NEW SILKROUTES GROUP LIMITED

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

RESPONSES TO QUESTIONS RECEIVED FOR ANNUAL GENERAL MEETING TO BE HELD ON 30 OCTOBER 2020

The Board of Directors (the "**Board**") of the Company (and together with its subsidiaries, the "**Group**") refers to its forthcoming annual general meeting to be held on 30 October 2020 by way of electronic means ("**AGM**") and would like to thank the shareholders for submitting their questions in advance of the AGM.

The Company has consolidated the material questions submitted by shareholders and set out responses to such shareholders' questions in Annex A of this announcement.

BY ORDER OF THE BOARD

Ong Beng Hong
Company Secretary

29 October 2020

ANNEX A
RESPONSES TO QUESTIONS FROM SHAREHOLDERS

QUESTION	ANSWER
1. As Shanghai Fengwei Garment Accessory Co., Ltd. ("**Shanghai Fengwei**") is wholly owned by NSG, was the management consultancy agreement with Shanghai Minlin approved by the Board? Please provide reasons if not.	The Management Agreement was approved by the Board. No separate approval was obtained for the Management Service Agreement, as the Management Service Agreement was an implementation of the Management Agreement. Please refer to the Company's announcement dated 28 October 2020 for more details.
2. "The management rights and the profits of Shanghai Fengwei during the period 1 January 2020 to 31 December 2021 were assigned to Shanghai Minlin for a consideration of S$4 million, which was paid upfront in May 2020. All profits and losses during the aforesaid period, whether in excess of or less than the Consideration, would be borne by Shanghai Minlin. Under this management consultancy agreement, the operations and finances of Shanghai Fengwei would continue to be controlled by our Executive Director, Mr Shen Yuyun, and his management team" Please explain the rationale behind this move and provide reasons for the Board's decision.	Please refer to the Company's announcement dated 28 October 2020.
3. Consultancy and marketing fees (Note 19): US$ 7,683,397 What was the profit after deduction of the consultancy and marketing fees?	Please refer to the Company's announcement dated 28 October 2020.
4. Can Board elaborate on the law suit/probe against Chairman and how this will impact the company's directions and plans going forward?	Dr Goh Jin Hian, the ex-Chairman of the Company, has ceased to be a director of the Company since 15 October 2020.

	Please refer to the following announcements for more information pertaining to the law suit / probe involving Dr Goh Jin Hian: (i) announcement entitled "Assistance in Investigations by the Commercial Affairs Department" dated 25 September 2020; (ii) announcement entitled "Response to SGX Queries in relation to Assistance in Investigations by the Commercial Affairs Department" dated 30 September 2020; (iii) announcement entitled "Clarification on Straits Times Article" dated 6 October 2020; and (iv) announcement on Resignation of Non-Independent Non-Executive Chairman dated 15 October 2020.
5. In view of the pandemic and global recession, what are the cost control measures undertaken? Is there any reduction in director fees?	Some of the cost measures adopted by the Company in view of the pandemic and global recession include: (i) reduction in remuneration of senior management, including Dr Goh Jin Hian, Mr Oo Cheong Kwan Kelvyn and Mr Teo Thiam Chuan William, while they were still executive directors and/or officers of the Company. The senior management payroll of the Group was reduced by approximately 30% to 40%; and (ii) reduction in operational expenses by 10% and a further provisional cut of 10% depending on the national and global economic outlook. The Company will continue to review its costs and put in place appropriate cost-cutting measures as and when necessary. There will be no reduction in directors' fees. Dr Chua Soon Kian Andrew has voluntarily waived his entitlement to directors' fees. Dr Chua, who was appointed on 17 June 2019, did not receive any directors' fees for the financial year just ended and will not be receiving any directors' fees for the financial year ending 30 June 2021. Mr Darrell Lim has recently stepped up as Acting Chairman, in addition to serving as Lead Independent Director, chairing the Remuneration Committee and serving as a member of the Audit and Risk Committee and the Nominating Committee. Mr Chua Siong Kiat chairs the Audit and Risk Committee, in addition to serving as a

