represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on winding-up) may be made in respect of this reserve.

26 Borrowings

	Group	
	2023	2022
	S$'000	S$'000
Loans from financial institutions		
Non-current	**–**	511
Current	**2,058**	9,525
	2,058	10,036

During the financial year, the Group's subsidiary, Healthsciences International Pte Ltd ("**HSI**") had defaulted on the settlement payment of S$131,000 on the loan owing to United Overseas Bank Limited ("**UOB**"). The Company was the corporate guarantor of the loan. On 24 August 2023, the Group and HSI received the letter of demand from UOB for the outstanding bank borrowings owned by HSI, including interest in arrears. The bank loan has a carrying amount of S$635,000 (2022: S$758,000) as at 30 June 2023.

Also during the financial year, the Group's subsidiary, HSI Dental Pte. Ltd. ("**HSID**") breached a specific bank loan covenant relating to banking facilities granted by CIMB Bank Berhad ("**CIMB**"). HSI was the corporate guarantor of the loan. On 28 August 2023, HSI and HSID received the letter of demand from CIMB for the outstanding bank borrowings owned by HSID, including interest in arrears. The bank loan has a carrying amount of S$499,000 (2022: S$1,366,000) as at 30 June 2023.

As at the date of these financial statements, HSID and HSI have been placed into creditors' voluntary liquidation (Note 37).

Terms and debt repayment schedule

	Currency	**Nominal interest rate**	**Year of maturity**	**Carrying amount S$'000**
Group				
2023				
Loans from financial institutions				
- Secured	**SGD**	**2.5% to 10%**	**2023 to 2025**	**2,058**
				2,058
2022				
Loans from financial institutions				
- Secured	SGD	3% to 10%	2023 to 2025	1,508
- Secured	RMB	4.35% to 4.5%	2022	8,528
				10,036

26 Borrowings (cont'd)

Loans from financial institutions and other borrowings are secured by the following:

i. fixed deposits of the Group;
ii. corporate guarantees by the Company and the subsidiaries of the Company; and
iii. charges over shares of certain subsidiaries of the Company;
iv. personal guarantee(s) from a director of the Company and a former director of the Company and/or directors of subsidiaries;
v. pledge over a director's land; and/or
vi. fixed and floating charge on all assets and undertakings of a subsidiary.

27 Lease liabilities

	Group		Group and Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current	**134**	–	**134**	–
Non-current	**194**	–	**194**	–
	328	–	**328**	–

The Group's lease liabilities comprise of leases of office premises.

During the financial year, the total cash outflow for leases amounted to S$973,000 (2022: S$1,455,000 for leases of clinics, factory and office premises).

28 Trade and other payables

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Trade payables from:				
- Third parties	**–**	800	**–**	–
Other payables from:				
- Subsidiaries	**–**	–	**1,989**	7,400
- Former related party	**–**	48	**–**	48
- Accrued operating expenses	**612**	1,090	**441**	252
- Accrued personnel expenses	**30**	14	**–**	–
- Consideration payables	**2,958**	2,740	**2,958**	–
- Advanced payment	**5,079**	–	**–**	–
- Other payables	**44,054**	2,300	**43,444**	1,855
	52,733	6,192	**48,832**	9,555
Total trade and other payables	**52,733**	6,992	**48,832**	9,555

Trade payables are interest-free and are generally settled on 30 to 90 days (2022: 30 to 90 days) credit terms.

The non-trade amounts due to subsidiaries and former related party are unsecured, interest-free and repayable on demand.

Included in other payables is $38,616,000 (2022: $498,000) due to Ontario. Out of the $38,616,000, $1,420,000 (2022: $498,000) relates to advances to the Group, and $37,196,000 (2022: $Nil) relates to liabilities associated with financial guarantee liabilities as disclosed in Note 29.

Consideration payables

This is relating to amount due to a former director of the Company amounted to S$2,958,000 (2022: S$2,740,000), in relation to the acquisition of a subsidiary. The amount is unsecured, repayable on demand and bears interest at 0.03% per day.

Advanced payment

This is relating to the advanced payment of sale consideration related to the disposal of Shanghai Fengwei (Note 22).

29 Financial guarantee liabilities

	Group and Company	
	2023	2022
	S$'000	S$'000
Corporate guarantee for a loan	–	18,401
Corporate guarantee for a lease financing arrangement	–	19,178
	–	37,579

In the previous financial year, the Company recognised financial guarantees liabilities amounting to S$37,579,000 (US$27,436,000) in respect of the corporate guarantees provided to OCAP and Iolani (the "**Creditors**") respectively to the subsidiaries under creditors voluntary liquidation.

On 24 May 2022, Ontario and the Company entered into Memorandum of Agreement and Ontario acquired all the rights, title, benefits and interests in financial guarantees from the Creditors.

Upon execution of the deed of assignment on 18 July 2022 with the creditors, the financial guarantees liabilities were transferred to Ontario and reclassified to other payables (Note 28).

30 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Financial assets				
Financial assets at amortised cost	**14,476**	13,052	**547**	281
Financial liabilities				
Lease liabilities	**328**	1,915	**328**	–
Financial liabilities at fair value through profit or loss	–	8,585	–	–
Financial guarantee liabilities	–	37,579	–	37,579
Financial liabilities at amortised cost	**56,317**	22,523	**48,832**	9,555

The Group and Company do not have any significant financial instruments which are subject to enforceable master netting arrangement or similar netting agreements.

30 Financial instruments (cont'd)

b) Financial risk management

The Group's overall financial risk management program seeks to minimise potential adverse effects of financial performance of the Group arising from foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Foreign currency risk

The Group and Company are subject to foreign exchange risk arising from transactions that are denominated in a currency other than the functional currencies of the Group entity, primarily United States Dollar ("**USD**") (2022: Singapore Dollar ("**SGD**")).

	Assets		Liabilities	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Group				
Singapore Dollar	**–**	330	**–**	4,175
United States Dollar	**11**	–	**37,196**	–
Company				
Singapore Dollar	**–**	97	**–**	242
United States Dollar	**11**	–	**37,196**	–

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD (2022: SGD) exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's loss after tax:

	Increase/(decrease) in loss after tax			
	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
USD/SGD				
- strengthened 5%	**1,860**	192	**1,860**	7
- weakened 5%	**(1,860)**	(192)	**(1,860)**	(7)

30 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to debt obligations. The interest rates for borrowings are stated in Note 26 to the financial statements.

The Group may from time to time enter into derivative financial instruments. There are no outstanding derivative financial instruments as at 30 June 2023.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and on the assumption that the change took place at the beginning of a financial year and is held constant throughout the reporting period.

If interest rate had been 100 basis points higher/lower and all other variables were held constant, the Group's loss before tax would increase/decrease by S$21,000 (2022: loss before tax would increase/decrease by S$21,000). This is mainly attributable to the Group's exposure to variable interest bearing bank balance and bank loans.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

It is the Group's policy that guidelines are in place to ensure that the credit sales are only made to customers with appropriate credit standing. The credit risk on liquid funds is limited because the counterparties are reputable financial institutions.

At the end of the reporting period, the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities or if they operate within the same industry. The Company has no significant concentration of credit risk.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the amount of S$2,099,000 (2022: S$4,716,000) relating to corporate guarantees given by the Company to banks for the subsidiaries' bank borrowings.

