NEW SILKROUTES GROUP LIMITED

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

RESPONSE TO SGX QUERIES IN RELATION TO THE COMPANY'S UNAUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

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 unaudited financial results of the Company for the financial year ended 30 June 2020 released on 27 August 2020 (the "**Announcement**").

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

1. SGX-ST's Query:

With reference to the unaudited financial statements for the year ended 30 June 2020, it is stated on page 9 of the Announcement that, "Decrease in financial asset at fair value through other comprehensive income from US$19.737 million to US$17.192 million arose from the equity interest in Thai GNCC." Please disclose how the equity interest in Thai GNCC has resulted in a decrease in financial asset at fair value through other comprehensive income.

Company's Response:

The enterprise value of Thai GNCC was determined by an independent professional valuer and the equity value of the 4.534% interest in Thai GNCC held by the Group was correspondingly derived. The decrease in this equity value from US$19.737 million to US$17.192 million was then classified under financial asset at fair value through other comprehensive income.

2. SGX-ST's Query:

It is stated on page 9 of the Announcement that, the Group has recognised (a) one-off allowance for impairment loss on other receivables of US$1.366 million on the consideration receivable for the disposal of subsidiaries, Digiland (Thailand) Ltd. and Infonet Systems and Services Pte Ltd in financial year ended 30 June 2016, and (b) one-off impairment on intangible assets of US$1.004 million.

In this regard, please disclose the following information:

(i) the nature of intangible assets which have been impaired;

(ii) how the amount of impairment loss on other receivables and intangible assets was determined;

(iii) the Board's confirmation as to whether it is satisfied with the reasonableness of the methodologies used to determine amount of impairment; and

(iv) the reasons for the impairment losses on other receivables and intangible assets.

Company's Response:

(i) The intangible assets arose from the fair value of a China-focused clinic management system that was acquired in 2016.

(ii) After a strategic review, the Group had decided to stop marketing this clinic management system (CMS) in China. The amount of impairment loss on the intangible assets was based on the specific review of the carrying amount attributable to the CMS. The impairment loss on other receivables was based on the specific review of the carrying amount of receivables where the recoverability was in doubt, based on the outcome of negotiations with the relevant party and the legal proceedings taken against the relevant party.

(iii) The Board is of the opinion that the reasonableness and methodologies used to determine the value of the impairment of the other receivables and intangible assets are satisfactory.

(iv) Please refer to the response in (ii) above.

BY ORDER OF THE BOARD

Ong Beng Hong
Company Secretary

16 September 2020