

NEW SILKROUTES GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199400571K)
(the “Company”)

UPDATE ON THE COMPANY’S BUSINESSES IN LIGHT OF COVID-19 PANDEMIC

The board of directors (the “**Board**” or “**Directors**”) of the Company (and together with its subsidiaries, the “**Group**”) wishes to update Shareholders on how the Company is managing its businesses during the COVID-19 pandemic and the ensuing impact on both the global and local economies.

First, the Company has taken health and safety precautions to protect its frontline staff, who continue to provide essential medical and dental services at its clinics in Singapore. The Company had also taken similar measures in its manufacturing facility operated by Shanghai Fengwei Garment Accessory Co., Ltd., its wholly-owned subsidiary, earlier in the year and the Company is pleased to note that the staff in Shanghai remain healthy and the plant continues to operate at close to maximum capacity.

Nonetheless, the full impact of the pandemic and the recent Circuit Breaker measures announced by the Singapore government are beginning to be felt. As a result, the Company is actively reviewing its organisational growth strategies to take advantage of its unique position in the healthcare space, including its network and position in China as a manufacturer of the non-woven material used in the production of medical PPE.

The Company also wishes to assure Shareholders that the Group’s energy division, comprising International Energy Group Pte. Ltd. and its subsidiaries, is different from companies that are exposed to crude oil price fluctuations, such as upstream players, oil explorers and oil producers. The Group buys and then sells physical oil products (being gasoline and diesel) to distributors, petrol stations and vessels.

The current crude oil price weakness, having particular effect in the United States of America, is a result of demand destruction and the excess supply that exists globally, but negative price crude is a unique situation to WTI Futures contracts.

The Group’s energy division is benefiting from the current situation due to the shipping business, which is earning higher than average freight rates, on the back of the demand for oil tankers required for the storage of excess oil.

The Company’s third quarter results will be announced shortly and the Company will continue to communicate with Shareholders on a regular basis through these updates.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the shares of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Dr Goh Jin Hian
Executive Director and Chief Executive Officer

23 April 2020