30 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("**ECL**"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 365 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant change in the operating results of the customer;
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in operating results of the customer.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

30 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers information developed internally or obtained from external sources that indicates that the customer is unlikely to pay its creditor, including the Group as constituting an event of default for internal credit risk management purpose. Based on historical experience, it indicates that receivables that meet the criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

30 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Movements in credit loss allowance

Movements in allowance for expected credit losses are as follows:

	Trade receivables		Other receivables	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Group				
Balance at 1 July	**158**	99	**1,864**	2,063
Loss allowance measured:				
Lifetime ECL				
- Credit impaired	**–**	64	**–**	–
- Allowance written off	**–**	–	**–**	(270)
Reclassified to disposal group held for sale	**(158)**	–	**–**	–
Exchange differences	**–**	(5)	**(19)**	71
Balance at 30 June	**–**	158	**1,845**	1,864

	Other receivables	
	2023	2022
	S$'000	S$'000
Company		
Balance at 1 July	**1,864**	4,224
Loss allowance measured/(reversed):		
Allowance written off	**–**	(2,487)
Exchange differences	**(19)**	127
Balance at 30 June	**1,845**	1,864

30 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Credit quality of the financial assets at amortised cost

The table below details the credit quality of the Group's and the Company's financial assets (other than trade receivable):

Group **2023**	**12-month or lifetime ECL**	**Gross carrying amount S$'000**	**Loss allowance S$'000**	**Net carrying amount S$'000**
Other receivables and deposits	Lifetime ECL	**2,963**	**–**	**2,963**
Consideration receivables	Lifetime ECL	**1,845**	**(1,845)**	**–**
Cash and cash equivalents with financial institutions	N.A. Exposure limited	**3,252**	**–**	**3,252**
Disposal group classified as held for sale	Lifetime ECL	**8,261**	**–**	**8,261**
2022				
Other receivables and deposits	Lifetime ECL	6,169	–	6,169
Consideration receivables	Lifetime ECL	1,864	(1,864)	–
Cash and cash equivalents with financial institutions	N.A. Exposure limited	2,151	–	2,151
Disposal group classified as held for sale	Lifetime ECL	4,802	–	4,802
Company **2023**				
Other receivables and deposits	12-month ECL	**385**	**–**	**385**
Cash and cash equivalents with financial institutions	N.A. Exposure limited	**162**	**–**	**162**
Consideration receivables	Lifetime ECL	**1,845**	**(1,845)**	**–**
2022				
Other receivables and deposits	12-month ECL	281	–	281
Consideration receivables	Lifetime ECL	1,864	(1,864)	–

The credit loss exposure for cash and cash equivalents and other receivables are immaterial as at 30 June 2023 and 30 June 2022.

30 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risks

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liability requirements in the short and longer term.

The Group's and the Company's exposure to liquidity risk and management approach are set out in Note 3 to the financial statements.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

Group	**On demand or within 1 year**	**Within 2 to 5 years**	**Adjustment**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**
2023				
Trade and other payables	52,733	–	–	52,733
Borrowings - fixed interest rate	2,181	–	(123)	2,058
Lease liabilities	160	206	(38)	328
Liabilities directly associated with disposal group classified as held for sale	6,605	–	–	6,605
	61,679	**206**	**(161)**	**61,724**
2022				
Trade and other payables	6,992	–	–	6,992
Borrowings - fixed interest rate	9,540	523	(27)	10,036
Financial guarantee liabilities	37,579	–	–	37,579
Liabilities directly associated with disposal group classified as held for sale	4,115	3,506	(210)	7,411
	58,226	4,029	(237)	62,018

30 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risks (cont'd)

Company	On demand or within 1 year S$'000	Within 2 to 5 years S$'000	Adjustment S$'000	Total S$'000
2023				
Trade and other payables	48,832	–	–	48,832
Lease liabilities	160	206	(38)	328
	48,992	**206**	**(38)**	**49,160**
2022				
Trade and other payables	9,555	–	–	9,555
Financial guarantee liabilities	37,579	–	–	37,579
	47,134	–	–	47,134

The Company has issued corporate guarantees to several banks for banking facilities granted to subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the facilities drawn. The earliest period that the guarantees could be called is within 1 year (2022: 1 year) from the end of the reporting period. The maximum amount that the Company could be forced to settle under these financial guarantee contracts, if the full guaranteed amount is claimed, is S$2,058,000 (2022: S$4,716,000). The Company considers that it is more likely than not that no amount will be payable in respect of the financial guarantees as its subsidiaries have the financial capacity to meet the contractual cash flow obligations, hence the Company has not recognised any liability in respect of the corporate guarantees.

31 Fair value of assets and liabilities

Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 Fair value of assets and liabilities (cont'd)

Fair value hierarchy (cont'd)

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value at the end of the reporting period.

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2023				
Non-recurring fair value measurement				
Disposal group classified as held for sale	–	–	–	–
2022				
(Re-presented)				
Non-recurring fair value measurement				
Disposal group classified as held for sale	–	–	8,310	8,310

Movements in Level 3 assets measured at fair value

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements:

	Financial liabilities at fair value through profit or loss	
	2023 **S$'000**	2022 S$'000
Group		
Balance at beginning of financial year	–	7,586
Fair value loss recognised in profit or loss	–	724
Re-classified to disposal group classified as held for sale (Note 22)	–	(8,310)
Balance at end of financial year	–	–

As at 30 June 2022, the fair value of financial liabilities at FVTPL is estimated based on the Management approved five year forecast of the Target Annual Audited Net Profit after tax at a pre-tax discount rate of 11.17%.

32 Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while optimising the return to stakeholders through a mix of equity balance and debts which comprise borrowings (Note 26).

Management reviews the capital structure on an annual basis. As a part of this review, management considers the cost of capital; and the tenures and risks associated with each class of capital. Management monitors its liquidity based on three months-rolling cashflow projections. Management also reviews compliance with financial covenants associated with borrowings at least on an annual basis. The Group balances its overall capital structure through issuance of new debt, capitalisation of existing debts or issuance of new shares. The Group's overall strategy for capital management remains unchanged from the prior year.

33 Other related party transactions

Other than as disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:

	Group	
	2023	2022
	S$'000	S$'000
Lease payments (rental)^	**(760)**	(800)
Interest payable#	**(218)**	(219)

^ Relates to lease payments amounting to S$760,000 (2022: S$800,000) for the financial year ended 30 June 2023 by Shanghai Fengwei to a company owned by a substantial shareholder of the Company.

Relates to interest payable to a former director of the Company.

34 Contingent liabilities

	Company	
	2023	2022
	S$'000	S$'000
Corporate guarantees	**2,058**	4,716
Amounts utilised	**(2,058)**	(4,716)

The Company has issued financial guarantees to banks in respect of banking facilities (2022: banking and loan facilities) extended to its subsidiaries.

A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of.

35 Operating segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- Healthcare - owns and operates clinics in Singapore providing complementary integrative therapies, runs employee healthcare benefits programmes, offers systems integration services to hospitals and healthcare facilities, owns and operates clinics in Singapore providing dental services, and distributes dental and medical supplies, and manufacturing of healthcare consumables.

