

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

PROPOSED SCHEME OF ARRANGEMENT BY NEW SILKROUTES GROUP LIMITED

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as those defined in the Scheme Document dated 6 September 2023 (“**Scheme Document**”), which is attached as Appendix I to this announcement.

INTRODUCTION

The board of directors of the Company refers to the Company’s announcement on 3 July 2023 and provides the following update on the scheme of arrangement that the Company intends to propose between the Company and the Scheme Creditors (the “**Proposed Scheme**”).

PROPOSED “PRE-PACKAGED” SCHEME OF ARRANGEMENT

The Company has proposed to enter into a “pre-packaged” scheme of arrangement with the Scheme Creditors pursuant to Section 71 of the Insolvency, Restructuring and Dissolution Act 2018 (“**IRDA**”). The Scheme Document, which comprises the Explanatory Statement, the Scheme of Arrangement, the Ballot Form, and the Proof of Debt Form, has been sent to the Scheme Creditors by electronic means on 6 September 2023.

If the Proposed Scheme is approved by a majority in number representing three-fourths in value of each class of the Scheme Creditors casting their votes through the Ballot Forms, the Company will make an application to the High Court of the Republic of Singapore (the “**Court**”) under Section 71 of the IRDA, which allows the Court to approve the Proposed Scheme even though no meeting of the Scheme Creditors has been held.

SALIENT TERMS OF THE SCHEME

Please refer to the Scheme Document, which is attached as Appendix I to this announcement, for full details and the terms of the Proposed Scheme.

I. RATIONALE

The Proposed Scheme would allow for a restructuring of the Company’s debts. The Company is of the view that following the reduction of its debts to a sustainable level, the Company will be a viable going concern.

The Company believes that the Proposed Scheme will benefit the Scheme Creditors, who are expected to receive a greater return under the Proposed Scheme than under a winding up of the Company.

II. SCHEME OVERVIEW

The Proposed Scheme principally comprises the following elements:

- (a) The Class A Scheme Creditors shall have the choice of 2 options under the Proposed Scheme:
 - (i) **Option 1** – The Company shall pay in cash to each Class A Scheme Creditor an amount that is equivalent in value of up to 6% of the Class A Scheme Creditor’s Approved Claim for Distribution (“**Cash Distribution**”). The amount of cash that each Class A Scheme Creditor receives will be contingent on the total value of the Approved Claims for Distribution of the Class A Scheme Creditors who have elected

to participate in Option 1. A cash pool of S\$200,000 will be provided for the Cash Distribution.

- (ii) **Option 2** – The Company shall allot and issue a number of its shares (“**Scheme Shares**”) to each Class A Scheme Creditor that is equivalent in value to 1% of the Class A Scheme Creditor’s Approved Claim for Distribution. The number of Scheme Shares to be allotted and issued to each Class A Scheme Creditor will be derived from (i) the Company’s net asset value at the time of the Court’s approval of the Proposed Scheme, and (ii) the Company’s intention for the Scheme Creditors to hold 70% of the Company’s shares following the restructuring of the Company’s debt.
- (b) In addition to Option 1 and Option 2, the Company shall make a further *pari passu* cash distribution to each Class A Scheme Creditor, from any surplus Consideration that the Company receives from the proposed disposal of Shanghai Fengwei.
- (c) The Class B Scheme Creditors shall not receive any distribution from the Company under the Proposed Scheme.

Conditions Precedent to the Proposed Scheme

The following are conditions precedent to the Proposed Scheme taking effect. The date on which the last condition precedent is satisfied shall be the Scheme Effective Date, from which date onwards the Proposed Scheme is to be implemented.

- (a) The moratorium granted in OA 15 remains in place until 9 October 2023 and any subsequent application for the extension of the said moratorium, if necessary, is granted by the Court.
- (b) The Proposed Scheme is approved by a majority in number representing three-fourths in value of each class of the Scheme Creditors casting their votes through the Ballot Forms.
- (c) The Proposed Scheme is approved by the Court pursuant to Section 71 of the IRDA and a copy of the Order of Court sanctioning the Proposed Scheme is lodged with the Registrar of Companies pursuant to Section 71(10)(a) of the IRDA.
- (d) 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.
- (e) The Whitewash Resolution (if so required by the SIC) and the allotment and issuance of the Scheme Shares, and other resolutions in connection thereto, are approved by the requisite majority of the Company’s Shareholders.
- (f) Any third party, regulatory, or tax approvals necessary for the Proposed Scheme are obtained and not withdrawn, including but not limited to any approvals from statutory authorities, the SGX-ST, and the SIC, and such approvals remain in full force and effect until the Completion Date.
- (g) Approval for the resumption of trading of the Company’s shares on the SGX-ST is obtained from the SGX-ST, and such approval is not amended or revoked as at the Completion Date.
- (h) In-principle approval for the listing and quotation of the Scheme Shares is obtained from the SGX-ST, and such approval is not amended or revoked as at the Completion Date.
- (i) The Company remains listed on the SGX-ST and there is no notice or proposal for the delisting of the Company.

III. KEY DATES AND INDICATIVE TIMETABLE

Events	Indicative Timeline
Issuance of Scheme Document	6 September 2023
Deadline for submission of Ballot Forms and Proof of Debt Forms for the purpose of voting on and participating in the Proposed Scheme	4 October 2023
End of Moratorium	9 October 2023 The Company intends to make another application for the moratorium to be extended for a further period of 2 months until 9 December 2023.
Announcement of the outcome of the Vote Solicitation by the Scheme Manager	18 October 2023
Application for SGX-ST's approval of the listing and quotation of the Scheme Shares to be allotted and issued under the Proposed Scheme	20 October 2023 It is estimated that the SGX-ST's approval will be obtained by 15 December 2023 as the SGX-ST typically takes 6 to 8 weeks to respond to the application.
Application to Court for approval of the Proposed Scheme	To be announced
Court hearing for approval of the Proposed Scheme	To be announced
Application for SGX-ST's approval of the resumption of trading of the Company's shares	To be announced
EGM	After the above items have been completed and 14 or 21 days (as the case may be) after the notice of the EGM has been sent to the shareholders
Scheme Effective Date	To be announced The Scheme Effective Date is the date on which the last condition precedent is satisfied.
Distributions under the Proposed Scheme	Within 28 days after the Scheme Effective Date

IV. SCHEME MANAGER

The Company has appointed Mr Cameron Duncan of KordaMentha Pte. Ltd., 16 Collyer Quay, #30-01, Singapore 049318, as the manager for the Proposed Scheme.

The Company will keep the shareholders updated on the status of and any material developments regarding the Proposed Scheme in due course. Shareholders should consult their professional advisors if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Mr Han Binke
Executive Director and CEO

6 September 2023