

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE
ATTENTION**

It contains important information and should be read in its entirety. If you are in any doubt about what action you should take, you should consult your professional advisor without delay. Further copies of this document can be obtained upon request from the email address nsg@kordamentha.com.

Unless otherwise defined, the terms used throughout this document (the “**Explanatory Statement**”) shall bear the same meanings as defined in the Scheme of Arrangement dated 6 September 2023 enclosed herein at **Appendix A**.

EXPLANATORY STATEMENT

To

SCHEME OF ARRANGEMENT

**PURSUANT TO SECTION 71 OF THE INSOLVENCY, RESTRUCTURING AND
DISSOLUTION ACT 2018 (NO. 40 OF 2018)**

Between

NEW SILKROUTES GROUP LIMITED

(Company Registration No. 199400571K)

And

THE SCHEME CREDITORS

The action that the Creditors should take is set out in this Explanatory Statement. As a Creditor, you are requested to complete and return the Proof of Debt Form enclosed with the Scheme in accordance with the instructions and notes contained therein.

Dated this 6th day of September 2023

IMPORTANT NOTICE

Explanatory Statement pursuant to Section 71 of the Insolvency, Restructuring and Dissolution Act 2018 (“**IRDA**”) explaining the effects of the Scheme of Arrangement proposed by New Silkroutes Group Limited (the “**Company**”).

1. This Explanatory Statement is being distributed to all Scheme Creditors (as defined in the Scheme of Arrangement (“**Scheme**”) dated 6 September 2023 enclosed herein at **Appendix A**, which, together with this Explanatory Statement, collectively constitute the “**Scheme Document**”) of the Company solely for the purposes of the Scheme.
2. Nothing in this Scheme Document or any other document issued with or appended to it should be relied on for any purpose other than to make a decision with respect to the Scheme.
3. The information contained in this Scheme Document has been prepared based upon information available to the Company as of the date of this Scheme Document. The Company has taken reasonable steps to ensure that this Scheme Document contains the information reasonably necessary to enable the Scheme Creditors to make an informed decision about the effect of the Scheme on them.
4. Nothing contained in this Scheme Document shall be deemed to be a forecast, projection or estimate of the Company’s future financial performance or that of the Company.
5. Except as provided for below, this Explanatory Statement is for the exclusive use of the persons to whom it is addressed and their advisors and shall not be copied, reproduced or distributed to any other person without the prior written consent of the Company and/or the Scheme Manager. The information contained in this Explanatory Statement is confidential and provided solely for the purposes mentioned above. Recipients of this Explanatory Statement are required to keep this information confidential and use it only for the purposes of consideration of the Scheme.
6. This Explanatory Statement contains extensive and detailed information and should be read in its entirety. If you are in doubt about this document or as to the action which you should take, you should consult your financial or investment advisor, bank manager, solicitor or other professional advisors immediately. You should note that this Explanatory Statement is not intended to constitute professional advice and that you should seek your own professional advice in relation to the Scheme.
7. The actions required to be taken by the Scheme Creditors are set out in this Explanatory Statement. You are asked to complete and return the Proof of Debt Form as soon as possible in accordance with the instructions set out herein. Failure to take action could have consequences in respect of your rights against the Company.
8. While the Company and/or the Scheme Manager have taken reasonable care in the preparation of the information provided herein, no representation or warranty is made that the information contained in this Explanatory Statement and the Scheme is accurate or complete.

9. This Explanatory Statement and the Scheme are to be taken as mutually explanatory of one another but in the event of any conflict or inconsistency between this Explanatory Statement and the Scheme, the terms of the Scheme shall prevail.
10. The Scheme Creditors' attention should be drawn to certain risks associated with the Scheme and the Restructuring that are set out in this Explanatory Statement.
11. Important information:
 - (a) Deadline for lodgment of the Ballot Form and the Proof of Debt Form for the purposes of voting on and participating in the Scheme (i.e., Proof of Debt Long Stop Date): **4 October 2023**
 - (b) Please submit the Ballot Form and the Proof of Debt Form to the following e-mail addresses. A confirmation e-mail will be sent to the sender to acknowledge receipt of the relevant documents sent.
 - a. cduncan@kordamentha.com
 - b. jjeyaraj@kordamentha.com
 - c. cleong@kordamentha.com
 - d. nsg@kordamentha.com

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CONTACT DETAILS

The Company	New Silkroutes Group Limited
Specified Address	456 Alexandra Road #24-01 Fragrance Empire Building Singapore 119962
Contact Details	winston@newsilkroutes.org
Contact Person	Winston Chen Qi

Scheme Manager	Cameron Duncan c/o KordaMentha Pte. Ltd.
Specified Address	16 Collyer Quay #30-01 Singapore 049318
Contact Details	cduncan@kordamentha.com
Contact Person	Cameron Duncan

Legal Advisors	Shook Lin & Bok LLP
Specified Address	1 Robinson Road AIA Tower #18-00 Singapore 048542
Contact Details	daniel.tan@shooklin.com

	linhtrang.hoang@shooklin.com yeeshing.poh@shooklin.com
Contact Person	Daniel Tan / Hoang Linh Trang / Poh Yee Shing

EXPECTED TIMETABLE

Action	Time / Date
Proof of Debt Long Stop Date (last day for lodgment of the Ballot Form and the Proof of Debt Form for the purposes of voting on and participating in the Scheme)	4 October 2023
Court hearing to sanction the Scheme	To be announced
Scheme Effective Date	To be announced
End of Moratorium	9 October 2023 (or until further order by the Court)

SUMMARY OF ACTIONS TO BE TAKEN

Detailed instructions on the actions to be taken by Scheme Creditors are set out in this Scheme Document (including the Ballot Form) and summarised below.

Summary of actions to be taken

Detailed instructions on the actions to be taken by Scheme Creditors are set out in the Scheme of Arrangement, Annex B (*Ballot Form*) and Annex C (*Proof of Debt Form*) of this Scheme Document and are summarised below:

1. Read this document as a whole, in conjunction with the documents that accompany it.
2. If you are a Scheme Creditor and wish to vote in respect of the Scheme, you must complete the Ballot Form set out in Annex B (*Ballot Form*) of this Scheme Document as well as the Proof of Debt Form set out in Annex C (*Proof of Debt Form*) of this Scheme Document. Please return the Ballot Form and the Proof of Debt Form to the following e-mail addresses by **4 October 2023**:
 - a. cduncan@kordamentha.com
 - b. jjeyaraj@kordamentha.com
 - c. cleong@kordamentha.com
 - d. nsg@kordamentha.com
3. Before the Scheme can become effective and binding on the Company and its Scheme Creditors, the Scheme must be approved by a majority in number representing three-fourths ($\frac{3}{4}$) in value of each class of Scheme Creditors casting their votes through the Ballot Forms.
4. For the avoidance of any doubt, there will not be any Scheme Meeting(s) convened.

If you are in any doubt as to what action you should take in connection with this Scheme Document, the proposals contained in it or the documents that accompany it, you are recommended to seek professional advice immediately from your financial and/or legal advisor.

EXPLANATORY STATEMENT

(In compliance with Section 71 of the Insolvency, Restructuring and Dissolution Act 2018
(No. 40 of 2018))
(the “IRDA”)

To: The Scheme Creditors

Dear Sir/Madam,

1. INTRODUCTION

- 1.1 Capitalised terms used herein shall unless otherwise defined have the same meaning attributed to them under the Scheme.
- 1.2 This Explanatory Statement is issued pursuant to Section 71 of the IRDA. The purpose of this Explanatory Statement is to explain the background and effect of the Scheme proposed to be entered into between the Company and the Scheme Creditors. As such, this Explanatory Statement is part of the Scheme and it should be read, construed and interpreted in the context of the Scheme (set out in the Scheme of Arrangement of this Scheme Document).
- 1.3 This Explanatory Statement and the Scheme are to be taken as mutually explanatory of each other but in the event of any conflict or inconsistency between this Explanatory Statement and the Scheme, the terms of the Scheme shall prevail.
- 1.4 This Explanatory Statement has been prepared on a best-efforts basis, without any warranty as to the accuracy or completeness of the information provided herein. The Scheme Manager reserves the right to amend or supplement this Explanatory Statement and/or the information contained herein.
- 1.5 This Explanatory Statement is for the exclusive use of the Scheme Creditors to whom it is addressed and their advisors and shall not be copied, reproduced or distributed to any other person without the prior written consent of the Company. The information contained in this Explanatory Statement is confidential and provided solely for the purposes mentioned above. Recipients of this Explanatory Statement are required to keep this information confidential and use it only for the purpose of considering the Scheme.
- 1.6 This Explanatory Statement contains extensive and detailed information and should be read in its entirety. If you are in doubt about this document or as to the action which you should take, you should consult your financial or investment advisor, stockbroker, solicitor or other professional advisor immediately. You should note that this Explanatory Statement is not intended to constitute professional advice and that you should seek your own professional advice in relation to the Scheme.

2. GENERAL

2.1 What is a “Pre-packaged” Scheme of Arrangement?

Under Singapore law, a “pre-packaged” scheme of arrangement of the kind proposed herein is an arrangement provided for under Section 71 of the IRDA to take effect

between a company and its creditors. This is an expedited procedure which allows the proponent of a scheme of arrangement to bypass an application to the Court for a scheme meeting of the creditors to be summoned.

A scheme of arrangement becomes legally binding on all of the creditors to whom it is intended to apply (including those creditors who did not vote on the scheme of arrangement or who voted against it) if:

- 2.1.1 The Court is satisfied that had a meeting of the creditors or class of creditors been summoned, a majority in number (over 50%) and representing at least three-fourths (that is, 75%) in value of the creditors or class of creditors present and voting would have voted in favour of the scheme of arrangement;
- 2.1.2 The Court subsequently approves the scheme of arrangement; and
- 2.1.3 A sealed copy of the Order of Court sanctioning the scheme of arrangement is lodged with the Registrar of Companies.

2.2 What are Scheme Creditors required to do?

- 2.2.1 As this is a “pre-packaged” scheme of arrangement, there will not be any scheme meeting(s) convened. If you are a Scheme Creditor of the Company, you are entitled to cast your vote through the Ballot Form.

Ballot Form

- 2.2.1.1 A Ballot Form has been provided in Annex B of this Scheme Document.
- 2.2.1.2 Scheme Creditors should complete and sign the Ballot Form provided with this Scheme Document and return the completed Ballot Form as soon as possible and in any event by the POD Cut-Off Date.
- 2.2.1.3 The Ballot Form should be completed in accordance with the instructions and guidance notes provided with it.
- 2.2.1.4 Please note that if a Scheme Creditor fails to submit its Ballot Form to the Specified Address by the stipulated deadline, the vote of the Scheme Creditor shall not be counted.

Proof of Debt Forms

- 2.2.1.5 Proof of Debt Forms have been provided in Annex C of this Scheme Document.
- 2.2.1.6 Each Scheme Creditor shall submit a Proof of Debt in respect of its Claim as at the Ascertainment Date, i.e., 6 September 2023, by the POD Cut-Off Date for the purpose of voting on the Scheme through the Ballot Form. If a Scheme Creditor fails to

submit its Proof of Debt by the POD Cut-Off Date, the Scheme Creditor shall be deemed to have irrevocably, permanently, and unconditionally waived its rights to vote on the Scheme for the purpose of the Vote Solicitation.

2.2.1.7 Additionally, Scheme Creditors who have not submitted a Proof of Debt by the POD Cut-Off Date shall not be entitled to any benefits, distributions, or payments under the Scheme. Any Claim of a Scheme Creditor against the Company which is not submitted by the Scheme Creditor on or before the POD Cut-Off Date shall be forever discharged, extinguished, released, and waived, and the Scheme Creditor shall not have any claims, interests, and rights whatsoever against the Company in respect of such Claim.

2.3 Background

2.3.1 The Company is a company listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

2.3.2 The Company was incorporated in Singapore on 25 January 1994 under the name “Digiland International Limited”. On 10 July 2015, the Company was renamed to “New Silkroutes Group Limited” to better reflect its then focus on oil trading.

2.3.3 The Company is an investment holding company and sits on top of a number of subsidiaries in Singapore and China (collectively, the “Group”). Following the liquidation of the Group’s oil trading subsidiary in or around 2021, the Group focused on the provision of healthcare services. Its subsidiary in Singapore, HSI, previously owned and operated multiple dental and medical clinics in Singapore. In February 2023 and May 2023, the Group disposed of its equity interest in the dental clinics for an aggregate consideration of S\$3,305,007, of which the Group is entitled to S\$2,045,007. This was part of the Group’s restructuring exercise to right-size its operations and re-orientate its business plans.

2.3.4 The Group’s portfolio also extended into manufacturing and producing healthcare-related supplies. Its subsidiary in China, Shanghai Fengwei, produced non-woven material used in the manufacture of disposable medical consumables, such as hospital gowns and linen, personal protective equipment, and masks. On 28 April 2023, the Company announced the signing of a legally binding memorandum of understanding for the disposal of the Group’s equity interest in Shanghai Fengwei for an aggregate consideration of RMB 88 million. The proposed disposal of Shanghai Fengwei is part of the Group’s restructuring exercise and is similarly intended to steer the Group in a new business direction.

