NEW SILKROUTES GROUP LIMITED

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

RESPONSE TO SGX ADDITIONAL QUERIES ON CREDITORS' VOLUNTARY LIQUIDATION OF INTERNATIONAL ENERGY GROUP PTE. LTD.

The Board of Directors (the "**Board**") of the Company (and together with its subsidiaries, the "**Group**") wishes to announce the following in response to the further queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the Creditors' Voluntary Liquidation of International Energy Group Pte. Ltd. released via SGXNET on 5 January 2021 (the "**Announcement**") and Response to SGX Queries on Creditors Voluntary Liquidation of International Energy Group Pte. Ltd. released via SGXNET on 20 January 2021 ("**20 January Announcement**").

All capitalized terms in this announcement shall have the same meanings as are accorded to them in the Announcement, unless otherwise defined.

SGX-ST's Query:

(a) It is disclosed in the Announcement that, the Board took the difficult decision that a creditors voluntary liquidation of IEG was appropriate and appointed provisional liquidators. Please provide the basis for the Company to appoint the provisional liquidators pursuant to a creditors voluntary liquidation of IEG.

Company's Response:

As stated in the 20 January 2021 Announcement the management and the Board are of the view that the energy business is not sustainable and IEG will not be able to fulfil its debt obligations as and when they fall due taking into account the cash flow projections commencing on Q22021. The basis for the Company to appoint the provisional liquidators pursuant to a creditors' voluntary liquidation was that the energy business was not sustainable and IEG will not be able to fulfil its debt obligations as and when they fall due taking into account the cash flow projections commencing on Q22021.

SGX-ST's Query:

(b) We note the Company's response that, "The Company is a corporate guarantor to a loan extended from Ocap Management Pte Ltd to IEG. ("**oCap Loan**") 2.) IEG is a corporate guarantor to lease financing arrangement of the bare boat charter agreement (the "**BBC agreement**") entered into by its subsidiary TXZ Tankers Pte Ltd, in which if IEG defaults, the Company is a corporate guarantor to the lease financing arrangement and its contingent liabilities under the applicable termination clauses (the "**Termination Amount**") associated to the BBC agreement." Please disclose (i) the amount of oCap Loan and (ii) amount in connection with the BBC agreement, including its contingent liabilities. Please provide further information on the Termination Amount.

Company's Response:

(i) The principal loan extended from Ocap Management Pte Ltd to IEG is in the sum of USD 6,800,000.00. As mentioned in the Company's response to SGX's queries dated 20 January 2021, the Company is presently taking advice in respect of the oCap Loan and reviewing the letters of demand received in respect of the same. In particular, it should be noted that the Company is taking advice on the basis and merits of the claims made in the letters of demand, including the Company's liability (if any) under any guarantee signed by the Company.

(ii) The amount in connection with the BBC agreement, including its contingent liabilities, is not quantified and/or crystallised. While the Company has received a reservation of rights in respect of the BBC Agreement, the Company has not received any formal claim in relation to the foregoing. It should also be noted that the Company is taking advice on the basis and merits of the reservation of rights letter, including the Company's liability (if any) under any guarantee purportedly given by the Company.

SGX-ST's Query:

(c) It is disclosed in the Announcement that, "The Company has received letters of demand in respect of US$7,158,133.33 from the provisional liquidators of oCap."

(i) Please disclose the implications of the letters of demand on the Group's operations, financial performance and ability to operate as a going concern;

(ii) Please disclose when these letters of demand were received;

(iii) Please clarify if the Company have the necessary financial resources to pay the amount under the letters of demands; and

(iv) Please clarify if there are any risks of cross defaults.

Company's Response:

(i) The Company is presently taking advice in respect of the oCap Loan and reviewing the letters of demand received in respect of the same. In particular, it should be noted that the Company is taking advice on the basis and merits of the claims made in the letters of demand, including the Company's liability (if any under any guarantee signed by the Company. The Group's healthcare operations generate sufficient operating cash flows to meet its working capital requirements. The health and healthcare subsidiaries of the Company contributed US$13.62 million to the revenue of 1Q2021. The Group can continue to grow its healthcare operations based on the financials from its subsidiaries Shanghai Fengwei and Healthsciences International Pte Ltd

(ii) The Letters of demand were received on 24 December 2020, 8 January 2021 and 18 January 2021. No announcement of the same was made as the Company was taking advice on the basis and merits of the claims made in the letters of demand, including the Company's liability (if any under any guarantee signed by the Company.

(iii) The Company has the necessary financial resources to pay the amount under the letters of demands.

(iv) There are no risks of cross defaults as the existing bank loans have covenants that the monies are ringfenced around the specific healthcare entities.

SGX-ST's Query:

(d) How do the corporate guarantees as disclosed in paragraph (b) of the Announcement affect the Board of Directors' opinion as to (i) whether the Company and its subsidiaries can continue as a going concern; and (ii) the bases for its opinion.

Company's Response:

As stated in the 20 January Announcement, the Board of Directors had taken into account corporate guarantees in forming their opinion that the Company and the Group can continue as a going concern and have sufficient working capital and financial resources to meet their obligations as and when they fall due for the next twelve months. In addition to the bases and assumptions set out in the 20 January Announcement:

(i) The Board has also taken into account the cash position of the healthcare segment of the Group;

(ii) The management with the Group's legal advisers are negotiating with the provisional liquidators of oCap and the counterparty of the BBC Agreement;

(iii) The Group is currently in discussions for external financing from strategic investors to the Company.

Shareholders of the Company and potential investors should note that the trading in the Company's securities may be suspended in the event that the Company is unable to continue as a going concern. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests. Shareholders of the Company and potential investors are advised to read all further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Dr VicPearly Wong Hwei Pink
Executive Director and CEO

25 January 2021