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

PROPOSED DISPOSAL OF HSI CHINESE MEDICINE

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1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of the Company refers to its announcement "Term Sheet with Ms Lina Ng Lay Theng" released on 12 May 2022 (the "**Previous Announcement**").

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

The Board wishes to announce that its indirect subsidiary, Healthsciences International Pte. Ltd. (the "**Vendor**"), has entered into an Assets Purchase Agreement (the "**Agreement**") with HSI Chinese Medicine Pte. Ltd. (the "**Purchaser**") on 28 April 2023 for the disposal of the assets and business of HSI Chinese Medical.

Subject to the provisions of the Agreement, the Vendor shall sell, novate, transfer and assign to the Purchaser free from Encumbrances (as defined in the Agreement) and the Purchaser shall purchase the Assets (as defined below) owned by or under the control of the Vendor and used in the conduct of the Business (as defined below) as at the Completion Date (the "**Proposed Transaction**").

The Assets include, *inter alia*, all the property, rights and choses in action of HSI Chinese Medicine to be disposed pursuant to the Agreement and as set out in Schedule 1 of the Agreement, except the assets and liabilities specifically excluded by the Agreement.

The Business means the business relating to the Assets including but not limited to the provision of healthcare and medical services as carried on by the Vendor via the business name of HSI Chinese Medicine.

2. INFORMATION ON THE PURCHASER

The information on the Purchaser was provided by the Purchaser and the contents of this announcement relating to the Purchaser have been confirmed by the Purchaser to be accurate. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the sole responsibility of the Company and Directors is to ensure that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

As at the date of this Announcement, the Purchaser is a private company limited by shares incorporated in Singapore on 10 June 2022 and principally engaged in the business of clinics and other (non-Western) general medical services. The shareholders of the Purchaser are Ms Lina Ng Lay Theng and Mr Poh Cze Wei.

3. INFORMATION ON THE DISPOSAL

3.1 Consideration

Subject to the provisions of the Agreement, the aggregate amount payable by the Purchaser to the Vendor for the Proposed Transaction shall be S$202,300 (the "**Consideration**"), part of which has been paid as a deposit prior to the date of the Agreement, and the rest of which shall

be paid in two (2) tranches on the date of the Agreement and on the Completion Date (as defined in the Agreement) respectively.

The Consideration was arrived at by agreement between the Vendor and the Purchaser at arm's length, on a willing seller, willing buyer basis after taking into account the profitability of the Assets and the book value and net tangible asset value of the Assets.

3.2 Value of Assets

A meaningful valuation of the Assets' book value and net tangible asset value is not available as: (i) the Assets were reported on as part of the Vendor in the Group's financial statements and no separate figure is available, and (ii) the disposal of the Assets is a disposal of a business which comprises, amongst others, intangible assets. Based on the Consideration of S$202,300, the market value of the Assets would be the same, being approximately S$202,300. No valuation of the Assets has been commissioned by the Group.

4. NON-DISCLOSEABLE TRANSACTION

None of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Transaction exceeds 5% and accordingly, the Proposed Transaction constitutes a non-discloseable transaction within the meaning of Chapter 10 of the Listing Manual.

The Company is however making this announcement pursuant to Rule 1008(2) of the Listing Manual.

5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The Proposed Transaction is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year ending 30 June 2023.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, none of the Directors or controlling shareholders of the Company and/or their respective associates has any interest, direct or indirect, in the Proposed Transaction, other than through their respective shareholding interests in the Company, if any.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement will be available for inspection during normal business hours at the Company's registered office at 456 Alexandra Road, #24-01, Fragrance Empire Building for a period of three (3) months from the date of this Announcement.

Shareholders who wish to inspect the Agreement at the registered office of the Company are required to send an email request to finance@newsilkroutes.org to make an appointment in advance.

8. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Transaction as appropriate or when there are further developments on the same.

9. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company as completion is subject to the fulfilment of the conditions precedent, and there is no certainty or assurance as at the date of this announcement that the Proposed Transaction will be completed. The Company will make the necessary announcements as and when there are further developments on the Proposed Transaction.

Shareholders and potential investors are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

FOR AND ON BEHALF OF THE BOARD

Mr Han Binke
Executive Director and CEO

3 May 2023