Poor financial performance and suspension of trading

- 2.3.5 The deterioration of the Company's and the Group's financial position was largely due to the collapse of the Group's oil trading business. On 5 January 2021, the Company wound up the holding subsidiary for the Group's oil trading business, IEG, as well as IEG's subsidiaries. However, as the investment holding company for the Group and the corporate guarantor for loan facilities and financing arrangements entered into by IEG and IEG's subsidiaries, the Company had significant exposure to the liabilities of IEG and IEG's subsidiaries.
- 2.3.6 Furthermore, the growth of the Group's medical business in Singapore during the COVID-19 pandemic was offset by a decline in the provision of Polymerase Chain Reaction COVID-19 tests and vaccination services after the gradual lifting of the COVID-19 restrictions. The Group's Traditional Chinese Medicine clinic also suffered a loss in revenue due to increased operating expenses and manpower shortages. Meanwhile, Shanghai Fengwei's performance was adversely affected by rising costs of goods, manpower shortages, a decline in demand for non-woven material as a result of intense competition, and stringent COVID-19 restrictions imposed by the Chinese government.
- 2.3.7 The Company's shares and related securities have been suspended from trading since 17 November 2021.

Financial position of the Company

- 2.3.8 The Company has no secured creditors. As at 30 June 2023, the total quantum of the Company's debt amounts to USD 33,158,033 in current liabilities and SGD 1,559,271 in contingent liabilities, which arise out of the corporate guarantees provided by the Company in favour of various lenders who had extended loans to the Company's subsidiaries.

Acquisition of the majority of the Company's debt by Ontario

- 2.3.9 Pursuant to an agreement ("**Memorandum of Agreement**") entered into between the Company and 2810198 Ontario Inc ("**Ontario**") on 24 May 2022, Ontario agreed to acquire all rights to and interests in:
- 2.3.9.1 The amount that TXZ Tankers Pte. Ltd., a wholly-owned subsidiary of the Company, was indebted to Iolani Shipping Limited for, in respect of a lease financing arrangement entered into by TXZ Tankers Pte. Ltd. and Iolani Shipping Limited. The Company had provided a corporate guarantee in favour of Iolani Shipping Limited in connection with the aforesaid lease financing arrangement; and
- 2.3.9.2 The amount that IEG, a wholly-owned subsidiary of the Company, was indebted to OCAP Management Pte. Ltd. for, in respect of loan facilities extended by OCAP Management Pte.

Ltd. to IEG. The Company had provided a corporate guarantee in favour of OCAP Management Pte. Ltd. in connection with the aforesaid loan facilities.

(collectively, the “**Relevant Debts**”). This shall be referred to as the “**Debt Acquisition**”.

- 2.3.10 In consideration thereof, among other things, the Company agreed to use all commercially reasonable efforts, subject to applicable laws and regulations, to procure, facilitate, and complete the capitalisation of the Relevant Debts by allotting and issuing to Ontario the Company’s shares at an applicable issue price, such that the Relevant Debts shall, following the conversion, represent not less than 65% and not more than 70% of the total issued and paid-up share capital of the Company on a fully diluted and as-converted basis. This shall be referred to as the “**Debt Capitalisation**”.
- 2.3.11 The Debt Acquisition was completed on 18 July 2022, pursuant to which Ontario acquired all rights to and interests in the Relevant Debts, which amount to approximately US\$27.4 million, for an aggregate consideration of S\$2.5 million.
- 2.3.12 Following the completion of the Debt Acquisition and pursuant to the MOA, Ontario loaned the Company an aggregate principal amount of approximately S\$1.9 million to finance the Company’s working capital, the Company’s past and ongoing liabilities, and the past and ongoing liabilities of the Group’s companies that were guaranteed by the Company (the “**Working Capital Loan**”). In the circumstances, Ontario is now the Company’s majority creditor, and holds approximately **83.0%** of the Company’s total outstanding liabilities as at 30 June 2023.
- 2.3.13 On 14 September 2022, Ontario obtained from the SIC a conditional 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 (“**Whitewash Waiver**”).
- 2.3.14 The MOA was ultimately terminated on 19 January 2023. Nevertheless, Ontario remains committed to the restructuring of the Company and intends to complete the Debt Capitalisation by way of the Scheme.

HC/OA 15/2023

- 2.3.15 On 9 January 2023, *vide* HC/OA 15/2022 (“**OA 15**”), the Company made an application for, *inter alia*, moratorium relief pursuant to Section 64 of the IRDA. The substantive reliefs sought in OA 15 were granted by the Honourable Justice Aedit Abdullah at the hearing on 6 February 2023.
- 2.3.16 On 19 June 2023, *vide* HC/SUM 1845/2023, the Company made an application for the moratorium, which was due to expire on 9 July 2023, to be extended for a period of 3 months. The application was granted by the

Honourable Justice Aedit Abdullah at the hearing on 3 July 2023. The moratorium is therefore due to expire on 9 October 2023, unless a further order is granted by the Court.

- 2.3.17 Given that the POD Cut-Off Date will fall on 4 October 2023, and the Company and its Scheme Manager will require more time to review and announce the outcome of the Vote Solicitation before making an application pursuant to Section 71 of the IRDA for the Scheme to be sanctioned, the Company intends to make another application for the moratorium to be extended for a further period of 2 months until 9 December 2023. The Company will keep all Scheme Creditors updated once such an application has been filed.

Proposed disposal of Shanghai Fengwei

- 2.3.18 On 28 April 2023, the Company’s wholly-owned subsidiary, New Silkroutes Capital Pte. Ltd. (“NSC”), entered into a legally binding memorandum of understanding (“MOU”) with Shanghai Yikang Non-Woven Fabric Co., Ltd. (“SHYK”) for the disposal of all of the shares held by NSC (“Sale Shares”) in Shanghai Fengwei. NSC owns 100% of the total issued and paid-up capital of Shanghai Fengwei.
- 2.3.19 On 21 July 2023, NSC and SHYK entered into an Equity Transfer Agreement (“ETA”) in relation to the proposed disposal of Shanghai Fengwei.
- 2.3.20 The consideration for the proposed disposal of Shanghai Fengwei is RMB 88 million, which is approximately S\$16.3 million (“**Consideration**”).¹ Pursuant to the ETA, the Consideration is to be paid in the following three instalments:
- 2.3.20.1 Upon (i) the execution of the MOU and the approval of the MOU by the Company’s board of directors and (ii) the issuance of the letter of transfer of rights and obligations by NSC to SHYK, SHYK shall pay 30% of the Consideration (being RMB 26.4 million, which is approximately S\$4.9 million²).
- 2.3.20.2 On or before 31 October 2023, after (i) the ETA has come into effect, (ii) the industrial and commercial registration authority has confirmed that all documents in relation to the transfer of the Sale Shares are complete and accurate, and (iii) NSC has issued to SHYK the financial statements of Shanghai Fengwei as of the date before the Delivery Date (as defined below) in accordance with the ETA, SHYK shall pay 50% of the Consideration (being RMB 44 million, which is approximately S\$8.1 million³). On the date of NSC’s receipt of 50% of the Consideration (“**Delivery Date**”), NSC shall transfer the Sale Shares in accordance with the ETA (“**Delivery**”).

¹ Based on the exchange rate of RMB100 : S\$18.50 as at 21 July 2023 from the Monetary Authority of Singapore.

² Ibid.

³ Ibid.

- 2.3.20.3 After the first two tranches of payment are completed, SHYK shall pay the remaining 20% of the Consideration (being RMB 17.6 million, which is approximately S\$3.3 million⁴) within three months after the Delivery.

Application for super-priority to be granted to debt arising from rescue financing to be provided by Ontario

- 2.3.21 At this juncture, the Company does not have any cash to continue operating as a going concern and to fund its restructuring exercise. The proposed disposal of Shanghai Fengwei is only expected to complete at the end of January 2024. The Company therefore urgently requires rescue financing to fund (i) its operations, and (ii) its restructuring, including the cash pool for the Cash Distribution under the Scheme.
- 2.3.22 The Company and its financial advisors have engaged both existing creditors as well as external investors to procure rescue financing. On 17 April 2023, Ontario indicated its willingness to provide the Company with rescue financing, on the condition that its previous loan of S\$1.9 million under the MOA would be “rolled up” into the rescue financing and conferred super-priority as well. Other than Ontario, no creditor or external investor has indicated an interest in providing the Company with rescue financing.
- 2.3.23 On 27 April 2023, the Company and Ontario executed a term sheet for the provision of rescue financing. The key terms are as follows:
- 2.3.23.1 Ontario will provide the Company with a facility of S\$5.9 million (“**DIP Facility**”) on an interest-free and unsecured basis.
- 2.3.23.2 The purpose of the DIP Facility is to (i) finance the Company’s working capital, including the Company’s operating costs, restructuring costs, and the cash pool for the Cash Distribution under the Scheme, and (ii) fund the Company’s repayment of the Working Capital Loan (i.e. the “roll-up” on a dollar-to-dollar basis). The DIP Facility will be drawn down in several tranches, subject to Ontario’s discretion to determine the amount to be disbursed in each tranche.
- 2.3.23.3 The DIP Facility will mature two years from the first drawdown by the Company (“**Maturity Date**”). Ontario has plans to use the Company as a vehicle to hold a new business, following the restructuring of the Company’s debt. The tenure of the DIP Facility is therefore based on Ontario’s assessment that the new business will begin to generate positive cash flows in two years’ time. In the event that unexpected obstacles arise during the establishment of the new business, the Company has the option

⁴ Ibid.

to extend the Maturity Date by another year (“**Final Maturity Date**”).

- 2.3.23.4 On the Maturity Date or on the Final Maturity Date (where applicable), the Company will pay an amount equivalent to 1.1 times of the amount of the DIP Facility outstanding to Ontario. On the assumption that Ontario is repaid in full on the Maturity Date, the internal rate of return for Ontario in respect of the DIP Facility (“**IRR**”) would be approximately 4.9%. Should the Maturity Date be extended by another year, on the Final Maturity Date, the IRR would be approximately 3.2%.
- 2.3.23.5 The provision of the DIP Facility is contingent on the Company obtaining the Court’s approval to confer super-priority on the debt arising from the DIP Facility.
- 2.3.24 On 8 May 2023, *vide* HC/SUM 1378/2023 (“**SUM 1378**”), the Company made an application under section 67(1) of the IRDA seeking orders that if the Company is wound up, the debt arising from rescue financing obtained, or to be obtained, by the Company from Ontario (i) is to be treated as if it were part of the costs and expenses of the winding up mentioned in section 203(1)(b) of the IRDA, or (ii) is to have priority over all the preferential debts specified in section 203(1)(a) to (i) of the IRDA and all other unsecured debts. On 3 July 2023, the Honourable Justice Aedit Abdullah made the order that if the Company is wound up, the aggregate debt of up to S\$5.9 million arising from rescue financing obtained, or to be obtained, from Ontario, pursuant to the term sheet between the Company and Ontario, is to have priority over all the preferential debts specified in section 203(1)(a) to (i) of the IRDA and all other unsecured debts.
- 2.3.25 The Company and Ontario will sign a definitive facility agreement in respect of the DIP Facility shortly.

Debt owed to Shen Yu Yun

- 2.3.26 On 13 August 2018, NSC, the Company, and various individuals (“**Vendors**”) entered into an agreement (“**SPA**”) for NSC to acquire from the Vendors all rights, title, and interest in their shareholding representing in aggregate 100% of the registered and paid-up capital of Shanghai Fengwei (“**Share Capital**”).
- 2.3.27 To date, pursuant to the SPA, a debt amounting to S\$2,000,000.00 plus interest (“**Outstanding Consideration**”) remains due and payable to one of the Vendors, Shen Yu Yun (“**Shen**”), for NSC’s acquisition of the Share Capital.
- 2.3.28 In light of the proposed disposal of NSC’s shareholding in Shanghai Fengwei to SHYK outlined at 2.3.18 to 2.3.20 above, NSC, the Company, and Shen have agreed, by way of a side letter to the SPA dated 27 June 2023, that (i) the Company shall be liable to pay the Outstanding Consideration to Shen,

and that (ii) NSC shall be released from any obligation to pay the Outstanding Consideration to Shen upon NSC's transfer of the Sale Shares to SHYK on or before 31 October 2023. As a result, Shen will be one of the Scheme Creditors who is entitled to participate in the Scheme.

- 2.3.29 This arrangement was achieved through arm's length commercial negotiations between Shen, NSC, and the Company. From the perspective of the Company and NSC, this arrangement will benefit the Scheme Creditors by increasing their potential recovery under the Scheme by approximately 7% through (i) allowing Shen's debt to be compromised under the Scheme as opposed to being paid in full by NSC, and (ii) minimising any leakage of the anticipated sale proceeds from the proposed disposal of Shanghai Fengwei. From Shen's perspective, he would be able to participate in the Scheme and take advantage of Option 2 to receive Scheme Shares.

Acquisition of New Business

- 2.3.30 Ontario, who will become the Company's majority shareholder after the Debt Capitalisation is completed, plans to use the Company as a vehicle to hold a new business ("**New Business**"). The New Business will likely be an existing business with its own projects and strategic partnerships, and it is envisaged that the New Business will begin to generate positive cash flow for the Company within two years after the implementation of the Scheme. The acquisition of the New Business will facilitate the Company's proposal to the SGX-ST for the resumption of trading in the shares of the Company.

3. SALIENT TERMS OF THE SCHEME

3.1 Scheme Overview

- 3.1.1 The Scheme is proposed to the Scheme Creditors and principally comprises the following elements:

- 3.1.1.1 In consideration of the Class A Scheme Creditors agreeing to waive and/or release all their Claims against the Company, the Class A Scheme Creditors shall have the choice of 2 options under the Scheme:

- 3.1.1.1.1 **Option 1** – Payment in cash to the Class A Scheme Creditor 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. Ontario will provide a cash pool of S\$200,000 for the Cash Distribution.

