NEW SILKROUTES GROUP LIMITED

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

RESPONSE TO SGX QUERIES ON COMPANY'S ANNOUNCEMENTS

The Board of Directors (the "**Board**") of the Company (and together with its subsidiaries, the "**Group**") wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the following announcements released by the Company:

(i) the Company's announcement dated 12 May 2022, entitled "Term sheet with Ms Lina Ng Lay Theng" (the "**12 May 2022 Announcement**");

(ii) the Company's announcement dated 24 May 2022, entitled "Memorandum of agreement with 2810198 Ontario Inc" (the "**24 May 2022 Announcement**");

(iii) the Company's announcement dated 14 June 2022, entitled "Condensed interim financial statements for the nine months ended 31 March 2022" (the "**14 June 2022 Announcement**"); and

(iv) the Company's announcement dated 10 August 2022, entitled "New Silkroutes Group appoints Han Binke as CEO on 10 August; Dr VicPearly Wong steps down following successful debt restructuring" (the "**10 August 2022 Announcement**"),

(collectively, the "**Previous Announcements**").

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

SGX-ST's Query:

(a) *It is stated in the 10 August 2022 Announcement that, "The management transition comes more than two months after the signing of a binding Memorandum of Agreement (MOA) between NSG and 2810198 Ontario Inc (Ontario) on 24 May 2022, whereby Ontario will assume the debts owed by the Group's discontinued energy related businesses, provide a working capital loan and subsequently convert the debt to equity, scheduled for completion on 30 September 2022." Please provide an update on the status of the MOA between NSG and Ontario, including the Relevant Issue Price and the amount to be converted from debt to equity. Please also elaborate on the Approved Invoices and Approved Amounts to be paid from the Working Capital Loan.*

Company's Response:

Ontario is in the midst of applying for the necessary waivers and approvals with the relevant authorities so as to be able to proceed with the debt and working capital loan capitalisation. The Relevant Issue Price is expected to range from S$0.077 to S$0.096 and the amount to be converted from debt to equity is approximately S$38.6 million. The Working Capital Loan is to be drawn down via Utilisation Requests (each an "**Approved Amount**") for specific payments. Each Utilisation Request is to be supported by the relevant invoices (each an "**Approved Invoice**") so that Ontario can be assured that the Working Capital Loan is utilised in the normal course of business.

SGX-ST's Query:

(b) *It is stated in the 24 May 2022 Announcement that, "Subject to completion of the acquisition of the Relevant Debts by Ontario and for so long as Ontario remains a creditor of any member of the Group, Ontario shall be entitled to nominate two candidates as directors of the Company (one of whom shall be an independent nonexecutive director)."*

Please disclose:

(i) whether Ontario has nominated any directors of the Company;

Company's Response:

As at 10 August 2022, Ontario has nominated Mr Han Binke ("**Mr Han**") as the CEO and Executive Director. No other director has been nominated.

(ii) Ontario's rights after debt capitalization;

Company's Response:

Other than the right to appoint two candidates as directors, Ontario has no other rights save for those in its capacity as shareholder of the Company.

(iii) Board's assessment on the independence of the independent non-executive director to be nominated by Ontario, given that Ontario is a creditor of the Group, including its basis of assessment and the relevant safeguards, where applicable.

Company's Response:

As at 16 August 2022, no independent director has been nominated by Ontario. There are sufficient safeguards, such as interview and review by Nominating Committee, to ensure that all applicable law and regulations, including applicable Listing Rules, are being complied with.

SGX-ST's Query:

(c) *Please also disclose the following:*

(i) the identity of the party who introduced Ontario to the Company;

Company's Response:

The party introducing Ontario to the Company is iCapital Holdings (SG) Pte. Ltd. (the "**Introducer**"). The Introducer is an exempt private company limited by shares incorporated in Singapore and is principally engaged in the business of providing corporate finance advisory services to accredited or institutional investors, and is exempted from licensing and business conduct requirements under the Securities and Futures Act and the relevant regulations.

(ii) the amount of introducer fee, where applicable;

Company's Response:

The Introducer is appointed by and acts for Ontario. No introducer fee is payable by the Company to the Introducer.

(iii) the background of how Ontario was identified by the Introducer, where applicable; and

Company's Response:

One of the Introducer's directors is acquainted with the Company's Independent Non-Executive Chairman, Mr Darrell Lim Chee Lek ("**Mr Lim**") and the Introducer is aware of the Company's intention to wind up its energy division and to restructure its debts. The Introducer has contacts, which included Ontario, that are looking to acquire assets to diversify their investment holdings. The Introducer has shortlisted potential targets which included the Company and eventually introduced Ontario to Mr Lim and the Company.

(iv) whether there is any connection (including business relationship) amongst the introducer, Company, its directors and substantial shareholders with Ontario, its directors, substantial shareholders, and beneficial owners.

Company's Response:

The Introducer is appointed by and acts for Ontario. One of the Introducer's directors is acquainted with Mr Lim. Save as above, there are no other connections amongst the parties listed above, prior to the signing of the binding Memorandum of Agreement between the Company and Ontario on 24 May 2022 (the "**MOA**").

Subsequent to the signing of the MOA, Mr Han , who is acquainted with the director and beneficial owner of Ontario, was appointed as the Chief Executive Officer and Executive Director of the Company on 10 August 2022. Mr Han has no beneficial interests in Ontario.

SGX-ST's Query:

*(d) It is stated in the 24 May 2022 Announcement that, "the Company shall use all commercially reasonable efforts and at its own costs to (i) sign a legally binding agreement in relation to the bona fide disposal of all the equity interests of Shanghai Fengwei Garment Accessory Co., Ltd. ("**Shanghai Fengwei**") for cash consideration and (ii) procure the completion of the bona fide disposal of the entire equity interest of Shanghai Fengwei for cash consideration (the "**Disposal**") within 18 months from the date of completion of the Debt Acquisition." Please disclose whether any agreement has been entered into to dispose Shanghai Fengwei and provide an update on the status of the above.*

Company's Response:

The Company is in the midst of searching for a buyer and no agreement has been entered into.

SGX-ST's Query:

(e) *It is stated in the 14 June 2022 Announcement that, "The independent review is still ongoing as of the date of this announcement." Please provide an update on the status of the independent review.*

Company's Response:

The independent review is completed and pending finalisation of the report.

SGX-ST's Query:

(f) *It is stated in the 12 May 2022 Announcement that, "The Parties shall use all reasonable efforts to finalise the terms and enter into the Definitive Agreement(s) within eight (8) weeks from the date of the Term Sheet ("**Relevant Period**"), or such other period as may be mutually agreed in writing between the Parties." Please provide an update on the status of the divestment of HSI Chinese Medicine, including the terms of the definitive agreement. Please clarify whether and how chapter 10 requirements are complied with.*

Company's Response:

The divestment is in progress and the Definitive Agreement has not yet been entered into. The Company and the Purchaser have mutually agreed to extend the deadline to September 2022.

The Term Sheet is a non-binding agreement and a non-disclosable transaction under Chapter 10 of the Listing Rules, but in the interest of good corporate practice and full disclosure to shareholders, the Company announced the Term Sheet. The Company will make further disclosures pursuant to the Listing Rules when the Definitive Agreement is signed.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests. Shareholders of the Company and potential investors are advised to read all further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Mr Han Binke
Executive Director and CEO
16 August 2022