- Others - general corporate activities and others

The Group's executive directors monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included in the following table. Performance is measured based on segment profit/(loss) before taxation, as included in the internal management reports that are regularly reviewed by the Group's executive directors. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Healthcare S$'000	Others S$'000	Per consolidated financial statements S$'000
2023			
Segment revenue			
- Sales to external customers	**28,241**	**4**	**28,245**
Segment results			
- Other income	**1,194**	**1,180**	**2,374**
- Amortisation of intangible assets	**(126)**	**–**	**(126)**
- Depreciation of property, plant and equipment	**(1,179)**	**(9)**	**(1,188)**
- Depreciation of rights-of-use assets	**(1,550)**	**(106)**	**(1,656)**
- Other non-cash items	**(6,750)**	**–**	**(6,750)**
- Finance costs	**(635)**	**(264)**	**(899)**
- Impairment loss on intangible assets	**(2,431)**	**–**	**(2,431)**
Segment loss	**(6,748)**	**(1,249)**	**(7,997)**
Segment assets and liabilities			
- Segment assets	**24,312**	**3,945**	**28,257**
- Segment liabilities	**9,180**	**52,557**	**61,737**
- Capital expenditure	**621**	**–**	**621**

35 Operating segments (cont'd)

2022	Healthcare S$'000	Others S$'000	Per consolidated financial statements S$'000
Segment revenue			
- Sales to external customers	39,931	–	39,931
Segment results			
- Other income	1,272	120	1,392
- Amortisation of intangible assets	(125)	–	(125)
- Depreciation of property, plant and equipment*	(1,872)	(6)	(1,878)
- Depreciation of rights-of-use assets	(1,912)	(175)	(2,087)
- Other non-cash items	(6,722)	(38,779)	(45,501)
- Finance costs	(957)	(41)	(998)
- Impairment loss on intangible assets	(5,998)	–	(5,998)
Segment loss	(2,867)	(44,550)	(47,417)
Segment assets and liabilities			
- Segment assets	41,283	1,415	42,698
- Segment liabilities	(31,943)	(39,700)	(71,643)
- Capital expenditure	(2,044)	–	(2,044)

* Comprises depreciation of property, plant and equipment included in changes in inventories of finished goods

35 Operating segments (cont'd)

Geographical information

	Group	
	2023	2022
	S$'000	S$'000
Australia	**–**	104
China	**15,189**	22,266
Singapore	**13,056**	17,561
Total revenue	**28,245**	39,931
Non-current assets		
China	**–**	4,028
Singapore	**485**	9,293
	485	13,321

Non-current assets relate to plant and equipment, intangible assets, and exclude prepayments, deferred tax assets and long-term receivables.

Information about major customers

There are no major customers for the financial year ended 30 June 2023 and 30 June 2022.

36 Equity-settled share-based payment transactions

Performance Share Plan

The New Silkroutes Performance Share Plan 2017 (the "NSPSP") was approved by the shareholders during the Extraordinary General Meeting on 21 July 2017. The NSPSP contemplates the awarding of fully paid-up shares, free of payment, to selected employees of the Company and its subsidiaries, including executive directors of the Company.

The total number of new ordinary shares in the Company which may be issued in all awards granted under the NSPSP shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. The Company does not have any subsidiary holdings.

No awards have been granted to directors, controlling shareholders of the Company or their associates and no directors or employees of the Company have received 5% or more of the total awards available under the NSPSP.

No awards have been granted under the NSPSP since the commencement of the NSPSP and during the financial year. At the end of the financial year, there were no outstanding awards or unissued shares of the Company under the NSPSP.

The NSPSP is subject to a maximum period of ten years and will expire on 20 July 2027.

37 Significant events after the reporting period

(a) Healthsciences International Pte. Ltd. ("**HSI**") and HSI Dental Pte. Ltd. ("**HSID**")

Subsequent to the reporting date, HSI and HSID received letters of demand from their banks for breaching certain terms of the banking facilities. The banks recalled the loans in respect of the sums of approximately S$942,000 owed by HSI and HSID.

The Company and certain subsidiaries of the Company are corporate guarantors for the above bank loans and have also received the letters of demand from the banks.

On 29 September 2023, the Company commenced the winding up process of HSI and HSID by way of creditors' voluntary liquidation.

(b) Disposal of Shanghai Fengwei

On 28 April 2023, the Company's wholly owned subsidiary, New Silkroutes Capital Pte Ltd ("**NSC**") has entered into a legally binding memorandum of understanding with a third party for the disposal of all of shares held by NSC in Shanghai Fengwei for a cash consideration of approximately S$16,975,000 (RMB88 million).

The proposed disposal was approved by shareholders on 6 February 2024 and the disposal was completed during FY2024. The Group estimated the gain from disposal of Shanghai Fengwei to be approximately S$2.4 million.

(c) Acquisition of Tianjin Zhoushun Logistics Co., Ltd.

Beijing Lunan Technology Co., Ltd. ("**BLT**"), an indirect subsidiary of the Company has, on 15 September 2023, entered into an equity transfer agreement with a third party (the "**Vendor**") to acquire 100% of the equity of Tianjin Zhoushun Logistics Co., Ltd. (the "**TJZS**") from the Vendor for cash consideration of approximately S$2.06 million (RMB11 million). Following completion of the acquisition, BLT will be the sole shareholder of the TJZS and will indirectly own 59% of the equity of Hequ Yuanyang Industrial Co., Ltd., which is held by the TJZS.

On 10 October 2023, BLT and the Vendor entered into a supplemental agreement to revise the consideration from approximately S$2.06 million (RMB11 million) to approximately S$750,000 (RMB4 million).

The acquisition was completed during FY2024. As of the date of this report, the initial accounting for the business combination had not been completed; therefore, the Group did not disclose the information related to the acquisition as required by SFRS(I) 3 *Business Combinations*.

(d) Independent Review Report and Singapore Exchange Regulation's ("**SGX RegCo**") Regulatory Announcement on the Independent Review Report

On 1 December 2023, the Company received the Independent Review Report from KPMG Services Pte. Ltd.. The Board of Directors and management are reviewing the findings in the Independent Review Report and the Company has engaged Shook Lin & Bok LLP as its external legal counsel to assist the Board in determining the appropriate steps to be taken by the Company moving forward.

Also on 1 December 2023, SGX RegCo announced that they will investigate further potential Mainboard listing rule breaches by the former directors and/or key executive officers of the Company as highlighted in the Independent Review Report. SGX RegCo will refer the potential contravention of the Companies Act and Securities and Futures Act highlighted in the Independent Review Report to the relevant authorities.

At the date of this report, the Company had not received any further communications from SGX RegCo after its announcement on 1 December 2023.

38 Other significant event

During the financial year ended 30 June 2020, the Commercial Affairs Department ("**CAD**") and the Monetary Authority of Singapore (the "**MAS**") pursuant to Section 20 of the Criminal Procedure Code (Chapter 68) have commenced an investigation into a possible offence of false trading and market rigging under section 197 of the Securities and Futures Act (Chapter 289) of Singapore in relation to share buy-backs and acquisition of shares of the Company. On 20 September 2023, one of the former Directors and certain former senior management personnel of the Company were charged for engaging in a conspiracy to create a misleading appearance with respect to the price of the Company's securities.

The Board of Directors and management have assessed that this is not expected to have significant impact on the financial statements.