- 3.1.1.1.2 **Option 2** – Allotment and issuance of the Company’s shares (“**Scheme Shares**”) to the Class A Scheme Creditor equivalent in value to 1% of the Class A Scheme Creditor’s Approved Claim for Distribution. The value of the 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 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.
- 3.1.1.2 Ontario will elect to participate in Option 2 to settle its Approved Claim for Distribution, which will include the Relevant Debts. For the avoidance of doubt, the debt arising from the DIP Facility shall be excluded from the Scheme.
- 3.1.1.3 In addition to Option 1 and Option 2, the Company agrees to make a further *pari passu* cash distribution to the Class A Scheme Creditors, based on the proportion of their Approved Claims for Distribution, from any surplus Consideration (after the debt arising from the DIP Facility and all transaction fees and costs associated with the remittance of the Consideration to Singapore have been fully paid off) that the Company receives from the proposed disposal of Shanghai Fengwei.
- 3.1.1.4 The distribution envisioned in paragraph 3.1.1.3, which shall be referred to as the “**Second Cash Distribution**”, is subject to the completion of the proposed disposal of Shanghai Fengwei. The Company shall notify the Class A Scheme Creditors in writing once it is in the position to effect the Second Cash Distribution (the “**Second Cash Distribution Notice**”).
- 3.1.1.5 The Class B Scheme Creditors shall consent to waiving and/or releasing all their Claims against the Company in exchange for no distribution from the Company under the Scheme.
- 3.1.2 The following Claims shall be excluded from the Scheme. They shall not be subject to any compromise or arrangement under the Scheme and shall remain in full force and effect:
- 3.1.2.1 Claims arising out of or in connection with the DIP Facility extended by Ontario to the Company pursuant to the definitive facility agreement to be executed by the parties. These claims are excluded as they arise out of the rescue financing which has been conferred super-priority by the Court pursuant to the Company’s application *vide* SUM 1378 under section 67(1) of the IRDA.
- 3.1.2.2 Claims arising out of or in connection with administrative and professional advisor fees incurred for the purpose of the

Restructuring, including but not limited to the fees charged by KordaMentha Pte Ltd and Shook Lin & Bok LLP. These claims are excluded as they are costs of the Restructuring that need to be kept current to ensure that the Restructuring continues smoothly.

- 3.1.2.3 Claims of sundry creditors not exceeding S\$1,000. These claims are excluded to facilitate the voting process and the administration of the Scheme.

3.2 Conditions Precedent

The Scheme is subject to the following conditions precedent being met prior to the Drop Dead Date:

- 3.2.1 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.
- 3.2.2 The Scheme is approved by a majority in number representing 75% in value of each class of the Scheme Creditors casting their votes through the Ballot Forms.
- 3.2.3 The Scheme is approved by the Court pursuant to Section 71(1) of the IRDA and a copy of the Order of Court sanctioning the Scheme is lodged with the Registrar of Companies pursuant to Section 71(10)(a) of the IRDA.
- 3.2.4 The SIC grants Ontario and its concert parties a waiver of the obligation to make a mandatory offer for the remaining shares of the Company not already owned or controlled by Ontario and its concert parties as a result of the Debt Capitalisation contemplated by the Scheme.
- 3.2.5 The approval of the Shareholders is obtained (i) for the waiver of the Shareholders' rights to receive a general offer from Ontario and its concert parties for the remaining shares of the Company not already owned or controlled by Ontario and its concert parties (if so required by the SIC) and (ii) for the allotment and issuance of the Scheme Shares to the Scheme Creditors and other resolutions in connection thereto.
- 3.2.6 Any third party, regulatory, or tax approvals or consents necessary for the 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 or consents remain in full force until the Completion Date.
- 3.2.7 The 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.
- 3.2.8 The Company remains listed on the SGX-ST and there is no notice or proposal for the delisting of the Company.

3.2.9 The Company submits a resumption proposal to the SGX-ST with a view to resuming trading in the shares of the Company (“**Resumption Proposal**”), and the Resumption Proposal is approved by the SGX-ST.

3.3 Classification of Scheme Creditors in the Scheme

3.3.1 There shall be two classes of Scheme Creditors:

3.3.1.1 Class A Scheme Creditors, comprising unsecured creditors whose Claims are not excluded under the Scheme; and

3.3.1.2 Class B Scheme Creditors, comprising unsecured creditors whose Claims are not excluded under the Scheme.

3.4 Distribution under the Scheme

3.4.1 The Class A Scheme Creditors will agree to compromise their Claims in consideration of the following distribution under the Scheme:

3.4.1.1 Payment in cash to the Class A Scheme Creditor equivalent in value of up to 6% of the Class A Scheme Creditor’s Approved Claim for Distribution, i.e. Option 1; or

3.4.1.2 Allotment and issuance of the Scheme Shares to the Class A Scheme Creditor equivalent in value to 1% of the Class A Scheme Creditor’s Approved Claim for Distribution, i.e. Option 2; and

3.4.1.3 In addition to Option 1 or Option 2, subject to the completion of the proposed disposal of Shanghai Fengwei and the remittance of the Consideration to Singapore, payment in cash to the Class A Scheme Creditor equivalent in value to approximately 22% of the Class A Scheme Creditor’s Approved Claim for Distribution. This shall be referred to as the “**Second Cash Distribution**”.

3.4.2 The Class B Scheme Creditors will agree to waive and/or release their Claims and will consent to receiving no distribution under the Scheme.

3.4.3 Upon the satisfactory completion of all of the conditions precedent listed in paragraph 3.2 prior to the Drop Dead Date, the Company shall announce the Scheme Effective Date.

3.4.4 Within 28 days after the Scheme Effective Date, the Company will pay the Cash Distribution to each Class A Scheme Creditor who has elected to participate in Option 1, in accordance with its entitlement under the Scheme.

3.4.5 Within 28 days after the Scheme Effective Date, the Company will allot and issue the Scheme Shares to each Class A Scheme Creditor who has elected to participate in Option 2, in accordance with its entitlement under the Scheme. The Scheme Shares will be ordinary shares of the Company and will rank *pari passu* in all respects with the other ordinary shares of the Company.

- 3.4.6 If the Class A Scheme Creditor does not indicate a preference for Option 1 or Option 2 in its Proof of Debt, the Class A Scheme Creditor will be deemed to have expressed a preference to receive the Cash Distribution under Option 1, in accordance with its entitlement under the Scheme.
- 3.4.7 Within 28 days after the issuance of the Second Cash Distribution Notice by the Company, the Company will pay the Second Cash Distribution to each Class A Scheme Creditor in accordance with its entitlement under the Scheme.
- 3.4.8 The Class B Scheme Creditors will agree to compromise their Claims for no consideration under the Scheme.

3.5 Key Timelines for the Scheme

- 3.5.1 **Ontario's Application for Whitewash Waiver:** To be announced.
- 3.5.1.1 Ontario shall endeavour to file an application to the SIC as soon as possible for a waiver of the obligation on the part of Ontario and its concert parties to make a mandatory offer for the remaining shares of the Company not already owned or controlled by Ontario and its concert parties as a result of the Debt Capitalisation, which is contemplated to take place way of the Scheme.
- 3.5.2 **POD Cut-Off Date (last day for the submission of the Ballot Form and the Proof of Debt Form for the purpose of voting on and participating in the Scheme):** 4 October 2023
- 3.5.3 **Expected announcement of the outcome of the Vote Solicitation by the Scheme Manager:** 18 October 2023
- 3.5.4 **Court's Sanction of the Scheme:** To be announced.
- 3.5.5 **Application for SGX-ST's Approval of the Company's Proposal to Resume Trading in the Shares of the Company:** To be announced.
- 3.5.6 **Application for SGX-ST's Approval for Issuance and Allotment of Scheme Shares:** 6 to 8 weeks from 20 October 2023.
- 3.5.6.1 The Company will submit to the SGX-ST by 20 October 2023 (i.e., shortly after the announcement of the outcome of the Vote Solicitation by the Scheme Manager) a draft Circular to the Shareholders and an additional listing application for the Scheme Shares to be allotted and issued pursuant to the Scheme.
- 3.5.6.2 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.

3.5.7 **Shareholders' Approval via an EGM:** To be announced.

3.5.7.1 Upon receiving the SIC's approval, an EGM will be called to seek the Shareholders' approvals on, *inter alia*, the mandate to allot and issue the Scheme Shares to the Scheme Creditors and the Whitewash Resolution (if so required).

3.5.8 **Scheme Effective Date:** To be announced.

3.5.9 **End of Moratorium:** 9 October 2023 (or until further order by the Court)

3.6 **Discharge and Extinguishment of Claims**

3.6.1 Unless otherwise expressly provided for in the Scheme, each Class A Scheme Creditor shall accept the payment(s) under the Scheme and/or the issuance of the Scheme Shares under the Scheme in full and final satisfaction and complete discharge of all Claims and all charges, costs, expenses, fees, and interest accrued and/or incurred in connection therewith.

3.6.2 In consideration of the Cash Distribution under the Scheme and/or the issuance of the Scheme Shares under the Scheme, all Claims and any and all liabilities owing to the Class A Scheme Creditors shall forever be discharged, extinguished, released, and waived on the Commencement Date. Each Class A Scheme Creditor shall surrender its rights to collect any and all sums allegedly owing from the Company to each Class A Scheme Creditor, irrespective of whether a Claim has been submitted, adjudicated, or otherwise.

3.6.3 All Claims and any and all liabilities owing to the Class B Scheme Creditors shall forever be discharged, extinguished, released, and waived on the Commencement Date. Each Class B Scheme Creditor shall surrender its rights to collect any and all sums allegedly owing from the Company to each Class B Scheme Creditor, irrespective of whether a Claim has been submitted, adjudicated, or otherwise.

3.7 **Interest**

3.7.1 All claims for any costs, expenses, fees and/or interest (whether contractual, default, penalty, or otherwise) accruing after the Ascertainment Date arising from, in connection with or relating to any Claims shall not be payable by the Company and shall be deemed to be forever discharged, extinguished, released and waived.

3.8 **Termination of the Scheme**

3.8.1 The Scheme shall terminate absolutely and immediately upon any of the events set out in Clause 10.1 of the Scheme.

3.8.2 Unless expressly stated otherwise in the Scheme, in the event of any breach of or non-compliance with any terms of the Scheme, the Company shall rectify such breach or non-compliance within 30 Business Days after the date of such breach or non-compliance. No breach of the Scheme shall be regarded as having occurred if rectified within such time period.

3.8.3 In the event that the Scheme is terminated other than pursuant to Clause 10.1.1 of the Scheme, the Scheme shall cease to be binding on the Scheme Creditors. Each Scheme Creditor shall be entitled to exercise any and all of its remedies and rights against the Company as if the Scheme was never proposed, but each Scheme Creditor, in exercising its remedies and rights as aforesaid, shall give credit to the Company for all sums and Scheme Shares received from the Company under the Scheme in discharge or reduction of the Scheme Creditor's Claim.

4. RATIONALE FOR THE SCHEME

4.1 The Company believes that following the reduction of its financial debt to a sustainable level, the Company will be a viable going concern. Further, the Scheme will provide a better recovery for the Scheme Creditors as compared to a liquidation scenario.

4.2 Based on the liquidation scenario analysis prepared using the Group's unaudited management accounts as at 30 June 2023, the unsecured creditors of the Company are likely to receive approximately a 20% return if the Company were to be placed into liquidation. In contrast, the estimated return to the Scheme Creditors under the proposed Scheme is approximately between 23% and 28%. As such, the proposed Scheme is expected to provide a recovery that is higher than in liquidation for the Scheme Creditors. Accordingly, the proposed Scheme is a better alternative than placing the Company into liquidation.

4.3 Any liquidation is also likely to involve a long and protracted litigation with the Scheme Creditors as to the quantification of losses suffered by the Scheme Creditors, with the result that the Scheme Creditors will ultimately receive a diminished return in the long run.

4.4 Further, a Scheme Creditor's recovery in a liquidation of the Company is more uncertain as compared to the proposed Scheme.

Future Business Plans

4.5 Following the restructuring of the Company's debt, Ontario, who will become the Company's majority shareholder after the Debt Capitalisation is completed, has plans to use the Company as a vehicle to hold various businesses and investments. The Company anticipates cash inflows from the new businesses within two years after the Scheme is approved by the Court.

4.6 The Company hopes to settle all outstanding claims and move forward in a new direction under Ontario's majority shareholding.

5. ACTIONS TO BE TAKEN IN IMPLEMENTING THE SCHEME

5.1 Proof of Debt

- 5.1.1 Scheme Creditors who wish to vote on the Scheme must first submit a Proof of Debt in respect of their Claims to the Scheme Manager at the Specified Address or the Specified Email by the POD Cut-Off Date.
- 5.1.2 Any Scheme Creditor who fails to submit a Proof of Debt by the POD Cut-Off Date shall not be entitled to vote on and participate in the Scheme.

5.2 Adjudication of Proof of Debt

- 5.2.1 The adjudication of the Proofs of Debt for the purpose of determining the Approved Claim for Voting and the Approved Claim for Distribution in respect of each Scheme Creditor shall be carried out as follows:
 - 5.2.1.1 The Scheme Manager shall adjudicate the Proofs of Debt submitted by the Scheme Creditors to determine each Scheme Creditor's Approved Claim for Voting and Approved Claim for Distribution. In so doing, the Scheme Manager shall be entitled to have regard to all relevant information whether supplied by the Scheme Creditor or otherwise made available to the Scheme Manager, and shall be entitled to set-off any mutual credits, mutual debits, or other mutual dealings between the Company and the Scheme Creditor.
 - 5.2.1.2 Within 2 weeks after the POD Cut-Off Date, the Scheme Manager will notify in writing every Scheme Creditor who submitted a Proof of Debt the result(s) of adjudication of the same.
 - 5.2.1.3 Any Scheme Creditor who disputes the decision or determination of the Scheme Manager regarding its Claim or the amount of its Approved Claim for Voting and/or Approved Claim for Distribution ("**Dispute**"):
 - 5.2.1.3.1 Shall, within 7 Business Days after service on it by the Scheme Manager of such decision or determination, send a written request to the Scheme Manager at the Specified Address seeking an agreement for the appointment of an Independent Assessor.
 - 5.2.1.3.2 Shall, if no agreement can be reached under paragraph 5.2.1.3.1, make an application to the Court for the appointment of an Independent Assessor ("**Independent Assessor Application**"), within 7 Business Days after service on it by the Scheme

Manager of a written request to make such an application.