	member of the Remuneration Committee. Mrs Chen Chou Mei Mei Vivien chairs the Nominating Committee, in addition to serving as a member of the Remuneration Committee. The directors' fees, which is payable only to independent and/or non-executive directors, comprises a base fee as well as fees for chairing Board Committees, taking into consideration the effort, time spent and responsibilities of the independent and/or non-executive director and the fees paid in comparable companies.
6. With the current status of the oil market, what are the company's plan on this segment of the operations? Any prospect of divestment?	The pandemic and economic slowdown has significantly reduced oil demand and trade globally. International Energy Group Pte. Ltd. ("**IEG**") is currently exploring other areas of growth while continuing its ship chartering business. The prospect of divestment is currently being actively pursued while the Group continues to grow the equity of IEG.
7. There has been a lot of developments and news concerning key board members off late. Could the lead independent director share with shareholders the present state of affairs of the Group and the implications of such bad publicity and what can be done to reassure shareholders for the well-being of the Group.	The developments and news concerning key board members and management, who have since resigned from their respective positions, have caused the Company to come under intense scrutiny by the regulators. The Company is giving its full cooperation to the regulators in responding to their queries and demands and will continue to be transparent and communicate material information to shareholders as and when the need arises. On the operational side, it is business as usual for the Group. IEG, Shanghai Fengwei and Healthsciences International Pte. Ltd. (oil trading and ship chartering, production and healthcare) are resistant to the impact of the investigations, though not resistant to the pandemic and global economic lockdown. The Group would like to reassure shareholders that the investigations will not derail the foundations of the Group's businesses. The Group is currently pursuing media-related avenues to bring forth the message to the public to weather the reputational impact of such investigations. With a strong strategic vision and a supportive Board and management in place, the Group is looking forward to making news in a more positive angle.
8. On the change of auditors is this arising out of and from the unfavourable opinions of the current auditors? Cannot the concerns of the auditors be straightened out were they valid?	The proposed change of auditors arose out of the reasons as disclosed in the Notice of AGM dated 15 October 2020 and clarified in the Company's announcement date 26 October 2020. Please refer to these announcements for the reasons for the change of auditors.
9. The directors' fees of $267,000 proposed for the financial year ended 30 June 2021 seem a bit hefty; other companies have had their directors' fees and management salaries greatly reduced in view of the	Keeping operational expenses low is always the Company's priority to ensure prudence in economic downturns. As such, the Company has kept the number of independent and/or non-executive directors to the minimum needed for compliance with the SGX requirements and most

current pandemic. Shouldn't NSG do the same particularly with the troubles hanging over the Group?	of the independent and/or non-executive directors are fulfilling more than one role on the Board. Please refer to the Company's response to question 5 above for more information. As mentioned above, directors' fees are only payable to the independent and/or non-executive Directors and comprises a base fee as well as fees for chairing Board Committees, taking into consideration the effort, time spent and responsibilities of the independent and/or non-executive Director and the fees paid in comparable companies.
10. For Borrowings, particularly Note 21 of the Audited Financial Statements, may I know what are the loans from financial institutions due within the current 12 months, considering any waiver granted for breaches in covenant subsequent to period end?	The loans from financial institutions due within the current 12 months refers to borrowings due within 12 months amounting to US$12,455,039 (the "**Loans**"). The breach of non-financial covenant was rectified subsequent to the year end.
11. May I know the breakdown of the loans balance in Question 10 by subsidiaries?	Approximately US$2.4 million of the Loans were used by the Energy division and the balance of US$10 million of the Loans were used by the Healthcare division.
12. Which of the said loans in Question 11 are guaranteed by the Company?	The loans guaranteed by the Company was approximately US$4.8 million.
13. For the Disclaimer of Opinion in the Auditors Report, can the Directors inform the General Meeting, in simple terms, what are the profits of Shanghai Fengwei before accounting for the management service fees and the consultancy and marketing fees (Note 19)?	Please refer to the Company's announcement dated 28 October 2020.
14. Under Note 19, it is noted that the Consideration of US$2,828,400 under the Management Agreement was received by the Company on 21 May 2020 through a Singapore incorporated company who is also a shareholder of the Company. Is this Singapore incorporated company SYY Capital Holdings Pte. Ltd.? I further note that in the announcement dated 29 May 2020 in relation to the Company's responses to SGX queries on its announcement dated 27 May	The Entity is WTL Capital Holdings Pte. Ltd.. Please refer to the Company's announcement dated 28 October 2020.

2020, the Board has confirmed that there is no connection (including business relationship) between the Entity (Shanghai Minli), its directors and substantial shareholders with the Company, its directors and substantial shareholders. If the above-mentioned Singapore incorporated company is indeed SYY Capital Holdings Pte. Ltd, are the Directors still of the opinion that the Entity has no connection with the Company's directors and substantial shareholders?	