NEW SILKROUTES GROUP LIMITED

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

RESPONSE TO SGX FURTHER QUERIES IN RELATION TO THE COMPANY'S UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

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 queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the unaudited financial results of the Company for the first quarter ended 30 September 2020 released on 13 November 2020 (the "**Announcement**").

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

1. SGX-ST's Query:

Please clarify when the respective loans were approved by the Board including the Audit Committee.

Company's Response:

(1) US$3.49 million was obtained in December 2019 and approved by the board of directors of the subsidiary, Healthsciences International Pte Ltd ("**HSI**") in December 2019. US$3.66 million was obtained in April and June 2020, of which US$2.21 million was approved by the board of the Company in April 2020 and June 2020 and US$1.45 million was approved by the board of directors of the subsidiary, HSI in June 2020. US$21,000 was obtained in July 2018 and approved by the board of the Company in July 2018. US$46K was obtained by a subsidiary before the Group acquired the subsidiary.

(2) US$6.8 million was obtained in April 2020 and approved by the board of the Company in April 2020.

(3) US$6.95 million obtained in December 2019, February and April 2020 was approved by the shareholder, New Silkroutes Capital Pte Ltd of Shanghai Fengwei in March 2019 and February 2020. US$1.05 million obtained in February and March 2020, pertaining to the government-subsidised loan was neither required to be approved by the board of the Company nor the shareholder.

(4) A financing arrangement entered into by the subsidiary, TXZ Tankers Pte. Ltd. ("**TXZ**") whereby the Vessel was secured by the counterparty for an amount of US$6.5 million obtained in April 2020, was approved by the board of TXZ in April 2020.

The Audit and Risk Committee and the Board were informed and review the financing arrangements of the Group at least quarterly.

2. SGX-ST's Query:

It is stated that, a financing arrangement entered into by the subsidiary, TXZ Tankers Pte. Ltd. whereby the Vessel was secured by the counterparty for an amount of US$6.5 million obtained in April 2020. Please provide the salient details of the financing arrangement, the identity of the lender, its ultimate beneficial shareholders and directors.

Company's Response:

As disclosed in Note 21 of the Notes to the Financial Statements in the Annual Report 2020, TXZ entered into a ship financing arrangement with Iolani Shipping Limited of Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda (the "**Counterparty**") whereby the Vessel was secured to the Counterparty for an amount of US$6,500,000. An amount of US$1,625,000 has been retained by the Counterparty till maturity of the financing ("**Retained Amount**"). A bareboat charterparty between TXZ and the Counterparty, whereby it is agreed that the Vessel is to be bareboat chartered for a fixed period of 5 years with an extension option of two years, with a fixed daily hire of USD 3,750.TXZ has the option to end the ship financing arrangement at the end of year 4, 5 and 7 by the payment to the Counterparty of the amounts of, respectively, USD 4,200,000 (less the Retained Amount), USD 3,500,000 (less the Retained Amount) and USD 3,250,000 (less the Retained Amount).

The shareholder of the Counterparty is Hilo Holdings Limited of Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and the director is Shaun S Burch. Other than the ship financing arrangement disclosed above, there is no connection (including business relationship) between the Counterparty, its directors and substantial shareholders with the Company, its directors and substantial shareholders.

3. SGX-ST's Query:

In relation to the response relating to the interest income, please clarify the breakdown of the cash that is held in Banks in Singapore and overseas.

Company's Response:

Country where the cash in bank was held as at 30 September 2020	Amount (US$ millions)
Singapore	7.8
People's Republic of China ("PRC")	8.4
Total	16.2

BY ORDER OF THE BOARD

Dr VicPearly Wong Hwei Pink
Executive Director and CEO

11 December 2020