- 5.2.1.3.3 Shall comply with the Court's order for costs, in respect of all costs and expenses determined to be payable by the Scheme Creditor in relation to or arising from the Independent Assessor Application and/or the Court's determination of the Dispute.
- 5.2.1.3.4 Agrees that any amount of costs and expenses payable by the Company pursuant to the Court's order for costs in relation to or arising from the Independent Assessor Application and/or the Court's determination of the Dispute, shall be added to the Scheme Creditor's Approved Claim for Voting and/or Approved Claim for Distribution, as the case may be, to be dealt with in accordance with the terms of the Scheme.
- 5.2.1.3.5 Agrees that the Scheme Manager shall not be liable to the Scheme Creditor for any and all costs, expenses, and fees incurred by the Scheme Creditor in disputing such decision or determination and in relation to or arising from the Independent Assessor Application and/or the Court's determination of the Dispute.

5.3 Approval by the Court

- 5.3.1 Scheme Creditors are entitled to attend the hearing of the application to the Court to approve the Scheme. Scheme Creditors will be informed of the hearing of the application to the Court to approve the Scheme and will be provided with the relevant documents upon request.
- 5.3.2 The Company may consent to any addition to or modification of the Scheme which the Court may think fit to impose.
- 5.3.3 When the Scheme becomes effective and binding on the Commencement Date, it will be binding on all Scheme Creditors (including Scheme Creditors who fail to submit Proofs of Debt on or before the POD Cut-Off Date in accordance with the terms of the Scheme) whether or not the Scheme Creditor voted in favour or against or abstained from the vote to approve the Scheme.
- 5.3.4 On the completion of the conditions precedent referenced in paragraph 3.2 herein, the Scheme shall become effective on the Scheme Effective Date and the terms of the Scheme set out in, *inter alia*, paragraphs 3.4 to 3.8 herein shall apply.

6. LIQUIDATION SCENARIO

Assets of the Company	Estimated Realisable Value SGD'000	Basis of Estimated Realisable Value
(a) Investment in New Silkroutes Capital Pte Ltd	15,924	Net proceeds from the sale of Shanghai Fengwei after deducting estimated transaction costs and liquidators' fees.
(b) Investment in New Silkroutes (HK) Ltd	-	Dormant entity – 0%
(c) Cash	162	Estimated to be fully recoverable – 100%
(d) Intangible asset	-	WIP development cost – 0%
(e) Other receivables	-	Prepayments, deposits, input GST – 0%
(f) Lease	-	Lease capitalisation – 0%
Total assets	16,086	
Less: Priority payments		
(a) Repayment of DIP Facility	(6,490)	
(b) Estimated liquidators' fees	(100)	
Surplus funds available to unsecured creditors	9,497	
Total unsecured creditors	48,670	
Recoverability to unsecured creditors	20%	

7. RISK FACTORS

- 7.1 In considering whether to vote in favour of the Scheme, each Scheme Creditor should carefully consider all the information contained in this document and, in particular, the matters set out herein. This summary of risk factors is not exhaustive, and Scheme Creditors should also consider all other risks relevant in the circumstances.
- 7.2 Even if the appropriate level of support is obtained from the Scheme Creditors (which cannot be assured), the approval of the Scheme is at the discretion of the Court. While the Company believes that the relevant statutory formalities have been complied with, the Court could determine that the information contained in this document is inadequate, that the solicitation of votes was improper due to the inadequacy of disclosure or for other reasons, and/or that the Scheme fails to meet various other requirements, and require amendments or modifications which might not be acceptable to the Company or to the Scheme Creditors or might not be accomplished in a timely manner. The Court could also differ from the selection and/or the classification of the Scheme Creditors.
- 7.3 Further, appeals or requests for other reviews in respect of the Scheme and appeals against the Order of Court sanctioning the Scheme could delay the effectiveness and/or the implementation of the Scheme.
- 7.4 The success of the Scheme is also subject to the conditions precedent referenced in paragraph 3.2 herein being met.

8. CONCLUSION AND RECOMMENDATION

- 8.1 The proposed Scheme, if approved and implemented, will allow the Scheme Creditors of the Company to obtain a recovery in the proportion set out in the Scheme, and would result in a better recovery for the Company's Scheme Creditors than if the Company were wound up.
- 8.2 Accordingly, the Company recommends that the Scheme Creditors vote in favour of the Scheme.

Dated this 6th day of September 2023

Yours faithfully,
The Board of Directors
New Silkroutes Group Limited

APPENDIX A

SCHEME OF ARRANGEMENT

**PURSUANT TO SECTION 71 OF THE INSOLVENCY, RESTRUCTURING AND
DISSOLUTION ACT 2018 (NO. 40 OF 2018)**

Between

NEW SILKROUTES GROUP LIMITED
(Company Registration No. 199400571K)

And

THE SCHEME CREDITORS
(as defined herein)

6 September 2023

1. DEFINITIONS AND INTERPRETATIONS

1.1. In the Scheme, the following words and phrases shall, unless the context otherwise requires, have the following meanings:

“**Advisor**” means the following professional advisors advising the Company in respect of the Restructuring:

- (a) KordaMentha Pte. Ltd.; and
- (b) Shook Lin & Bok LLP.

“**Approved Claim for Distribution**” means the Claim of a Scheme Creditor set out in its Proof of Debt to the extent admitted by the Scheme Manager pursuant to Clause 6.3, an Independent Assessor pursuant to Clause 6.3.6, or the Court pursuant to Clause 6.3.7.

“**Approved Claim for Voting**” means the Claim of a Scheme Creditor set out in its Proof of Debt to the extent admitted by the Scheme Manager pursuant to Clause 6.3, an Independent Assessor pursuant to Clause 6.3.6, or the Court pursuant to Clause 6.3.7, for the purpose of the Vote Solicitation.

“**Ascertainment Date**” means 6 September 2023.

“**Ballot Form**” means the ballot form contained in Annex B of this document.

“**Business Day**” means a day (other than Saturdays, Sundays, and public holidays) on which commercial banks are open for business in Singapore.

“**Claim**” means any claim in respect of a liability of the Company to a Scheme Creditor in connection with any contract, transaction, or otherwise occurring on or before the Ascertainment Date, including any commissions, fees, interest, and penalties arising out of such claim and any damages or losses suffered as a result of such claim, whether the claim be actual, present, future, or contingent.

“**Class A Scheme Creditor**” means the Scheme Creditor listed in Class A of Annex A.

“**Class B Scheme Creditor**” means the Scheme Creditor listed in Class B of Annex A.

“**Code**” means the Singapore Code on Take-overs and Mergers.

“**Commencement Date**” means the date on which the Scheme, if approved by the Court, becomes binding and effective in accordance with the IRDA, save that in the event of an appeal against the Court’s approval of the Scheme, the Commencement Date shall be such date as the Court of Appeal of the Republic of Singapore may determine for the purpose of the Scheme.

“**Company**” means New Silkroutes Group Limited.

“Completion Date” means the date on which all of the Company’s liabilities and obligations in respect of all Approved Claims for Distribution are fully discharged in accordance with the provisions of the Scheme.

“Court” means the General Division of the High Court of the Republic of Singapore.

“Creditors’ Meeting” means a meeting of the Scheme Creditors convened in accordance with Clause 12.

“Currency Conversion Rate” means the relevant currency conversion rate published or reported by Bloomberg L.P. (through The Bloomberg Professional Service) on the POD Cut-Off Date (for determining the Approved Claim for Voting and the Approved Claim for Distribution) for conversion of a foreign currency into S\$ or, in the case of any non-publication or reporting error, such other relevant rate quoted on such other replacement page as the Scheme Manager shall determine.

“Disputing Creditor” means a Scheme Creditor who disputes the decision or determination of the Scheme Manager regarding its Claim or the amount of its Approved Claim for Voting and/or Approved Claim for Distribution.

“DIP Facility” means the loan facility of up to S\$5.9 million extended by Ontario to the Company pursuant to a definitive facility agreement to be executed by the Company and Ontario

“Drop Dead Date” means the date falling 12 months after the Commencement Date.

“EGM” means an extraordinary general meeting of the Shareholders.

“Excluded Claim” means:

- (a) Any Claim against the Company arising out of or in connection with the DIP Facility;
- (b) Any Claim against the Company by unsecured creditors not exceeding S\$1,000; and
- (c) Any Claim against the Company arising out of or in connection with the fees and disbursements incurred by the Advisors in respect of the Restructuring.

“Financial Consultant” means KordaMentha Pte. Ltd., 16 Collyer Quay, #30-01, Singapore 049318.

“HSI” means Healthsciences International Pte. Ltd.

“IEG” means International Energy Group Pte. Ltd.

“Independent Assessor” means an assessor appointed under Clause 6.

“Iolani Debt” means the amount that TXZ Tankers Pte. Ltd., a wholly-owned subsidiary of the Company, was indebted to Iolani Shipping Limited in respect of a lease financing

arrangement entered into by TXZ Tankers Pte. Ltd. and Iolani Shipping Limited on 14 April 2020. The Company provided a corporate guarantee in favour of Iolani Shipping Limited in connection with the aforesaid lease financing arrangement.

“Memorandum of Agreement” means the Memorandum of Agreement entered into between the Company and Ontario dated 24 May 2022.

“OCAP Debt” means the amount that IEG, a wholly-owned subsidiary of the Company, was indebted to OCAP Management Pte. Ltd. in respect of a loan agreement extended by OCAP Management Pte. Ltd. to IEG dated 15 April 2020. The Company provided a corporate guarantee in favour of OCAP Management Pte. Ltd. in connection with the aforesaid loan agreement.

“Ontario” means 2810198 Ontario Inc.

“Ordinary Resolution” means a resolution passed at any Creditors’ Meeting with the support of a majority in number of the Scheme Creditors present and voting (either in person or by proxy) on the resolution, and whose Approved Claims at that time constitute more than 50% of the total Approved Claims of the Scheme Creditors present and voting (either in person or by proxy) on the resolution.

“POD Cut-Off Date” means 4 October 2023.

“Proof of Debt” means the proof of debt to be submitted by a Scheme Creditor by the POD Cut-Off Date for its Claim as at the Ascertainment Date, for the purpose of the Vote Solicitation and Distribution.

“Restructuring” means the exercise involving the restructuring of the Company’s liabilities to the Scheme Creditors.

“Scheme” means the scheme of arrangement proposed between the Company and the Scheme Creditors pursuant to Section 71 of the IRDA, the terms of which are set out in this document, with any amendment, condition, or modification that the Court may think fit to impose.

“Scheme Creditor” means the creditors listed in Annex A.

“Scheme Effective Date” means the date on which the Scheme is to be implemented following the satisfaction of the conditions precedent under the Scheme. The date of completion of the last Condition Precedent will be the Scheme Effective Date.

“Scheme Manager” means Cameron Duncan c/o KordaMentha Pte. Ltd., 16 Collyer Quay, #30-01, Singapore 049318.

“Scheme Period” means the period of time between the Commencement Date and the Termination Date.

“Second Cash Distribution” has the meaning ascribed to it in Clause 3.1.4.

“SGX-ST” means the Singapore Exchange Securities Trading Limited.

“**Shanghai Fengwei**” means Shanghai Fengwei Garment Accessory Co., Ltd.

“**Shareholders**” means the shareholders of the Company.

“**SIC**” means the Securities Industry Council.

“**Special Resolution**” a resolution passed at any Creditors’ Meeting with the support of a majority in number of the Scheme Creditors present and voting (either in person or by proxy) on the resolution, and whose Approved Claims at that time constitute more than 75% of the total Approved Claims of the Scheme Creditors present and voting (either in person or by proxy) on the resolution.

“**Specified Address**” means KordaMentha Pte. Ltd., 16 Collyer Quay, #30-01, Singapore 049318.

“**Specified Email**” means cduncan@kordamentha.com, jjeyaraj@kordamentha.com, cleong@kordamentha.com and nsg@kordamentha.com.

“**Termination Date**” means the date on which the Scheme is terminated pursuant to Clause 10.

“**Vote Solicitation**” means the formal solicitation by the Company of approval from the Scheme Creditors, who will cast their votes through the Ballot Forms.

“**Whitewash Resolution**” means the resolution to be obtained from the Shareholders approving the waiver of their rights to receive a general offer from Ontario and its concert parties for the remaining shares of the Company not already owned or controlled by Ontario and its concert parties.

1.2. In the Scheme, unless the context otherwise indicates or requires:

1.2.1. Words and phrases shall have the same meaning attributed to them by the Companies Act (Cap 50, 2006 Rev Ed) (“**Companies Act**”) and/or the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) (“**IRDA**”).