39 Basis for disclaimer opinion on the financial statements for the financial year ended 30 June 2022

The independent auditor's report dated 31 August 2023 contained a disclaimer of opinion on the financial statements for the financial year ended 30 June 2022. The extract of the basis for disclaimer of opinion, which should be read in conjunction with the Group's 2022 Annual Report as all figures and references are in respect of the financial statements for the financial year ended 30 June 2022, is as follows:

Disclaimer of Opinion

The independent auditor did not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of their report, the auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

1. Going concern assumptions

   As disclosed in Note 3 to the financial statements, the Group and the Company incurred net losses of US$35,131,000 and US$32,699,000 respectively during the financial year ended 30 June 2022, and as of that date, the Group's and the Company's current liabilities exceeded the current assets by US$29,659,000 and US$34,207,000 respectively.

   In addition, as disclosed in Note 35 to the financial statements, the Company is exposed to certain material uncertainties in relation to contingent liabilities on guarantees provided that could result in material financial obligations in the future periods. As disclosed in Note 38(d) to the financial statement, the Group is undergoing debt restructuring exercise.

   These factors indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and the Company to continue as going concerns.

   Nevertheless, in the preparation of the financial statements, the Board of Directors believes that the use of going concern assumption is appropriate after taking into consideration of the factors as disclosed in Note 3 to the financial statements.

39 Basis for disclaimer opinion on the financial statements for the financial year ended 30 June 2022 (cont'd)

Disclaimer of Opinion (cont'd)

1. Going concern assumptions (cont'd)

   The ability of the Group and Company to continue as going concerns is dependent on the ability of the Group and the Company to successfully, among others, convert their debts into equity, raise additional funding and restructure their operations. These are premised on future events and market conditions, the outcomes of which are inherently uncertain.

   The auditor was unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the use of the going concern assumption for the preparation of the accompanying financial statements and whether any adjustments might be necessary in respect of the accompanying financial statements.

   The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to provide for further liabilities that may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities respectively. No such adjustments have been made to the financial statements.

2. Shanghai Fengwei Garment Accessory Co., Ltd

   (a) Management Agreement

   As disclosed in Note 28 to the financial statements, on 18 April 2020, the Company and its wholly-owned subsidiary in the People's Republic of China, Shanghai Fengwei Garment Accessory Co., Ltd. ("**Shanghai Fengwei**"), entered into a management agreement ("**Management Agreement**") with a non-related company (the "**Entity**") incorporated on 22 April 2020 in the People's Republic of China, later than the signing date of the above agreements.

   According to the Management Agreement, the Entity would manage and expand the business of Shanghai Fengwei and the Group would receive upfront a guaranteed profit of RMB20,000,000 (US$2,828,000) for the period from 1 January 2020 to 31 December 2021. The advance receipt of profit guarantee of RMB20,000,000 (US$2,828,000) was received by the Company on 21 May 2020 through a Singapore incorporated company, WTL Capital Holdings Pte Ltd, which is also a shareholder of the Company.

   In addition, the Company would assign the management rights and the profits of Shanghai Fengwei during the period from 1 January 2020 to 31 December 2021 to the Entity. All post-tax profits or losses during the aforesaid period, whether in excess of or less than the profit guarantee, shall be attributable to or borne by the Entity. In return, the Entity would retain the net profit or loss after tax generated by Shanghai Fengwei for the same period in 2020 and 2021.

   During the financial year ended 30 June 2022, the Company received a notice of payment from the Entity. According to the notice of payment, the net profit of Shanghai Fengwei attributable to the Entity for the period from 1 January 2020 to 31 December 2021 was RMB24,943,000 (approximately US$3,742,000), and demanded a payment of RMB20,000,000 (US$3,001,000) from the Group. RMB20,000,000 (US$3,001,000) was paid by Shanghai Fengwei to the Entity in January 2022. This payment has been net off against the advance receipt of profit guarantee of RMB20,000,000 (US$3,024,000) and the remaining balance has been recognised in profit or loss.

39 Basis for disclaimer opinion on the financial statements for the financial year ended 30 June 2022 (cont'd)

Disclaimer of Opinion (cont'd)

2. Shanghai Fengwei Garment Accessory Co., Ltd (cont'd)

(a) Management Agreement (cont'd)

As disclosed in Note 3 to the financial statements, the directors of the Company have assessed that the Group has control over Shanghai Fengwei and accordingly Shanghai Fengwei remains a subsidiary of the Group.

Total assets and total liabilities of Shanghai Fengwei included in the statement of financial position of the Group as at 30 June 2022 amounted to US$16,212,000 (2021:US$21,250,000) (including goodwill of US$5,431,000 (2021: US$5,431,000)) and US$7,620,000 (2021: US$7,292,000) respectively. Revenue and net loss of Shanghai Fengwei included in the consolidated statement of comprehensive income of the Group for the financial year ended 30 June 2022 amounted to US$16,401,000 (2021: US$28,992,000) and US$2,047,000 (2021: net profit: US$182,000) respectively.

During the year ended 30 June 2021, the Company appointed an independent reviewer to conduct an independent review, among others, on the Management Agreement and the control over Shanghai Fengwei. As at the date of this report, the independent review has not been finalised.

Based on information made available to us, the auditor was unable to satisfy themselves as to the business rationale, commercial substance and structuring of the Management Agreement, the appropriateness of the corresponding accounting treatment and related presentation of the arrangements in the financial statements, and whether these were conducted in the normal course of business and the Group continues to have control over Shanghai Fengwei throughout the current financial year in accordance with SFRS(I) 10 *Consolidated Financial Statements.* The auditor was also unable to determine and the payment of RMB20,000,000 (US$3,001,000) was in accordance with the Management Agreement.

Consequently, the auditor was unable to determine whether any adjustments to and/or disclosures in the accompanying financial statements might be necessary.

(b) Goodwill

As disclosed in Note 13 to the financial statements, as at 30 June 2022, the carrying amount of the Group's goodwill attributable to Shanghai Fengwei was US$5,431,000.

The auditor has not been provided with the goodwill impairment assessment performed by the Group. Consequently, in addition to their above-mentioned inability to determine if the Group should continue to record the goodwill in the consolidated financial statements, The auditor was unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the carrying amount of goodwill and if any adjustment to the carrying amount was necessary as at 30 June 2022.

(c) Subsequent events

As disclosed in Note 38 to the financial statements, subsequent to the reporting date, the Group is in process of disposing all its shares in Shanghai Fengwei. As the auditor was unable to get access to the records of the subsidiary subsequent to the reporting date, the auditor was unable to carry out an updated review of subsequent events that they consider necessary. Consequently, the auditor was unable to ascertain whether all significant subsequent events and transactions, if any, have been adequately adjusted or disclosed in the accompanying financial statements.

39 Basis for disclaimer opinion on the financial statements for the financial year ended 30 June 2022 (cont'd)

Disclaimer of Opinion (cont'd)

3. International Energy Group Pte. Ltd.

   As disclosed in Note 9 to the financial statements, on 5 January 2021, the Company commenced the winding-up process of its wholly-owned indirect subsidiary, International Energy Group Pte. Ltd. ("**IEG**") by way of creditors' voluntary liquidation. The Group has assessed that it has lost control of IEG and its subsidiaries and accordingly the Group deconsolidated their related assets and liabilities as of 5 January 2021. Subsequent to the deconsolidation, as disclosed in Note 21 to the financial statements, the investment in IEG is classified as financial asset at fair value through profit or loss ("**FVTPL**") and carried at US$Nil on the consolidated statement of financial position as at 30 June 2022.

   During the year ended 30 June 2021, the Company appointed an independent reviewer to conduct an independent review, among others, on the Group's valuation of 4.534% indirect equity investment in Thai General Nice Coal and Coke Co., Ltd held by IEG. As at the date of this report, the independent review has not been finalised.

