

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

**THE PROPOSED SCHEME OF ARRANGEMENT
– RECEIPT OF WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL**

1. INTRODUCTION

The board of directors (the “**Board**”) of the Company (together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 6 September 2023 and 20 October 2023 (the “**Announcements**”) in relation to the proposed scheme of arrangement (“**Scheme**”) with its creditors. Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed to them in the Announcements.

2. RECEIPT OF THE WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL (“SIC”)

The Company previously provided an overview of the Scheme in its announcement dated 6 September 2023. In the aforementioned announcement, it was provided that the Scheme is subject to various conditions precedent being met, including the following:

The SIC grants Ontario and its concert parties a waiver of the obligation arising from the Debt Capitalisation for Ontario and its concert parties to make a mandatory offer under Rule 14 of the Code for the remaining shares of the Company not already owned or controlled by Ontario and its concert parties.

Based on the adjudicated debts of the Scheme Creditors as at 18 October 2023, there is a likelihood that the issue of the Scheme Shares to 2810198 Ontario Inc. (“**Ontario**”) will trigger an obligation for Ontario, together with its concert parties, to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

Accordingly, an application was made to the SIC to seek a whitewash waiver of the obligation of the Ontario and its concert parties to make a mandatory general offer under Rule 14 of the Code for the remaining shares in the Company not already owned or controlled by Ontario and its concert parties, which may arise as a result of the issue of the Scheme Shares to Ontario pursuant to the Share Distribution under the Scheme (the “**Ontario Whitewash Waiver**”).

The Board wishes to inform Shareholders that the SIC had on 23 October 2023 granted the Ontario Whitewash Waiver, subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Debt Capitalisation as contemplated by the Scheme, a resolution (the “**Whitewash Resolution**”) by way of a poll to waive their rights to receive a general offer from Ontario;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) Ontario and its concert parties, as well as parties not independent of them abstain from voting on the Whitewash Resolution;

- (d) Ontario and its concert parties did not acquire or are not to acquire any shares or instruments convertible into and options in respect of shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares in the Company which have been disclosed in the circular):
 - (i) during the period between the announcement of the Scheme and the date shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the 6 months prior to the announcement of the Scheme but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Scheme;
- (e) the Company appoints an independent financial adviser to advise its independent shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in its circular to its shareholders:
 - (i) details of the Debt Capitalisation as contemplated by the Scheme;
 - (ii) the dilution effect to existing holders of voting rights upon issuing the new shares to Ontario and its concert parties under the Debt Capitalisation as contemplated by the Scheme;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of shares in the Company held by Ontario and its concert parties as at the latest practicable date;
 - (iv) the number and percentage of voting rights to be acquired by each of Ontario and its concert parties as a result of the Debt Capitalisation as contemplated by the Scheme;
 - (v) specific and prominent reference to the fact that the Debt Capitalisation as contemplated by the Scheme would result in Ontario and its concert parties holding shares carrying over 49% of the voting rights of the Company and that Ontario and its concert parties will be free to acquire further shares without incurring any obligation under Rule 14 of the Code to make a general offer; and
 - (vi) specific and prominent reference to the fact that shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from Ontario at the highest price paid by Ontario and its concert parties for the Company's shares in the past 6 months preceding the commencement of the offer;
- (g) the circular by the Company to its shareholders states that the waiver granted by Council to Ontario from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at (a) to (f) above;
- (h) the Company obtains Council's approval in advance for those parts of the circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within 3 months from the date of the SIC letter granting the Ontario Whitewash Waiver, being 23 October 2023, and the subscription of the Scheme Shares

by Ontario must be completed within 3 months of the date of the approval of the Whitewash Resolution.

3. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company via SGXNET as and when there are any material developments, in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

Pending the completion of the Scheme, shareholders and potential investors should exercise caution when trading in the Company's securities. When in doubt as to the action they should take, shareholders and potential investors should consult their financial, legal, tax or other advisers.

BY ORDER OF THE BOARD

Mr. Han Binke
Executive Director and CEO
24 October 2023