1.2.2. Words importing one gender shall, where applicable, include the other gender.

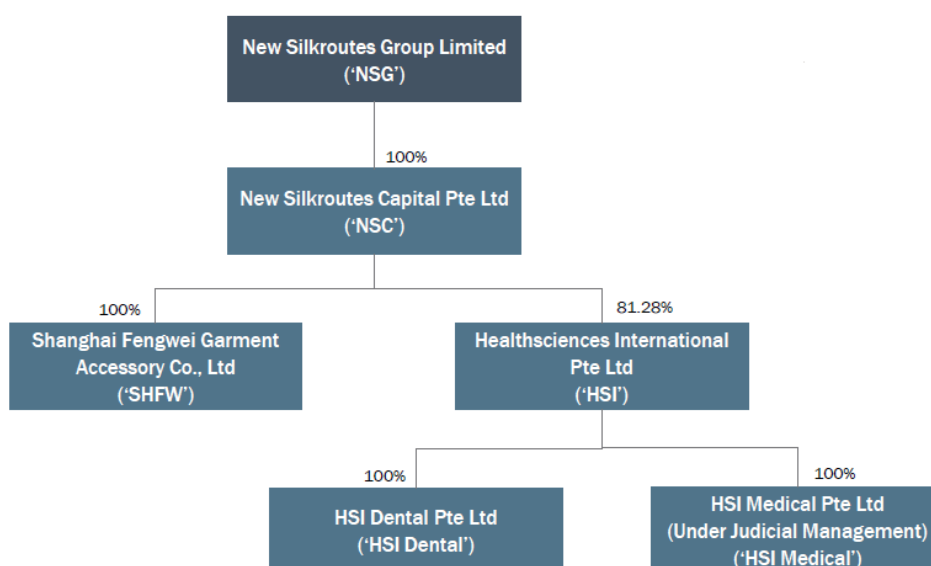
1.2.3. References to a “person” shall, where applicable, include an individual, firm, partnership, company, corporation, or unincorporated body of persons.

1.2.4. References to a statute or statutory provision shall include such statute or statutory provision and any regulations made in pursuance thereof as may be subsequently amended, modified, and/or re-enacted from time to time, whether before or after the date of the Scheme.

- 1.2.5. References to an agreement shall include such agreement as may be subsequently amended and/or restated from time to time, whether before or after the date of the Scheme.
- 1.2.6. References to the singular shall, where applicable, include the plural and *vice versa*.
- 1.2.7. References to time shall be to Singapore time.

2. PREAMBLE

- 2.1. The Company was incorporated in Singapore on 25 January 1994 under the name “Digiland International Limited”. Sometime in 2002, the Company was converted into a public company limited by shares, and listed on the SGX-ST. On 10 July 2015, the Company changed its name to “New Silkroutes Group Limited” to better reflect its focus on oil trading at that point in time. The registered office of the Company is at 456 Alexandra Road, #24-01, Fragrance Empire Building, Singapore 119962.
- 2.2. The Company’s total issued share capital is S\$122,087,763.916, comprising 208,464,669 ordinary shares, of which 3,444,200 are treasury shares.
- 2.3. The Company is an investment holding company and sits at the top of a number of subsidiaries in Singapore and China (collectively, the “Group”).



- 2.4. Following the liquidation of the Group’s oil trading subsidiary in or around 2021, the Group focused on the provision of healthcare services. Its subsidiary in Singapore, HSI, previously owned and operated multiple dental and medical clinics in Singapore. In February 2023 and May 2023, the Group disposed of its equity interest in the dental clinics for an aggregate consideration of S\$3,305,007, of which the Group is entitled to S\$2,045,007. This was part of the Group’s restructuring exercise to right-size its operations and re-orientate its business plans.
- 2.5. The Group’s portfolio also extended into manufacturing and producing healthcare-related supplies. Its subsidiary in China, Shanghai Fengwei, produced non-woven material used in the manufacture of disposable medical consumables, such as hospital gowns and linen, personal protective equipment, and masks. On 28 April 2023, the Company announced the signing of a legally binding memorandum of understanding for the disposal of the Group’s equity interest in Shanghai Fengwei for an aggregate consideration of RMB 88 million. The proposed disposal of Shanghai Fengwei is part of the Group’s restructuring exercise and is similarly intended to steer the Group in a new business direction.

- 2.6. The deterioration of the Company's and the Group's financial position was largely due to the collapse of the Group's oil trading business. On 5 January 2021, the Company wound up the holding subsidiary for the Group's oil trading business, IEG, as well as IEG's subsidiaries. However, as the investment holding company for the Group and the corporate guarantor for loan facilities and financing arrangements entered into by IEG and IEG's subsidiaries, the Company had significant exposure to the liabilities of IEG and IEG's subsidiaries.
- 2.7. The growth of the Group's medical business in Singapore during the COVID-19 pandemic was offset by a decline in the provision of Polymerase Chain Reaction COVID-19 tests and vaccination services after the gradual lifting of the COVID-19 restrictions. The Group's Traditional Chinese Medicine clinic also suffered a loss in revenue due to increased operating expenses and manpower shortages. Meanwhile, Shanghai Fengwei's performance was adversely affected by rising costs of goods, manpower shortages, a decline in demand for non-woven material as a result of intense competition, and stringent COVID-19 restrictions imposed by the Chinese government.
- 2.8. The Company's shares and related securities have been suspended from trading since 17 November 2021.
- 2.9. The Company has no secured creditors. As at 30 June 2023, the total quantum of the Company's debts amounts to USD 33,158,033 in current liabilities and SGD 1,559,271 in contingent liabilities, which arise out of the corporate guarantees provided by the Company in favour of various lenders who had extended loans to the Company's subsidiaries.
- 2.10. On 9 January 2023, *vide* HC/OA 15/2022 (“**OA 15**”), the Company made an application for, *inter alia*, moratorium relief pursuant to Section 64 of the IRDA. The substantive reliefs sought in OA 15 were granted by the Honourable Justice Aedit Abdullah at the hearing on 6 February 2023. On 19 June 2023, *vide* HC/SUM 1845/2023, the Company made an application for the moratorium, which was due to expire on 9 July 2023, to be extended for a period of 3 months. The application was granted by the Honourable Justice Aedit Abdullah at the hearing on 3 July 2023. The moratorium is therefore due to expire on 9 October 2023, unless a further order is granted by the Court. Given that the POD Cut-Off Date will fall on 4 October 2023, and the Company and its Scheme Manager will require more time to review and announce the outcome of the Vote Solicitation before making an application pursuant to Section 71 of the IRDA for the Scheme to be sanctioned, the Company intends to make another application for the moratorium to be extended for a further period of 2 months until 9 December 2023.

Acquisition of the majority of the Company's debt by Ontario

- 2.11. Prior to the filing of OA 15, the Company entered into the Memorandum of Agreement with Ontario on 24 May 2022. The Memorandum of Agreement was ultimately terminated on 19 January 2023. Pursuant to the Memorandum of Agreement:
- 2.11.1. Ontario agreed to acquire all rights to and interests in the OCAP Debt and the Iolani Debt (collectively, the “**Relevant Debts**”). This shall be referred to as the “**Debt Acquisition**”. The Debt Acquisition was completed on 18 July 2022, pursuant to which Ontario acquired all rights to and interests in the

Relevant Debts, which amount to approximately US\$27.4 million, for an aggregate consideration of S\$2.5 million.

- 2.11.2. The Company agreed to use all commercially reasonable efforts, subject to applicable laws and regulations, to procure, facilitate, and complete the capitalisation of the Relevant Debts by allotting and issuing to Ontario the Company's shares at an applicable issue price, such that the Relevant Debts shall, following the conversion, represent not less than 65% and not more than 70% of the total issued and paid-up share capital of the Company on a fully diluted and as-converted basis. This shall be referred to as the "**Debt Capitalisation**".
- 2.11.3. Following the completion of the Debt Acquisition, Ontario agreed to provide financing by way of a loan facility to finance the Company's working capital, the Company's past and ongoing liabilities, and the past and ongoing liabilities of the Group's companies that were guaranteed by the Company. Ontario loaned the Company an aggregate principal amount of approximately S\$1.9 million (the "**Working Capital Loan**").
- 2.11.4. In the interest of restructuring and/or rehabilitating the Company's business, including improving the Company's cash flow, the Company agreed to use all commercially reasonable efforts to procure the *bona fide* disposal of its entire equity interest in Shanghai Fengwei for cash consideration within 18 months after the completion of the Debt Acquisition.

Proposed disposal of Shanghai Fengwei

- 2.12. On 28 April 2023, the Company's wholly-owned subsidiary, New Silkroutes Capital Pte. Ltd. ("**NSC**"), entered into a legally binding memorandum of understanding with Shanghai Yikang Non-Woven Fabric Co., Ltd. ("**SHYK**") for the disposal of all of the shares held by NSC ("**Sale Shares**") in Shanghai Fengwei ("**MOU**"). NSC owns 100% of the total issued and paid-up capital of Shanghai Fengwei. On 21 July 2023, NSC and SHYK entered into an Equity Transfer Agreement ("**ETA**") in relation to the proposed disposal of Shanghai Fengwei.
- 2.13. The consideration for the proposed disposal of Shanghai Fengwei is RMB 88 million, which is approximately S\$16.3 million ("**Consideration**").⁵ Pursuant to the ETA, the Consideration is to be paid in the following three instalments:
 - 2.13.1. Upon (i) the execution of the MOU and the approval of the MOU by the Company's board of directors and (ii) the issuance of the letter of transfer of rights and obligations by NSC to SHYK, SHYK shall pay 30% of the Consideration (being RMB 26.4 million, which is approximately S\$4.9 million⁶).
 - 2.13.2. On or before 31 October 2023, after (i) the ETA has come into effect, (ii) the industrial and commercial registration authority has confirmed that all

⁵ Based on the exchange rate of RMB100 : S\$18.50 as at 21 July 2023 from the Monetary Authority of Singapore.

⁶ Ibid.

documents in relation to the transfer of the Sale Shares are complete and accurate, and (iii) NSC has issued to SHYK the financial statements of Shanghai Fengwei as of the day before the Delivery Date (as defined below) in accordance with the ETA, SHYK shall pay 50% of the Consideration (being RMB 44 million, which is approximately S\$8.1 million⁷). On the date of receipt of 50% of the Consideration (“**Delivery Date**”), NSC shall transfer the Sale Shares in accordance with the ETA (“**Delivery**”).

- 2.13.3. After the first two tranches of payment are completed, , SHYK shall pay the remaining 20% of the Consideration (being RMB 17.6 million, which is approximately S\$3.3 million⁸) within three months after the Delivery.

Application for super-priority to be granted to debt arising from rescue financing to be provided by Ontario

2.14. At this juncture, the Company does not have any cash to continue operating as a going concern and to fund its restructuring exercise. The proposed disposal of Shanghai Fengwei is only expected to complete at the end of January 2024. The Company therefore urgently requires rescue financing to fund (i) its operations, and (ii) its restructuring, including the cash pool for the Cash Distribution under the Scheme.

2.15. The Company and its financial advisors have engaged both existing creditors as well as external investors to procure rescue financing. On 17 April 2023, Ontario indicated its willingness to provide the Company with rescue financing, on the condition that its previous loan of S\$1.9 million under the MOA would be “rolled up” into the rescue financing and conferred super-priority as well. Other than Ontario, no creditor or external investor has indicated an interest in providing the Company with rescue financing.

2.16. On 27 April 2023, the Company and Ontario executed a term sheet for the provision of rescue financing. The key terms are as follows:

2.16.1. Ontario will provide the Company with a facility of S\$5.9 million (“**DIP Facility**”) on an interest-free and unsecured basis.

2.16.2. The purpose of the DIP Facility is to (i) finance the Company’s working capital, including the Company’s operating costs, restructuring costs, and the cash pool for the Cash Distribution under the Scheme, and (ii) fund the Company’s repayment of the Working Capital Loan (i.e. the “roll-up” on a dollar-to-dollar basis). The DIP Facility will be drawn down in several tranches, subject to Ontario’s discretion to determine the amount to be disbursed in each tranche.

2.16.3. The DIP Facility will mature two years from the first drawdown by the Company (“**Maturity Date**”). Ontario has plans to use the Company as a vehicle to hold a new business, following the restructuring of the Company’s debt. The tenure of the DIP Facility is therefore based on Ontario’s assessment that the new business will begin to generate positive cash flows

⁷ Ibid.

⁸ Ibid.

in two years' time. In the event that unexpected obstacles arise during the establishment of the new business, the Company has the option to extend the Maturity Date by another year ("**Final Maturity Date**").

- 2.16.4. On the Maturity Date or on the Final Maturity Date (where applicable), the Company will pay an amount equivalent to 1.1 times of the amount of the DIP Facility outstanding to Ontario. On the assumption that Ontario is repaid in full on the Maturity Date, the internal rate of return for Ontario in respect of the DIP Facility ("**IRR**") would be approximately 4.9%. Should the Maturity Date be extended by another year, on the Final Maturity Date, the IRR would be approximately 3.2%.
- 2.16.5. The provision of the DIP Facility is contingent on the Company obtaining the Court's approval to confer super-priority on the debt arising from the DIP Facility.
- 2.17. On 8 May 2023, *vide* HC/SUM 1378/2023 ("**SUM 1378**"), the Company made an application under section 67(1) of the IRDA seeking orders that if the Company is wound up, the debt arising from rescue financing obtained, or to be obtained, by the Company from Ontario (i) is to be treated as if it were part of the costs and expenses of the winding up mentioned in section 203(1)(b) of the IRDA, or (ii) is to have priority over all the preferential debts specified in section 203(1)(a) to (i) of the IRDA and all other unsecured debts. On 3 July 2023, the Honourable Justice Aedit Abdullah made the order that if the Company is wound up, the aggregate debt of up to S\$5.9 million arising from rescue financing obtained, or to be obtained, from Ontario, pursuant to the term sheet between the Company and Ontario, is to have priority over all the preferential debts specified in section 203(1)(a) to (i) of the IRDA and all other unsecured debts.
- 2.18. The Company and Ontario shall sign a definitive facility agreement in respect of the DIP Facility as soon as practicable.