   The auditor was unable to obtain sufficient appropriate audit evidence to assess the appropriateness of the valuation of financial asset at FVTPL at the reporting date and its related disclosures in the financial statements. Consequently, the auditor was unable to determine whether any adjustments to and/or disclosures in the accompanying financial statements might be necessary.

4. Financial guarantee liabilities

   As disclosed in Notes 30 to the financial statements, during the financial year, the Group and the Company recognised financial guarantee liabilities and a corresponding loss amounting to US$27,436,000 in respect of corporate guarantees provided to third parties in prior years for a loan and a lease financing arrangement.

   Based on the information as provided by management, the auditor was unable to ascertain the basis in determining the amount of financial guarantee liabilities and to determine whether the loss on financial guarantee recognised in the current financial year's profit or loss of the Group and the Company relates to any prior financial periods. Accordingly, the auditor was unable to determine whether any adjustments and/or disclosures to the accompanying financial statements might be necessary.

5. Guarantees and provisions

   (a) As disclosed in Notes 26 and 35 to the financial statements, the Company issued financial guarantees to banks in respect of banking facilities extended to its subsidiaries. The Company had not assessed the expected credit loss ("**ECL**") arising from the financial guarantee in accordance with SFRS(I) 9 *Financial Instruments*. Based on information available to us, the auditor was unable to determine whether any ECL might be required for these guarantees provided by the Company. Accordingly, the auditor was unable to determine whether any adjustments to and/or disclosures the accompanying financial statements might be necessary.

   (b) As disclosed in Notes 1 and 3 to the financial statements, the Group and the Company commenced its debt restructuring exercise during the financial year, which included a proposed conversion of debt to equity, moratorium protection and a potential scheme of arrangement, as well as disposal of certain assets and investments.

       The restructuring exercise, as disclosed in Note 38 to the financial statements, is still ongoing as at the date of these financial statements, the auditor was unable to determine whether any provision for liabilitiess might be required on the restructuring activities. Accordingly, the auditor was unable to determine whether any adjustments to and/or disclosures in the accompanying financial statements might be necessary.

39 Basis for disclaimer opinion on the financial statements for the financial year ended 30 June 2022 (cont'd)

Disclaimer of Opinion (cont'd)

6. Disposal groups classified as held for sale

   As disclosed in Note 22 to the financial statements, the assets and liabilities of the group companies under HSI Dental Pte Ltd, HSI Medical Pte Ltd and HSI Chinese Medicine were presented as disposal groups classified as held for sale.

   Based on the information provided by management, the auditor was unable to determine whether (i) the presentation of these companies as a disposal group classified as held for sale is appropriate; (ii) the goodwill impairment loss recognised during the financial year of US$4,418,000 is appropriate, and (iii) the net carrying amounts of assets (including goodwill of US$8,623,000) and liabilities of the disposal group classified as held for sale were stated at the lower of carrying amount and fair value less costs to sell.

   Accordingly, the auditor was unable to determine whether any adjustments to and/or disclosures to the accompanying financial statements might be necessary.

7. Consideration payables

   As disclosed in Note 22 to the financial statements, included in trade and other payables of the disposal groups classified as held for sale is consideration payables of US$6,268,000, which comprise of the fair value change of the put liability arising from the acquisition of medical clinics in 2019. The put liability relates to the put option held by the vendors to sell the non-controlling interest ("**NCI**") in the medical clinics to the Group and is measured based on a multiple of the future earnings of the medical clinics. During the financial year, fair value change of the put liability amounting to US$533,000 has been recognised in the Group's profit or loss.

   Based on the information as provided by management, the auditor was unable to obtain sufficient appropriate audit evidence to assess the valuation of consideration payables. Consequently, the auditor was unable to determine whether adjustments to and/or disclosures to the accompanying financial statements may be necessary.

8. Investments in subsidiaries

   As disclosed in Note 15 to the financial statements, the Company's investments in subsidiaries were carried at US$17,709,000. During the financial year, the Company recognised an additional impairment loss amounted to US$3,337,000 to write down the cost of investment in New Silkroutes Capital Pte. Ltd. to its recoverable amount determined using the value in use calculation. The estimates used in value in use calculation and other disclosures as required by SFRS(I) 1-36 Impairment of Assets have not been made in these financial statements.

   Based on the information as provided by management, the auditor was unable to obtain sufficient audit evidence to satisfy ourselves that the recoverable amount determined using the value in use calculation is in accordance with SFRS(I) 1-36 Impairment of Assets and the appropriateness of the impairment loss recognised during the financial year. Accordingly, the auditor was unable to determine whether any adjustments to and/or disclosures the accompanying financial statements might be necessary.

39 Basis for disclaimer opinion on the financial statements for the financial year ended 30 June 2022 (cont'd)

Disclaimer of Opinion (cont'd)

9. Opening balances and comparative information

   The financial statements dated 13 October 2021 for the financial year ended 30 June 2021 contained a disclaimer of opinion on those financial statements. The basis for disclaimer of opinion on the financial statements is disclosed in Note 40 to the financial statements.

   In view of the matters described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 30 June 2021, the auditor was unable to determine whether the opening balances as at 1 July 2020, the corresponding figures and its related disclosures for the financial year ended 30 June 2021 were fairly stated and appropriately disclosed.

   Since opening balances as at 1 July 2021 entered into the determination of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended 30 June 2022, as well as affect how the balances presented in the Group's and Company's statements of financial position as at 30 June 2022 were derived, the auditor was unable to determine whether adjustments might have been found necessary in respect of the Group's and the Company's financial statements for the financial year then ended.

   Their report on the current financial year's financial statements of the Group and the Company is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

40 Comparatives

The comparative figures were restated due to the change in the presentation currency as disclosed in Note 2.1 to the financial statements. The effect of the restatements are summarised below.

Consolidated Statement of Profit or Loss
For the financial year ended 30 June 2022

	Group	
	As previously reported 2022	As restated 2022
	US$'000	S$'000
Revenue	29,413	39,931
Other income	1,025	1,392
Purchases of finished goods	(15,874)	(21,551)
Changes in inventories of finished goods	(109)	(148)
Employee benefits expense	(9,407)	(12,771)
Amortisation of intangible assets	(92)	(125)
Depreciation of property, plant and equipment	(1,383)	(1,878)
Depreciation of right-of-use assets	(1,537)	(2,087)
Bad debts written off	(244)	(331)
Impairment loss on trade and other receivables	(47)	(64)
Fair value change of the call and put option liability	(533)	(724)
Prepayment written off	(567)	(770)
Plant and equipment written off	(27)	(37)
Impairment loss on intangible assets	(4,418)	(5,998)
Intangible assets written off	(561)	(762)
Loss on financial guarantee	(27,436)	(37,247)
Other operating expenses	(2,291)	(2,831)
Finance costs	(735)	(998)
Loss before tax	(34,823)	(46,999)
Tax expense	(308)	(418)
Loss for the financial year	(35,131)	(47,417)
Other comprehensive loss, net of tax:		
Item that are or may be reclassified subsequently to profit or loss		
Currency translation differences arising from consolidation	(393)	(534)
Other comprehensive loss for the financial year, net of tax	(393)	(534)
Total comprehensive loss for the financial year	(35,524)	(47,951)