Debt owed to Shen Yu Yun

- 2.19. On 13 August 2018, NSC, the Company, and various individuals ("**Vendors**") entered into an agreement ("**SPA**") for NSC to acquire from the Vendors all rights, title, and interest in their shareholding representing in aggregate 100% of the registered and paid-up capital of Shanghai Fengwei ("**Share Capital**").
- 2.20. To date, pursuant to the SPA, a debt amounting to S\$2,000,000.00 plus interest ("**Outstanding Consideration**") remains due and payable to one of the Vendors, Shen Yu Yun ("**Shen**"), for NSC's acquisition of the Share Capital.
- 2.21. In light of the proposed disposal of NSC's shareholding in Shanghai Fengwei to SHYK outlined at 2.12 and 2.13 above, NSC, the Company, and Shen have agreed, by way of a side letter to the SPA dated 27 June 2023, that (i) the Company shall be liable to pay the Outstanding Consideration to Shen, and that (ii) NSC shall be released from any obligation to pay the Outstanding Consideration to Shen upon NSC's transfer of the Sale Shares to SHYK on or before 31 October 2023. As a result, Shen will be one of the Scheme Creditors who is entitled to participate in the Scheme.

- 2.22. This arrangement was achieved through arm's length commercial negotiations between Shen, NSC, and the Company. From the perspective of the Company and NSC, this arrangement will benefit the Scheme Creditors by increasing their potential recovery under the Scheme by approximately 7% through (i) allowing Shen's debt to be compromised under the Scheme as opposed to being paid in full by NSC, and (ii) minimising any leakage of the anticipated sale proceeds from the proposed disposal of Shanghai Fengwei. From Shen's perspective, he would be able to participate in the Scheme and take advantage of Option 2 to receive Scheme Shares.

Acquisition of New Business

- 2.23. Ontario, who will become the Company's majority shareholder after the Debt Capitalisation is completed, plans to use the Company as a vehicle to hold a new business ("**New Business**"). The New Business will likely be an existing business with its own projects and strategic partnerships, and it is envisaged that the New Business will begin to generate positive cash flow for the Company within two years after the implementation of the Scheme. The acquisition of the New Business will facilitate the Company's proposal to the SGX-ST for the resumption of trading in the shares of the Company.

3. SCHEME OVERVIEW

- 3.1. The Scheme is proposed to the Scheme Creditors and principally comprises the following elements:

- 3.1.1. The Company agrees to provide the following options to the Class A Scheme Creditors in full and final settlement of their Claims:

- 3.1.1.1. **Option 1** – Payment in cash to the Class A Scheme Creditor 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. Ontario will provide a cash pool of S\$200,000 for the Cash Distribution.

OR

- 3.1.1.2. **Option 2** – Allotment and issuance of the Company's shares ("**Scheme Shares**") to the Class A Scheme Creditor equivalent in value to 1% of the Class A Scheme Creditor's Approved Claim for Distribution. The value of the 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 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.

- 3.1.2. Ontario, being a Class A Scheme Creditor, will elect to participate in Option 2 to settle its Approved Claim for Distribution, which will include the

Relevant Debts. For the avoidance of doubt, the debt arising from the DIP Facility shall be excluded from the Scheme.

- 3.1.3. In addition to Option 1 and Option 2, the Company agrees to make a further *pari passu* cash distribution to the Class A Scheme Creditors, based on the proportion of their Approved Claims for Distribution, from any surplus Consideration (after the debt arising from the DIP Facility and all transaction fees and costs associated with the remittance of the Consideration to Singapore have been fully paid off) that the Company receives from the proposed disposal of Shanghai Fengwei.
- 3.1.4. The distribution envisioned in Clause 3.1.3, which shall be referred to as the “**Second Cash Distribution**”, is subject to the completion of the proposed disposal of Shanghai Fengwei. The Company shall notify the Class A Scheme Creditors in writing once it is in the position to effect the Second Cash Distribution (the “**Second Cash Distribution Notice**”).
- 3.1.5. In consideration of the Cash Distribution and/or the allotment and issuance of the Scheme Shares, the Class A Scheme Creditors agree to fully and unconditionally waive and/or release all their Claims against the Company on the Commencement Date.
- 3.1.6. The Class B Scheme Creditors agree to fully and unconditionally waive and/or release all their Claims against the Company on the Commencement Date. For the avoidance of doubt, the Class B Scheme Creditors shall receive no distribution from the Company under the Scheme.
- 3.1.7. The Excluded Claims shall not be subject to any compromise or arrangement under the Scheme and shall remain in full force and effect.

4. CONDITIONS PRECEDENT

- 4.1. The implementation of the Scheme is subject to the following conditions precedent being met prior to the Drop Dead Date:
 - 4.1.1. 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.
 - 4.1.2. The Scheme is approved by a majority in number representing 75% in value of each class of the Scheme Creditors casting their votes through the Ballot Forms.
 - 4.1.3. The Scheme is approved by the Court pursuant to Section 71(1) of the IRDA and a copy of the Order of Court sanctioning the Scheme is lodged with the Registrar of Companies pursuant to Section 71(10)(a) of the IRDA.
 - 4.1.4. 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 (“**Whitewash Waiver**”).

- 4.1.5. The Whitewash Resolution (if so required by the SIC) and the allotment and issuance of the Scheme Shares to the Scheme Creditors and other resolutions in connection thereto are approved by the requisite majority of the Company’s Shareholders.
- 4.1.6. Any third party, regulatory, or tax approvals or consents necessary for the 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.
- 4.1.7. 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.
- 4.1.8. The 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.
- 4.1.9. The Company remains listed on the SGX-ST and there is no notice or proposal for the delisting of the Company.

5. KEY TIMELINES FOR THE SCHEME AND ITS IMPLEMENTATION

5.1. Application for Whitewash Waiver

- 5.1.1. The Debt Capitalisation, which is contemplated to take place by way of the Scheme, will trigger an obligation for Ontario and its concert parties to make a mandatory offer, unless a waiver of the obligation is granted by the SIC.
- 5.1.2. Ontario will endeavour to make an application to the SIC as soon as possible for a waiver of the obligation on the part of Ontario and its concert parties to make a mandatory offer as a result of the Debt Capitalisation.

5.2. Proofs of Debt

- 5.2.1. The last day for the submission of the Proofs of Debt and the Ballot Forms for the purposes of voting on and participating in the Scheme is 4 October 2023.
- 5.2.2. The results of the adjudication of the Proofs of Debt will be issued by the Scheme Manager within 14 days after the deadline for filing the Proofs of Debt.
- 5.2.3. The notification of the outcome of the Vote Solicitation is expected to be issued by the Scheme Manager on 18 October 2023.

5.3. Application for Sanction of the Scheme

- 5.3.1. Upon the outcome of the Vote Solicitation indicating that the requisite majority of the Scheme Creditors has approved the Scheme, the Company shall make an application pursuant to Section 71(1) of the IRDA to obtain the Court's sanction of the Scheme without a meeting of the Scheme Creditors. The hearing for the application will be announced in due course.

5.4. SGX-ST Approval of Resumption Proposal

- 5.4.1. The Company will endeavour to submit a resumption proposal to the SGX-ST with a view to resuming trading in the shares of the Company ("**Resumption Proposal**") as soon as its future business plans and the acquisition of the New Business have been confirmed.

5.5. SGX-ST Approval of Circular

- 5.5.1. The circular to the Shareholders ("**Circular**") in relation to seeking a majority of the Shareholders' approval of (i) the Whitewash Resolution (if so required by the SIC) and (ii) the allotment and issuance of the Scheme Shares will be prepared.

- 5.5.2. The Company will endeavour to submit the following for the SGX-ST's approval by 20 October 2023:

5.5.2.1. Draft Circular to the Shareholders

5.5.2.2. Additional listing application for the Scheme Shares to be allotted and issued pursuant to the Scheme

- 5.5.3. 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.

5.6. Shareholders' Approval via an EGM

- 5.6.1. Upon receiving the SGX-ST's approval, an EGM will be called to seek the Shareholders' approvals on, *inter alia*, the following resolutions:

5.6.1.1. The allotment and issuance of the Scheme Shares to the Scheme Creditors who have elected to be allotted and issued the Scheme Shares under the Scheme.

5.6.1.2. The Whitewash Resolution (if so required by the SIC).

5.7. Scheme Effective Date: To be announced.

5.8. End of Moratorium: 9 October 2023 (or until further order by the Court)

6. PROOF OF DEBT, DETERMINATION OF ENTITLEMENT, APPROVED CLAIMS, AND EXTINGUISHMENT OF CLAIMS

- 6.1. Each Scheme Creditor shall submit a Proof of Debt in respect of its Claim to the Specified Address or to the Specified Email by the POD Cut-Off Date for the purpose of voting on and participating in the Scheme through the Ballot Form. If a Scheme Creditor fails to submit its Proof of Debt by the POD Cut-Off Date, such Scheme Creditor shall be deemed to have irrevocably, permanently, and unconditionally waived its rights to vote on the Scheme for the purpose of the Vote Solicitation and shall not be entitled to the receipt of any benefits, distributions, or payments under the Scheme.
- 6.2. Any Claim of a Scheme Creditor against the Company which is not submitted by the Scheme Creditor on or before the POD Cut-Off Date shall be forever discharged, extinguished, released, and waived, and the Scheme Creditor shall not have any claims, interests, and rights whatsoever against the Company in respect of such Claim.
- 6.3. The adjudication of the Proofs of Debt for the purpose of determining the Approved Claim for Voting and the Approved Claim for Distribution in respect of each Scheme Creditor shall be carried out as follows:
 - 6.3.1. The Scheme Manager shall adjudicate the Proofs of Debt submitted by the Scheme Creditors to determine each Scheme Creditor's Approved Claim for Voting and Approved Claim for Distribution respectively. In so doing, the Scheme Manager shall be entitled to have regard to all relevant information whether supplied by the Scheme Creditor or otherwise made available to the Scheme Manager, and shall be entitled to set-off any mutual credits, mutual debits, or other mutual dealings between the Company and the Scheme Creditor.
 - 6.3.2. Within 2 weeks after the POD Cut-Off Date, the Scheme Manager will notify in writing every Scheme Creditor who submitted a Proof of Debt the result(s) of adjudication of the same.
 - 6.3.3. Any Scheme Creditor who disputes the decision or determination of the Scheme Manager regarding its Claim or the amount of its Approved Claim for Voting and/or Approved Claim for Distribution ("**Dispute**"):
 - 6.3.3.1. Shall, within 7 Business Days after service on it by the Scheme Manager of such decision or determination, send a written request to the Scheme Manager at the Specified Address seeking an agreement for the appointment of an Independent Assessor.
 - 6.3.3.2. Shall, if no agreement can be reached under Clause 6.3.3.1, make an application to the Court for the appointment of an Independent Assessor ("**Independent Assessor Application**"), within 7 Business Days after service on it by the Scheme Manager of a written request to make such an application.
 - 6.3.3.3. Shall comply with the Court's order for costs, in respect of all costs and expenses determined to be payable by the Scheme

Creditor in relation to or arising from the Independent Assessor Application and/or the Court's determination of the Dispute.

- 6.3.3.4. Agrees that any amount of costs and expenses payable by the Company pursuant to the Court's order for costs in relation to or arising from the Independent Assessor Application and/or the Court's determination of the Dispute, shall be added to the Scheme Creditor's Approved Claim for Voting and/or Approved Claim for Distribution, as the case may be, to be dealt with in accordance with the terms of the Scheme.
- 6.3.3.5. Agrees that the Scheme Manager shall not be liable to the Scheme Creditor for any and all costs, expenses, and fees incurred by the Scheme Creditor in disputing such decision or determination and in relation to or arising from the Independent Assessor Application and/or the Court's determination of the Dispute.
- 6.3.4. The written request mentioned in Clause 6.3.3.1. must nominate a person to be appointed as the Independent Assessor and state the Dispute that the Independent Assessor (if appointed) is to adjudicate.
- 6.3.5. The Scheme Manager must, as soon as practicable after the appointment of an Independent Assessor, provide the relevant Proof of Debt to the Independent Assessor.
- 6.3.6. An Independent Assessor must, within 7 days after being provided with the relevant Proof of Debt:
 - 6.3.6.1. Make a decision on the Dispute that the Independent Assessor was appointed to adjudicate; and
 - 6.3.6.2. Send a written notice of the decision, together with the reasons for the decision, to the Scheme Manager and the Disputing Creditor.
- 6.3.7. Where a Disputing Creditor, the Company, or the Scheme Manager disagrees with any decision of an Independent Assessor on the Dispute that the Independent Assessor was appointed to adjudicate, the Disputing Creditor, the Company, or the Scheme Manager may file a notice of disagreement ("**Notice of Disagreement**") regarding that decision, together with a statement of the reason(s) for the disagreement, for consideration by the Court when the Court hears an application for the Court's approval of the Scheme.
- 6.3.8. The remuneration of an Independent Assessor is to be:
 - 6.3.8.1. Fixed by the agreement of all parties to the Dispute (where the Independent Assessor is appointed by the agreement of those

parties) or the Court (where the Independent Assessor is appointed by the Court); and

6.3.8.2. Borne by the Disputing Creditor, unless the Court orders otherwise.

- 6.4. Any Scheme Creditor who fails to comply with any of the provisions above shall be deemed to have admitted and accepted the decision or determination of the Scheme Manager regarding its Claim or the amount of its Approved Claim for Voting and/or Approved Claim for Distribution.
- 6.5. For the purpose of determining the Approved Claim for Voting and/or the Approved Claim for Distribution of each Scheme Creditor, the Claim of each Scheme Creditor which is not denominated in S\$ shall be converted into S\$ using the Currency Conversion Rate.
- 6.6. Each Scheme Creditor shall promptly provide the Financial Consultant or the Scheme Manager with all such documents and information requested by the Financial Consultant or the Scheme Manager (as the case may be) which are relevant to its Claim in its Proof of Debt, or to the determination of the amount of its Approved Claim for Voting and/or Approved Claim for Distribution.
- 6.7. The Scheme Creditors shall accept the benefits and/or payments given to them under the Scheme in full and final satisfaction and complete discharge of all Claims and all charges, costs, expenses, fees, and interest accrued and/or incurred in connection therewith.

7. CASH DISTRIBUTION UNDER OPTION 1 / ALLOTMENT AND ISSUANCE OF SCHEME SHARES UNDER OPTION 2 / SECOND CASH DISTRIBUTION

- 7.1. Within 28 days after the Scheme Effective Date, the Company shall pay the Cash Distribution to each Class A Scheme Creditor who has elected to participate in Option 1, in accordance with its entitlement under the Scheme. Payment of the Cash Distribution by the Company shall be made by cheque or by bank transfer to a bank account designated by the Class A Scheme Creditor, provided that the fees incurred in connection with such bank transfer shall be borne by the Class A Scheme Creditor and deducted from any sum payable to the Class A Scheme Creditor under the Scheme.
- 7.2. Within 28 days after the Scheme Effective Date, the Company shall allot and issue the Scheme Shares to each Class A Scheme Creditor who has elected to participate in Option 2, in accordance with its entitlement under the Scheme. Each Class A Scheme Creditor shall, in response to a notice issued by the Scheme Manager, furnish to the Scheme Manager any and all particulars necessary for the purpose of receiving the allotment and issuance of the Scheme Shares. The Scheme Shares will be ordinary shares of the Company and will rank *pari passu* in all respects with the other ordinary shares of the Company.
- 7.3. If the Class A Scheme Creditor does not indicate a preference for Option 1 or Option 2 in its Proof of Debt, the Class A Scheme Creditor will be deemed to have expressed a preference to be allotted and issued the Scheme Shares under Option 2.

- 7.4. Subject to Clause 3.1.4, within 28 days after the Company's issuance of the Second Cash Distribution Notice to the Class A Scheme Creditors, the Company shall pay the Second Cash Distribution to each Class A Scheme Creditor in accordance with its entitlement under the Scheme. Payment of the Second Cash Distribution by the Company shall be made by cheque or by bank transfer to a bank account designated by the Class A Scheme Creditor, provided that the fees incurred in connection with such bank transfer shall be borne by the Class A Scheme Creditor and deducted from any sum payable to the Class A Scheme Creditor under the Scheme.
- 7.5. If, for any reason whatsoever, the payment of the Cash Distribution, the allotment and issuance of the Scheme Shares, or the payment of the Second Cash Distribution (if any) to a Class A Scheme Creditor under the Scheme is not received by the Class A Scheme Creditor and such non-receipt is not the result of any fault on the part of the Company, the Class A Scheme Creditor shall be deemed to have waived all its rights in relation to the payment(s) or the allotment and issuance, and shall have its entitlement to the same lapse, upon the expiration of 6 months from the date of the payment(s) or the allotment and issuance being made.
- 7.6. On the Commencement Date, all Claims shall forever be discharged, extinguished, released, and waived.

8. MORATORIUM AND INTEREST

- 8.1. During the Scheme Period, no Scheme Creditor shall, whether directly or indirectly, take any steps to commence, initiate, procure, or continue any legal or other proceedings against the Company or any of its assets and properties in respect of the indebtedness of the Company in any jurisdiction, including but not limited to legal proceedings (including judicial management or winding up proceedings and any analogous proceedings in any jurisdiction), arbitration, the appointment of a receiver or a receiver and manager, and/or the enforcement of any judgment or arbitral award.
- 8.2. All claims for any costs, expenses, fees, and/or interest (whether contractual, default, penalty, or otherwise) accruing after the Ascertainment Date arising from, in connection with, or relating to any Claims shall not be payable by the Company and shall be deemed to be forever discharged, extinguished, released, and waived.
- 8.3. For the avoidance of doubt, nothing in the Scheme shall affect, fetter, or limit the Company's rights that it may have at law in relation to any claims or legal proceedings against any Scheme Creditor.

9. SCHEME MANAGER

- 9.1. The Scheme Manager shall have the duties and powers set out in the Scheme. The Scheme Manager may at any time and from time to time delegate his duties and powers under the Scheme to any natural person(s).
- 9.2. The Scheme Manager shall oversee the Company's compliance with and implementation of the provisions of the Scheme and shall have the power to do all things as they may consider desirable or necessary towards that end. In this regard, the Scheme Manager may engage accountants, lawyers, financial and other professional advisors to advise and

assist the Scheme Manager in the performance of his duties and the exercise of his powers under the Scheme.

- 9.3. In carrying out his duties and exercising his powers under the Scheme, the Scheme Manager shall at all times be deemed to act as an agent for or on behalf of the Company. Nothing in the Scheme shall at any time be construed as creating an obligation on the part of the Scheme Manager to act as an agent for or on behalf of any Scheme Creditor.
- 9.4. The Scheme Manager may apply to the Court for directions in relation to any particular matter arising from the exercise of his powers under the Scheme or the interpretation of any provision of the Scheme, and shall do all things as the Court may direct.
- 9.5. The Scheme Manager shall be entitled to such reasonable fees and remuneration, as may be agreed with the Company or as the Court may determine, for the performance of his duties as the Scheme Manager and for taking any action that he is authorised, empowered, or required to take under or in respect of the Scheme.
- 9.6. The Scheme Manager disclaims all personal liability under any agreement, contract, or other arrangement entered into on behalf of the Company, or in respect of any act or omission in connection with the Scheme.
- 9.7. The Scheme Manager shall not be responsible for any delay (or related consequences) in crediting an account with any amount required to be paid to a Scheme Creditor under the Scheme if the Scheme Manager has taken all necessary steps as soon as reasonably practicable to comply with the operating procedures or the regulations of any bank used by the Scheme Manager for that purpose.
- 9.8. The Scheme Manager shall not be liable to any Scheme Creditor for any and all charges, costs, damages, expenses, or losses of whatsoever nature which the Scheme Creditor may incur, suffer, or sustain as a result of any act or omission on the part of the Scheme Manager during the performance of his duties or the exercise of his powers under the Scheme, unless such charges, costs, damages, expenses, or losses arise out of the fraud, negligence, or wilful default of the Scheme Manager.
- 9.9. The Company shall at all times indemnify and keep harmless the Scheme Manager and/or his delegate appointed under Clause 9.1 from and against any and all charges, costs, damages, expenses, or losses of whatsoever nature which the Scheme Manager and/or his delegate may incur, suffer, or sustain, whether before or after the Termination Date, in connection with the performance of his/his delegate's duties or the exercise of his/his delegate's powers under the Scheme, unless such charges, costs, damages, expenses, or losses arise out of the fraud, negligence, or wilful default of the Scheme Manager and/or his delegate.
- 9.10. Resignation and Replacement of the Scheme Manager
 - 9.10.1. The Scheme Manager may resign at any time by sending a written notice thereof to the Company at least 30 days prior to his resignation.
 - 9.10.2. The Court may, upon an application by the Company or the Scheme Manager, appoint any person or persons as the Scheme Manager, whether in

replacement of or in addition to the person or persons holding the appointment of the Scheme Manager or to fill any vacancy resulting from death or bankruptcy.

- 9.10.3. The Scheme Manager shall cease to hold the appointment of the Scheme Manager upon the occurrence of any of the following events:
- 9.10.3.1. The passing of an Ordinary Resolution at any Creditors' Meeting convened for the purpose of appointing any person or persons to replace the Scheme Manager.
 - 9.10.3.2. The making of an order by the Court for the replacement of the Scheme Manager.
 - 9.10.3.3. The death or bankruptcy of the Scheme Manager.
 - 9.10.3.4. Termination of the Scheme pursuant to Clause 10.
- 9.10.4. Every person who ceases to be a Scheme Manager shall make available to his successor documents and records in his possession and provide any assistance that his successor may reasonably request for the purpose of performing the duties of the Scheme Manager under the Scheme.

10. TERMINATION OF THE SCHEME

- 10.1. The Scheme shall terminate absolutely and immediately upon any of the following events:
- 10.1.1. The complete discharge of all of the Company's liabilities and obligations in respect of the Cash Distribution to the Class A Scheme Creditors in accordance with Clause 7.1, the allotment and issuance of the Scheme Shares to the Class A Scheme Creditors in accordance with Clause 7.2, and/or the Second Cash Distribution (if any) to the Class A Scheme Creditors in accordance with Clause 7.4 and the Scheme Manager has thereafter certified that the aforesaid distributions have been duly made.
 - 10.1.2. The failure to satisfy any of the conditions precedent set out in Clause 4 by the Drop Dead Date, unless such non-satisfaction has been waived pursuant to a Special Resolution passed at any Creditors' Meeting.
 - 10.1.3. There has been any non-payment to the Class A Scheme Creditors in accordance with Clause 7, and such non-compliance has not been rectified in accordance with Clause 10.2 or waived pursuant to a Special Resolution passed at any Creditors' Meeting within 30 Business Days after the non-compliance. For the purpose of this sub-clause, "non-payment" includes non-payment of the Cash Distribution, non-issuance of the Scheme Shares, and non-payment of the Second Cash Distribution (if such a distribution is to be made) as contemplated in Clause 7.

- 10.2. Unless expressly stated otherwise in the Scheme, in the event of any breach of or non-compliance with any terms of the Scheme, the Company shall rectify such breach or non-compliance within 30 Business Days after the date of such breach or non-compliance. No breach of the Scheme shall be regarded as having occurred if rectified within such time period.
- 10.3. The Company shall have the option to terminate the Scheme should there be a breach or failure by any Scheme Creditor to adhere to, comply with, and/or perform its obligations under Clauses 6.7, 7.5, and 8 of the Scheme.
- 10.4. In the event that the Scheme is terminated other than pursuant to Clause 10.1.1, the Scheme shall cease to be binding on the Scheme Creditors. Each Scheme Creditor shall be entitled to exercise any and all of its remedies and rights against the Company as if the Scheme was never proposed, but each Scheme Creditor, in exercising its remedies and rights as aforesaid, shall give credit to the Company for all sums and Scheme Shares received from the Company under the Scheme in discharge or reduction of the Scheme Creditor's Claim.

11. VOTE SOLICITATION

- 11.1. A Scheme Creditor who wishes to vote shall submit a Proof of Debt in respect of its Claim and the Ballot Form to the Specified Address or to the Specified Email by the POD Cut-Off Date.
- 11.2. Solely for the purpose of voting on the Scheme:
 - 11.2.1. The amount of a Scheme Creditor's Approved Claim for Voting shall be determined by the Scheme Manager in consultation with the Company.
 - 11.2.2. The Scheme Manager shall be entitled to have regard to all relevant information whether supplied by the Scheme Creditor or otherwise made available to the Scheme Manager, and shall be entitled to set-off any mutual credits, mutual debits, or other mutual dealings between the Company and any Scheme Creditor.
 - 11.2.3. The Claim of each Scheme Creditor which is not denominated in S\$ shall be converted into S\$ using the Currency Conversion Rate.
- 11.3. If a Scheme Creditor fails to submit its Ballot Form to the Specified Address or to the Specified Email by the POD Cut-Off Date, such Scheme Creditor shall be deemed to have irrevocably, permanently, and unconditionally waived its rights to vote on the Scheme for the purpose of the Vote Solicitation.
- 11.4. For the avoidance of doubt, the admission by the Scheme Manager of any Scheme Creditor's Approved Claim for Voting for the purpose of voting on the Scheme shall not constitute an admission by the Scheme Manager of such claim for the purpose of determining the Scheme Creditor's Approved Claim for Distribution and entitlement under the Scheme or for any purpose apart from voting on the Scheme.

12. CREDITORS' MEETINGS

12.1. During the Scheme Period, the Company and/or the Scheme Manager may, whenever it thinks fit or appropriate, convene a Creditors' Meeting to propose an Ordinary Resolution or (if required by the Company's Constitution and/or the Companies Act and/or the Scheme) a Special Resolution in respect of any particular matter arising from Clauses 10.1.2, 10.1.3, or 14.

12.2. The following provisions shall apply to any Creditors' Meeting:

12.2.1. Any accidental omission to give notice of a Creditors' Meeting or the non-receipt of notice by any Scheme Creditor shall not invalidate the Creditors' Meeting or the proceedings thereat.

12.2.2. Any notice of a Creditors' Meeting shall be accompanied by a proxy form and issued by the Company. Each Scheme Creditor shall, at least 24 hours before the Creditors' Meeting, submit a proxy form to the Specified Address. If a Scheme Creditor fails to submit a proxy form at least 24 hours before the Creditors' Meeting, the Scheme Creditor shall not be entitled to vote at the Creditors' Meeting unless it is admitted to do so at the discretion of the chairman of the Creditors' Meeting.

12.2.3. Any Scheme Creditor which is not a natural person must appoint any natural person to be its proxy to attend and vote on its behalf at all Creditors' Meetings. Any Scheme Creditor may appoint any natural person to be its attorney or proxy to attend and vote on its behalf at any or all Creditors' Meeting(s). No Scheme Creditor shall be entitled to appoint more than 1 attorney or proxy to attend and vote on its behalf at any Creditors' Meeting, and the attorney or proxy shall not be allowed to attend and vote except in the absence of its appointer. A Scheme Creditor may revoke the appointment of any natural person as its attorney or proxy by sending a written notice thereof to the Company.