40 Comparatives (cont'd)

Consolidated Statement of Profit or Loss (cont'd)
For the financial year ended 30 June 2022

	Group	
	As previously reported 2022	As restated 2022
	US$'000	S$'000
Loss for the financial year attributable to:		
Owners of the Company	(35,313)	(47,664)
Non-controlling interests	182	247
	(35,131)	(47,417)
Total comprehensive loss for the financial year attributable to:		
Owners of the Company	(35,667)	(48,145)
Non-controlling interests	143	194
	(35,524)	(47,951)
Loss per share attributable to owners of the Company (cent)		
- Basic and diluted	(16.94)	(22.86)

40 Comparatives (cont'd)

Statements of Financial Position
At 30 June 2022

	Group		Company	
	As previously reported 2022 US$'000	As restated 2022 S$'000	As previously reported 2022 US$'000	As restated 2022 S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,514	2,074	4	5
Intangible assets	5,701	7,809	–	–
Right-of-use assets	1,459	1,998	–	–
Subsidiaries	–	–	17,709	24,256
Prepayments	253	347	–	–
Total non-current assets	8,927	12,228	17,713	24,261
Current assets				
Inventories	1,284	1,759	–	–
Trade and other receivables	4,504	6,169	205	281
Prepayments	716	981	–	–
Cash and bank balances	1,532	2,098	–	–
Fixed deposits	39	53	–	–
Financial asset at fair value through profit or loss	–	–	–	–
	8,075	11,060	205	281
Disposal group classified as held for sale	14,171	19,410	–	–
Total current assets	22,246	30,470	205	281
Total assets	31,173	42,698	17,918	24,542
EQUITY AND LIABILITIES				
EQUITY				
Share capital	88,183	120,784	88,183	120,784
Treasury shares	(863)	(1,182)	(863)	(1,182)
Other reserves	629	861	45	62
Reserve of disposal group Classified as held for sale	(3,596)	(4,925)	–	–
Accumulated losses	(105,798)	(144,912)	(103,859)	(142,256)
Equity attributable to equity holders of the Company	(21,445)	(29,374)	(16,494)	(22,592)
Non-controlling interests	313	429	–	–
Total equity	(21,132)	(28,945)	(16,494)	(22,592)

40 Comparatives (cont'd)

Statements of Financial Position (cont'd)
At 30 June 2022

	Group		Company	
	As previously reported 2022	As restated 2022	As previously reported 2022	As restated 2022
	US$'000	S$'000	US$'000	S$'000
LIABILITIES				
Non-current liabilities				
Borrowings	373	511	–	–
Deferred tax liabilities	27	37	–	–
Total non-current liabilities	400	548	–	–
Current liabilities				
Trade and other payables	5,104	6,992	6,976	9,555
Borrowings	6,954	9,525	–	–
Financial guarantee liabilities	27,436	37,579	27,436	37,579
	39,494	54,096	34,412	47,134
Liabilities directly associated with disposal group classified as held for sale	12,411	16,999	–	–
Total current liabilities	51,905	71,095	34,412	47,134
Total liabilities	52,305	71,643	34,412	47,134
Total equity and liabilities	31,173	42,698	17,918	24,542

40 Comparatives (cont'd)

Statements of Financial Position
At 1 July 2021

	Group		Company	
	As previously reported 1 July 2021	As restated 1 July 2021	As previously reported 1 July 2021	As restated 1 July 2021
	US$'000	S$'000	US$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	3,200	4,233	9	12
Intangible assets	19,433	25,705	215	284
Right-of-use assets	3,886	5,140	429	567
Subsidiaries	–	–	21,046	27,839
Prepayments	750	992	750	992
Long-term receivables	353	467	–	–
Deferred tax assets	37	49	–	–
Total non-current assets	27,659	36,586	22,449	29,694
Current assets				
Inventories	2,428	3,212	–	–
Trade and other receivables	6,722	8,892	411	544
Prepayments	410	542	230	304
Cash and bank balances	6,609	8,742	72	95
Fixed deposits	416	550	–	–
Financial asset at fair value through profit or loss	–	–	–	–
Total current assets	16,585	21,938	713	943
Total assets	44,244	58,524	23,162	30,637
EQUITY AND LIABILITIES				
EQUITY				
Share capital	88,183	120,784	88,183	120,784
Treasury shares	(863)	(1,182)	(863)	(1,182)
Other reserves	(2,613)	(3,583)	45	62
Accumulated losses	(70,485)	(97,248)	(71,160)	(98,229)
Equity attributable to equity holders of the Company	14,222	18,771	16,205	21,435
Non-controlling interests	1,048	1,427	–	–
Total equity	15,270	20,198	16,205	21,435

40 Comparatives (cont'd)

Statements of Financial Position (cont'd)
At 1 July 2021

	Group		Company	
	As previously reported 1 July 2021	As restated 1 July 2021	As previously reported 1 July 2021	As restated 1 July 2021
	US$'000	S$'000	US$'000	S$'000
LIABILITIES				
Non-current liabilities				
Borrowings	1,540	2,037	–	–
Lease liabilities	1,342	1,775	277	366
Deferred tax liabilities	151	200	–	–
Other payables	5,735	7,586	–	–
Total non-current liabilities	8,768	11,598	277	366
Current liabilities				
Trade and other payables	7,815	10,338	6,517	8,620
Contract liabilities	153	202	–	–
Borrowings	11,034	14,595	–	–
Lease liabilities	842	1,114	163	216
Current income tax payable	362	479	–	–
Total current liabilities	20,206	26,728	6,680	8,836
Total liabilities	28,974	38,326	6,957	9,202
Total equity and liabilities	44,244	58,524	23,162	30,637

40 Comparatives (cont'd)

Consolidated Statement of Cash flows
For the financial year ended 30 June 2022

	Group	
	As previously reported 2022	As restated 2022
	U$'000	S$'000
Cash flows from operating activities		
Loss before taxation:	(34,823)	(46,999)
Adjustments for:		
Amortisation of intangible assets	92	125
Impairment loss on intangible assets	4,418	5,998
Depreciation of property, plant and equipment	1,383	1,878
Depreciation of right-of-use assets	1,537	2,087
Interest expense	735	998
Loss on financial guarantee	27,436	37,247
Fair value change of call and put option liability	533	724
Bad debts written-off	244	331
Impairment losses recognised on trade and other receivables	47	64
Prepayment written-off	567	770
Plant and equipment written off	27	37
Intangible assets written-off	561	762
Unrealised foreign exchange differences	(392)	(811)
Operating cash flows before working capital changes:	2,365	3,211
Changes in inventories	790	1,073
Changes in trade and other receivables	822	1,116
Changes in prepayments	191	259
Changes in trade and other payables	685	930
Changes in contract liabilities	(153)	(208)
Cash generated from operations	4,700	6,381
Income tax paid	(306)	(415)
Net cash generated from operating activities	4,394	5,966

40 Comparatives (cont'd)

Consolidated Statement of Cash flows (cont'd)
For the financial year ended 30 June 2022

	Group	
	As previously reported 2022	As restated 2022
	U$'000	S$'000
Cash flows from investing activities		
Acquisition of intangible assets	(346)	(470)
Purchase of property, plant and equipment	(175)	(238)
Net cash used in investing activities	(521)	(708)
Cash flows from financing activities		
Dividends paid to the non-controlling interests of the subsidiaries	(878)	(1,192)
Interest paid	(573)	(778)
Proceeds from loans	171	232
Restricted cash and cash balances	443	602
Repayment of loans	(1,561)	(2,119)
Repayment of lease liabilities	(943)	(1,280)
Repayment of profit guarantee	(3,001)	(4,074)
Advances from a creditor	367	498
Net cash used in financing activities	(5,975)	(8,111)
Net decrease in cash and cash equivalents	(2,102)	(2,853)
Cash and cash equivalents at beginning of financial year	6,542	8,881
Exchange differences on translation of cash and cash equivalents	(294)	(349)
Cash and cash equivalents at end of financial year	4,146	5,679

41 Authorisation of financial statements

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors dated 20 August 2024.

ISSUED AND FULLY PAID-UP CAPITAL	:	S$120,783,885
NO. OF ISSUED SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS)	:	208,464,669
NUMBER/PERCENTAGE OF TREASURY SHARES	:	3,444,200 (1.65%)
NUMBER OF SUBSIDIARY HOLDINGS HELD	:	NIL
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS)	:	ONE VOTE PER ORDINARY SHARE

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	15,725	61.26	192,759	0.09
100 - 1,000	6,846	26.67	2,759,889	1.32
1,001 - 10,000	2,375	9.25	8,247,373	3.96
10,001 - 1,000,000	698	2.72	35,902,939	17.22
1,000,001 & ABOVE	26	0.10	161,361,709	77.41
TOTAL	**25,670**	**100.00**	**208,464,669**	**100.00**

	Top Twenty Shareholders as at 14 August 2024	NO. OF SHARES	%
1	SYY CAPITAL HOLDINGS PTE LTD	29,614,035	14.21
2	FORTUNE WOODS GLOBAL INVESTMENT LIMITED	18,798,433	9.02
3	RAFFLES NOMINEES (PTE) LIMITED	13,116,686	6.29
4	DBS NOMINEES PTE LTD	13,085,837	6.28
5	SMARTFUL GLOBAL HOLDINGS LIMITED	12,325,000	5.91
6	MARK CHUA HSIEN-MIN (CAI XIANMING)	11,363,636	5.45
7	DBS VICKERS SECURITIES (S) PTE LTD	9,352,574	4.49
8	PHILLIP SECURITIES PTE LTD	8,746,224	4.20
9	WANG HUINUO	8,600,000	4.12
10	WTL CAPITAL HOLDINGS PTE LTD	5,473,685	2.63
11	CGS INTL SECURITIES SINGAPORE PTE LTD	5,194,812	2.49
12	CITIBANK NOMINEES SINGAPORE PTE LTD	2,988,429	1.43
13	OCBC SECURITIES PRIVATE LTD	2,938,263	1.41
14	KEE KENG HSIUNG	2,257,508	1.08
15	TAN WEI YANG MELVIN (CHEN WEIYANG)	2,243,200	1.08
16	TAY WANG HUA (ZHENG WANHUA)	2,179,445	1.04
17	QUANTUM HEALTH PTE LTD	2,000,000	0.96
18	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,979,331	0.95
19	RONNIE POH TIAN PENG	1,401,000	0.67
20	OCBC NOMINEES SINGAPORE PTE LTD	1,276,406	0.61
		154,934,504	**74.32**

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. The Company has complied with this requirement. As at 14 August 2024, approximately 62.56% of its shares listed on Singapore Exchange Securities Trading Limited were held by the public.

STATISTICS OF SHAREHOLDINGS

AS AT 14 AUGUST 2024

SUBSTANTIAL SHAREHOLDERS AS AT 14 AUGUST 2024

(As recorded in the Register of Substantial Shareholders)

		Number of Shares				
S/ No.	**Substantial Shareholders**	**Shareholdings registered in the name of substantial shareholders**	**Shareholdings held by the substantial shareholders in the name of nominees**	**Shareholdings in which the substantial shareholders are deemed to be interested**	**Total**	**Percentage of the issued shares**
1	SYY Capital Holdings Pte. Ltd.	29,614,035	-	-	29,614,035	14.21
2	Shen Yuyun	-	-	29,614,035(1)	29,614,035	14.21
3	Fortune Woods Global Investment Limited	18,798,433	1,751,608(2)	-	20,550,041	9.86
4	General Nice Resources (Hong Kong) Limited	-	1,990,997(3)	20,550,041(3)	22,541,038	10.81
5	General Nice Investment (China) Limited	-	-	22,541,038(4)	22,541,038	10.81
6	General Nice Development Ltd	-	-	22,541,038(5)	22,541,038	10.81
7	General Nice Group Holdings Limited	-	-	22,541,038(6)	22,541,038	10.81
8	Cai Sui Xin	-	-	22,541,038(7)	22,541,038	10.81
9	Smartful Global Holdings Ltd	12,325,000	-	-	12,325,000	5.91
10	Xiao De	-	-	12,325,000(8)	12,325,000	5.91
11	Chua Soon Kian Andrew	11,363,636	-	-	11,363,636	5.45

Notes:

1. Shen Yuyun's deemed interest in the Company arises from his deemed interest in the 29,614,035 shares held by SYY Capital Holdings Pte. Ltd.
2. Fortune Woods Global Investment Limited is deemed to be interested in the 1,751,608 shares held in the name of OCBC Securities Private Limited, a nominee company.
3. General Nice Resources (Hong Kong) Limited's deemed interest in the Company arises from its deemed interest in the 1,990,997 shares held in the name of two nominee companies and the 20,550,041 shares in respect of which Fortune Woods Global Investment Limited has deemed or direct interest.
4. General Nice Investment (China) Limited's deemed interest in the Company arises from its deemed interest in the 22,541,038 shares in respect of which General Nice Resources (Hong Kong) Limited has deemed interest.
5. General Nice Development Ltd's deemed interest in the Company arises from its deemed interest in the 22,541,038 shares in respect of which General Nice Resources (Hong Kong) Limited has deemed interest.
6. General Nice Group Holdings Limited's deemed interest in the Company arises from its deemed interest in the 22,541,038 shares in respect of which General Nice Development Ltd and General Nice Investment (China) Limited have deemed interest.
7. Cai Sui Xin's deemed interest in the Company arises from his deemed interest in the 22,541,038 shares in respect of which General Nice Group Holdings Limited has deemed interest, and also through his deemed and direct interests in General Nice Investment (China) Limited and General Nice Development Ltd.
8. Xiao De's deemed interest in the Company arises from his deemed interest in the 12,325,000 shares held by Smartful Global Holdings Ltd.

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of **NEW SILKROUTES GROUP LIMITED** (the "**Company**") will be held at **Temasek Club, 131 Rifle Range Road, Singapore 588406 on Wednesday, 4 September 2024 at 2.00 p.m.** for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Auditors' Report thereon.
(Resolution 1)

2. To re-elect the following Directors retiring pursuant to Article 91 of the Company's Constitution:

Mr Chua Siong Kiat Alex	(retiring under Article 91)	**(Resolution 2)**
Mr Lim Eng Seng	(retiring under Article 91)	**(Resolution 3)**

Mr Chua Siong Kiat Alex will, upon re-election as Director of the Company, remain as an Independent Non-Executive Director, the chairman of the Audit and Risk Committee, a member of the Remuneration Committee and a member of the Nominating Committee.

Mr Lim Eng Seng will, upon re-election as Director of the Company, remain as an Independent Non-Executive Director, the chairman of the Nominating Committee, a member of the Audit and Risk Committee and a member of the Remuneration Committee.