12.2.4. At any Creditors' Meeting, 2 Scheme Creditors present in person or by proxy shall form a quorum for the transaction of business. No business shall be transacted at any Creditors' Meeting unless the requisite quorum is present at the commencement of the Creditors' Meeting.

12.2.5. The Company shall be entitled to nominate the chairman of a Creditors' Meeting, but if no representative of the Company is present within 30 minutes after the time designated for the convening of the Creditors' Meeting, the Scheme Creditors present in person or by proxy shall choose one of their number to be the chairman of the Creditors' Meeting.

12.2.6. If, within 30 minutes after the time designated for the convening of any Creditors' Meeting, the requisite quorum is not present, the Creditors' Meeting shall be adjourned to such place and time at the discretion of the chairman of the Creditors' Meeting. If the requisite quorum is still not present at the adjourned Creditors' Meeting, 1 Scheme Creditor present in person or

by proxy shall form a quorum and may transact any business which a Creditors' Meeting is competent to transact.

12.2.7. The chairman of the Creditors' Meeting may, with the consent of the Scheme Creditors present in person or by proxy, adjourn the Creditors' Meeting from place to place and from time to time to a place and time determined by the Company.

12.2.8. Any Creditors' Meeting at which it is proposed to: (i) pass an Ordinary Resolution shall be called by sending a written notice thereof to the Scheme Creditors at least 14 Business Days prior to the Creditors' Meeting; and/or (ii) pass a Special Resolution shall be called by sending a written notice thereof to the Scheme Creditors at least 21 Business Days prior to the Creditors' Meeting.

13. COSTS

13.1. Save as otherwise ordered by the Court, the Company shall pay in full all of its charges, costs, disbursements, and expenses incurred in connection with the negotiation, preparation, and implementation of the Scheme as and when they arise, including but not limited to the cost of obtaining the Court's sanction of the Scheme.

14. MODIFICATIONS TO THE SCHEME

14.1. All procedural amendments, including any abridgment or extension of time in connection with anything to be done under the Scheme (save in respect of any payment obligations of the Company under the Scheme), shall be approved by an Ordinary Resolution passed at any Creditors' Meeting.

14.2. All substantive amendments and/or modifications to and decisions to be taken regarding the Scheme shall be approved by a Special Resolution passed at any Creditors' Meeting. Any proposed amendment, modification, and/or decision to be taken in respect of any payment obligations of the Company under the Scheme shall be regarded as a substantive amendment and/or modification to and decision to be taken regarding the Scheme.

14.3. Save as provided for under Clauses 14.1 and 14.2, any amendments and/or modifications to and decisions to be taken regarding the Scheme shall be approved by an Ordinary Resolution passed at any Creditors' Meeting.

14.4. For the avoidance of doubt and subject to Clauses 14.1 and 14.2, the Scheme Manager shall determine whether a proposed amendment and/or modification to or decision to be taken regarding the Scheme is procedural or substantive in nature or otherwise, and any such determination by the Scheme Manager shall be conclusive and binding on all parties to the Scheme.

15. PERFORMANCE OF OBLIGATIONS ON DATES BESIDES BUSINESS DAY

15.1. If any obligation is to be performed under the Scheme on a date other than a Business Day, the relevant obligation shall be performed on the next Business Day.

16. NOTICES

- 16.1. Every notice to be given to a Scheme Creditor under the Scheme shall be in writing and sent by normal post or pre-paid registered post to the address of the Scheme Creditor last known to the Company or by electronic mail to the Scheme Creditor for whom the Company has an e-mail address in its records, which e-mail address the Company understands to be the last known e-mail address of the Scheme Creditor or any agent, director, employee, solicitor, or authorised representative of the Scheme Creditor.
- 16.2. Any such notice shall be deemed to have been duly served immediately, if sent by electronic mail. Any such notice shall be deemed to have been duly served 7 days after posting, if sent by normal post or pre-paid registered post, and in proving the same, it shall be sufficient to show that the envelope containing the notice was duly addressed, stamped, and posted regardless whether the notice was actually received and whether the notice was returned to the Company or the Scheme Manager undelivered.
- 16.3. Every notice to be given to the Company or the Scheme Manager under the Scheme shall be in writing and delivered personally or sent by normal post or pre-paid registered post to the address of the Company or the Scheme Manager notified to the Scheme Creditors, and, if posted, shall be deemed to have been received by the Company or the Scheme Manager upon the actual receipt thereof.

17. SEVERABILITY

- 17.1. If any provision of the Scheme is held to be illegal, invalid, or unenforceable in part or in whole, the provision shall apply with the necessary deletion or modification so that the provision is legal, valid, and enforceable and gives effect to the commercial intentions of the Scheme Creditors and the Company.
- 17.2. To the extent that it is not possible to delete or modify the provision in whole or in part under Clause 17.1, such provision or part of it shall, to the extent that it has been held to be illegal, invalid, or unenforceable, be deemed to not form part of the Scheme. The legality, validity, and enforceability of the remainder of the Scheme shall, subject to any deletion or modification made under Clause 17.1, not be affected.

18. GOVERNING LAW AND JURISDICTION

- 18.1. The Scheme shall be exclusively governed by, and construed in accordance with, the laws of the Republic of Singapore.
- 18.2. The parties to the Scheme (including the Company, the Scheme Manager, and the Scheme Creditors) irrevocably submit to the exclusive jurisdiction of the Court in relation to any action, proceeding, or suit arising out of or in connection with the Scheme.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

- 19.1. Save as expressly provided for in the Scheme, a person who is not a party to the Scheme has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of the Scheme.

20. PERSONAL DATA PROTECTION ACT 2012

- 20.1. Each Scheme Creditor represents, undertakes, and warrants to the Company and the Scheme Manager that any personal data of any individual provided under the Scheme has been obtained with such individual's consent, and consents on behalf of such individual to the collection, disclosure, and use of such individual's personal data by the Company and the Scheme Manager in accordance with the Personal Data Protection Act 2012 (No. 26 of 2012).
- 20.2. Any consent given under the Scheme in relation to personal data shall survive the bankruptcy, death, incapacity, or insolvency of such individual and the expiration or termination of the Scheme. For the purposes of the Scheme, "personal data" has the meaning ascribed to it in the Personal Data Protection Act 2012 (No. 26 of 2012).

ANNEX A

List of Scheme Creditors as of 30 June 2023

1) Class A

No.	Name of creditor	Debt outstanding as of 30 June 2023 (SGD)
1	1A Cleaning Pte Ltd	1,960.00
2	2810198 Ontario Inc	36,927,381.27
3	AIA Singapore Pte Ltd	3,051.64
4	Allen & Gledhill LLP	84,746.35
5	Arthur J. Gallagher (Singapore) Pte Ltd	37,800.00
6	BRDGE Technology Holding Pte Ltd	923,935.62
7	Brillante Project Pte Ltd	21,532.00
8	Catherine Ong Associates Pte Ltd	82,424.24
9	Chua Siong Kiat	60,000.00
10	Darrell Lim Chee Lek	60,000.00
11	Deloitte & Touche Enterprise Risk Services Pte Ltd	21,400.00
12	Fragrance Regal Pte Ltd	97,948.95
13	Goodwood Associates Pte Ltd	47,108.65
14	Han Binke	20,000.00
15	HSI Dental Pte Ltd	503,539.81
16	IBase Technology Pte Ltd	1,134.00
17	International Energy Group Pte Ltd	50,113.78
18	Lim Eng Seng	60,000.00
19	Nelson Goh	7,922.43
20	Rahmat Lim & Partners	26,435.50
21	Rajah & Tann Singapore LLP	46,964.34
22	Shen Yuyun	2,940,838.99
23	Singapore Business Federation	1,720.00
24	United Overseas Bank Ltd	635,335.59
25	Video Technologies Pte Ltd	2,500.00
26	Wong Partnership LLP	209,007.54
27	Wong Tan & Molly Lim LLC	119,367.08
	Total	42,994,167.98

2) Class B

No.	Name of creditor	Debt outstanding as of 30 June 2023 (SGD)
1	Digiland Shanghai International Pte Ltd	235,691.64
2	Healthsciences International Pte Ltd	1,290,067.19
3	New Silkroutes Group Capital Pte Ltd	99,984.46
	Total	1,625,742.28

ANNEX B

SCHEME OF ARRANGEMENT

**PURSUANT TO SECTION 71 OF THE INSOLVENCY, RESTRUCTURING AND
DISSOLUTION ACT 2018 (NO. 40 OF 2018)**

Between

NEW SILKROUTES GROUP LIMITED
(Company Registration No. 199400571K)

And

THE SCHEME CREDITORS

BALLOT FORM

FOR the said Scheme	AGAINST the said Scheme
<i>(Signature)</i>	<i>(Signature)</i>

Dated: _____

Signature of Creditor or Common Seal:

NOTES:

If you wish to vote FOR the Scheme, sign in the box marked “FOR the said Scheme”. If you wish to vote AGAINST the Scheme, sign in the box marked “AGAINST the said Scheme”.

OTHER INSTRUCTIONS:

1. You are requested to lodge this ballot form at 16 Collyer Quay, #30-01, Singapore 049318 or by way of email to cduncan@kordamentha.com, jjeyaraj@kordamentha.com and cleong@kordamentha.com no later than 4 October 2023.
2. This ballot form must be signed by you or your attorney duly authorised in writing or, if you are a corporation, must either be executed under seal or under the hand of an officer or attorney duly authorised (in which case, evidence of the authority of such officer or attorney must accompany this ballot form). The signature need not be witnessed.

ANNEX C

**INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018 (NO. 40 OF
2018)**

PROOF OF DEBT FORM

1. Case Number

HC/OA 15/2023

2. Name of Company

NEW SILKROUTES GROUP LIMITED

3. Particulars of Creditor Claiming Debt

Name of Creditor:	
NRIC/Passport No./Company/Business Registration No.:	
Postal Address: (see Note (a) below)	
Contact No.:	
Email Address:	
Creditor's Reference No.: (see Note (b) below)	

4. Particulars of Debts

Date Debt Incurred	Details of Debt (see Notes (c) to (e) below)	Currency	Amount (\$)
Total Amount of Debt Claimed (<i>in figures</i>):			

Total Amount of Debt Claimed (*in words*):

5. Particulars of Interest / Late Charge

(Please indicate "NIL" if interest / late charge is not applicable)

Date Debt Incurred	Details of Interest / Late Charge (see Note (g) below)	Currency	Amount (\$)

6. Security Held

(Please indicate "NIL" if no securities are held by creditor)

Brief Description & Value of Securities:

7. Particulars of Person Authorised to Complete this Proof of Debt Form

(If same as in 3. Particulars of Creditor Claiming Debt, please indicate "see Box 3 above")

Name of Creditor:	
NRIC/Passport No./Company/Business Registration No.:	
Postal Address: (see Note (a) below)	
Contact No.:	
Email Address:	
Creditor's Reference No.: (see Note (b) below)	

8. Signature of Creditor / Person Authorised to Complete this Proof of Debt Form

I declare that to the best of my knowledge and belief, the Company owes the creditor the amount claimed in Box 4.

I declare that I am duly authorised, by the creditor/under the seal of the creditor, to complete this Proof of Debt form.

Signature: _____

Date (DD/MM/YYYY): / /

WARNING

Lodging a false proof of debt is a criminal offence punishable with fine or imprisonment or both.

Notes:

- (a) Please inform the Company of any changes in address.
- (b) Please indicate the reference number that will be quoted in future correspondence with the Company
- (c) Examples of Debts are:
 - i. Goods Supplied;
 - ii. Wages and Salaries;
 - iii. Income Tax;
 - iv. Services Rendered;
 - v. Personal Loan;
 - vi. Property Tax;
 - vii. GST;
 - viii. Overdraft facilities;
 - ix. CPF;
 - x. Others (please specify)
- (d) Please attach copies of documents substantiating the debt. The onus is upon the creditor to prove the debt.
- (e) For claims made by an authorised person on behalf of a group of workmen and others employed by the company, please provide a schedule reflecting the name, identification/passport no., address, debt description, period for which wages are due and amount due, for each individual workman/employee.
- (f) Please state whether the amount claimed includes goods and services tax, and if so, the amount of the tax.
- (g) Please provide a brief description on the terms of the interest / late charge and attach copies of documents substantiating the amount.

DISTRIBUTION UNDER THE SCHEME

Please indicate herewith if your elected choice is to:

- Option 1:** Receive the Cash Distribution under Clause 7.1 of the Scheme
- Option 2:** Be issued the Scheme Shares under Clause 7.2 of the Scheme

OPTION 1

Please provide the Scheme Manager with the following information for the purpose of the Cash Distribution:

- (a) The name of the Payee:
(if the Cash Distribution is to be made by cheque)

Payee Name:	
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- (b) The following details of the designated bank account for the Cash Distribution to be made by bank transfer:

Account Name:	
Account No.:	
Beneficiary Bank:	
Bank Address:	
SWIFT Code:	
Reference:	
FOR GIRO ONLY	
Account No.:	
Bank Code:	
Branch Code:	

OPTION 2

Please provide the Scheme Manager with the following information for the purpose of the issuance of the Scheme Shares:

CDP Account Name:	
CDP Account No.:	
FOR NOMINEES ONLY	
Nominee CDP Account Name:	
Nominee CDP Account Number:	

IMPORTANT INFORMATION

The completed Proof of Debt form (with the relevant supporting documents) can be submitted in either hard copy to 16 Collyer Quay, #30-01, Singapore 049318 or by way of email to cduncan@kordamentha.com, jjeyaraj@kordamentha.com and cleong@kordamentha.com. Email is preferred. A confirmation e-mail will be sent to the sender to acknowledge receipt of the relevant documents sent.