3. To approve the payment of Directors' fees of S$180,000 to the independent and/or non-executive Directors of the Company for the financial year ending 30 June 2024.
(Resolution 4)

4. To approve the payment of Directors' fees of up to S$300,000 to the independent and/or non-executive Directors of the Company (including any new independent and/or non-executive Directors of the Company who may be appointed from time to time) for the financial year ending 30 June 2025 to be paid quarterly in arrears.
(Resolution 5)

5. To note that Baker Tilly TFW LLP will not seek re-appointment as the Auditors of the Company.

[See Explanatory Note (i)]

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

7. That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit;

(iii) allot and issue additional securities issued pursuant to Rule 829 of the Listing Manual;

(iv) allot and issue shares arising from the conversion of securities in (ii) and (iii) above; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments or securities in (a)(ii) and (iii) above made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares,

Adjustments in accordance with (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 6)

[See Explanatory Note (ii)]

By Order of the Board

Ong Beng Hong
Company Secretary

Singapore, 20 August 2024

Explanatory Notes:

(i) The Auditors of the Company, Baker Tilly TFW LLP, have expressed that they would not be seeking re-appointment as Auditors of the Company at this Annual General Meeting ("**AGM**"). Efforts are being made by the Company to appoint new auditors as soon as practicable. Further announcement(s) would be released in due course once the proposed new appointment has been confirmed.

(ii) The Ordinary Resolution 6, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

(1) The AGM will be convened and held physically at Temasek Club, 131 Rifle Range Road, Singapore 588406. There will be no option for members to participate virtually.

(2) Live voting will be conducted during the AGM for members and proxies attending the AGM. Shareholders will be instructed on how to cast their votes at the AGM.

(3) An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy at least seven (7) working days before the AGM, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967 (the "**Companies Act**")) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her behalf at the AGM. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(4) A proxy need not be a member of the Company. The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:

(a) if sent personally or by post, be deposited at the office of the Company's share registrar, **B.A.C.S. Private Limited** at **77 Robinson Road, #06-03 Robinson 77, Singapore 068896**; or

(b) if submitted by email, be received by the Company's share registrar, **B.A.C.S. Private Limited** at main@zicoholdings.com,

in either case, by no later than 2.00 p.m. on Monday, 2 September 2024, being not less than 48 hours before the time for holding the AGM in order to be entitled to attend and to vote at the AGM. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her discretion.

NOTICE OF ANNUAL GENERAL MEETING

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

(5) The sending of a Proxy Form by a member does not preclude him from attending and voting in person if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

(6) A depositor shall not be regarded as a member of a Company entitled to attend, speak and vote at the AGM unless his name appears on the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001) 72 hours before the time fixed for the AGM.

(7) If sent personally or by post, the instrument appointing the proxy(ies) of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing the proxy(ies) of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:

(a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

(b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

(8) A member may also submit questions related to the resolutions to be tabled for approval at the AGM either (i) in person at the AGM during the live Q&A session; or (ii) prior to the AGM. To do so, all questions must be submitted by 9.00 a.m. on Wednesday, 28 August 2024:

(a) in hard copy by sending personally or by post and lodging the same at the registered office of the Company at 456 Alexandra Road, #24-01, Fragrance Empire Building, Singapore 119962; or

(b) by email to info@newsilkroutes.com.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

(a) the member’s full name as it appears on his/her/its CDP/CPF/SRS share records;

(b) the member’s NRIC/Passport/UEN number;

(c) the member’s contact number and email address; and

(d) the manner in which the member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members by the cut off date and time of 9.00 a.m. on Wednesday, 28 August 2024. The Company will publish its responses to such queries on SGXNet by 2.00 p.m. on Saturday, 31 August 2024. The Company will address those substantial and relevant questions which have not already been addressed prior to the AGM, as well as those received “live” at the AGM itself, during the AGM.

(9) The Annual Report for the financial year ended 30 June 2023, Notice of AGM and proxy form has been sent to shareholders. The Annual Report, Notice of AGM and proxy form may also be accessed at the Company’s website at the URL https://newsilkroutes.com/index.php/annual-report/ at the menu “Investor Relations”. The Annual Report, Notice of AGM and proxy form has also been made available on SGXNet.

Personal Data Privacy:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and for publication of the names and comments of shareholders on the Company's website, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

PROXY FORM
ANNUAL GENERAL MEETING
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. For investors who hold shares in New Silkroutes Group Limited under the Central Provident Fund Investment Scheme ("CPF Investors") or under the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable), this Proxy Form is forwarded to them at the request of the CPF Approved Nominees and/or SRS Approved Nominees (as may be applicable).
2. This Proxy Form is not valid for use by CPF investors and/or SRS Investors (as may be applicable) and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors and/or SRS Investors (as may be applicable) who wish to attend and vote at the Meeting should contact their CPF Approved Nominees and/or SRS Approved Nominees (as may be applicable).
4. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two (2) proxies to attend, speak, and vote at the Meeting.

I/We, ______________________________ (Name),
NRIC/Passport/UEN (delete as appropriate) Number: ______________________________
of ______________________________
______________________________ (Address)
being a member/members of **NEW SILKROUTES GROUP LIMITED** (the "**Company**"), hereby appoint

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at **Temasek Club, 131 Rifle Range Road, Singapore 588406** on **Wednesday, 4 September 2024 at 2.00 p.m.** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	**Resolutions relating to:**	**For***	**Against***	**Abstain***
	Ordinary Business			
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2023			
2	Re-election of Mr Chua Siong Kiat Alex as a Director			
3	Re-election of Mr Lim Eng Seng as a Director			
4	Approval of Directors' fees amounting to S$180,000 for the financial year ending 30 June 2024			
5	Approval of Directors' fees amounting to up to S$300,000 for the financial year ending 30 June 2025			
	Special Business			
6	Authority to allot and issue shares			

* If you wish to exercise all your votes "For" or "Against" the Resolution or to abstain from voting on the Resolution in respect of all your votes, please indicate your vote "For" or "Against" or "Abstain" with "X" within the box provided. Alternatively, if you wish to exercise some and not all of your votes both "For" and "Against" the relevant Resolution and/or to abstain from voting in respect of the relevant Resolution, please indicate the number of votes as appropriate.

Dated this_________day of______________________2024

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.

Notes:

1. Please insert the total number of ordinary shares held by you. If you have ordinary shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of ordinary shares. If you have ordinary shares registered in your name in the Register of Members, you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the ordinary shares held by you.

2. (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her behalf at the Meeting. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her Shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

   (b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore) is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share(s) held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. A proxy need not be a member of the Company. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:

   (a) if sent personally or by post, be deposited at the office of the Company's share registrar, **B.A.C.S. Private Limited** at **77 Robinson Road, #06-03 Robinson 77, Singapore 068896**; or

   (b) if submitted by email, be received by the Company's share registrar, **B.A.C.S. Private Limited** at main@zicoholdings.com,

   in either case, by no later than 2.00 p.m. on Monday, 2 September 2024, being not less than 48 hours before the time for holding the Annual General Meeting in order to be entitled to attend and to vote at the AGM. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her discretion.

6. If sent personally or by post, the instrument appointing the proxy(ies) of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing the proxy(ies) of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

   Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

General:

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Annual General Meeting as proxy). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Protection:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

AFFIX
STAMP

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