

NEW SILKROUTES GROUP LIMITED

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

RESPONSE TO SGX QUERIES IN RELATION TO ASSISTANCE IN INVESTIGATIONS BY THE COMMERCIAL AFFAIRS DEPARTMENT

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 announcement released by the Company on 25 September 2020 pertaining to assistance in investigations by the Commercial Affairs Department (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:**

It is stated that, one of the Directors of the Company and certain senior management and former management are also assisting the CAD in the said investigation. Please identify these parties and their respective roles in the Company.

Company’s Response:

Dr Goh Jin Hian (“**Dr Goh**”), the Executive Director and Chief Executive Officer (“**CEO**”) of the Company, is assisting with the investigation. Dr Goh was also designated as the Chairman of the Company with effect from 1 August 2020 following the retirement of Mr Pao Kiew Tee as Independent Director and Chairman of Company. Dr Goh will be retiring as CEO with effect from 1 October 2020 and will become the Non-Executive Chairman thereafter.

Mr Teo Thiam Chuan William (“**Mr Teo**”), the Finance Director of the Company, has also been asked to assist the CAD in the said investigation.

The Company understands that Mr Oo Cheong Kwan Kelvyn (“**Mr Oo**”), a former Executive Director and Chief Corporate Officer of the Company, was also asked to assist in the investigation. Mr Oo served as an independent director of the Company from 24 June 2015 to 31 May 2017 and an Executive Director and Chief Corporate Officer from 1 June 2017 to 31 July 2020.

2. **SGX-ST’s Query:**

Please clarify if the Company and/or each of the parties named in the Company’s response to (1) above are the subjects of investigation.

Company’s Response:

The notice dated 24 September 2020 from the CAD and the MAS (the “**Notice**”) did not state who the subject of the investigation is and as far as the Company is aware, no charges have been made against any person named in the response to (1) above. The Company understands that it or any of the parties named in the response to (1) above may be the subject of the investigation.

3. SGX-ST's Query:

Please provide the nature of the investigation including the relevant regulatory requirements/laws under which the investigation is conducted.

Company's Response:

The Notice did not detail the nature of the investigation and merely stated that the investigation pertains to "an offence under the Securities and Futures Act (Chapter 289)" (the "SFA"). However, the Company understands that the alleged offence is false trading and market rigging pursuant to section 197 of the SFA in view of past share buy-backs and acquisitions of shares.

All share buy-backs conducted by the Company previously were in the ordinary course and transacted on the open market and announced in accordance with the share buy-back mandate approved by the shareholders of the Company and the SGX-ST's guidelines and regulations. The Company has also complied with the best practices on dealings in securities pursuant to Rule 1207(19) of the SGX-ST Listing Manual.

4. SGX-ST's Query:

Listing Rule 720(1) of the Listing Manual provides that an issuer must also comply with Listing Rule 210(5) on a continuing bases, which requires among others, a consideration of the character and integrity of directors and management. Please provide the Nominating Committee's assessment and the bases for such assessment of whether each of the parties named in the Company's response to (1) is suitable to continue as a director and/or executive officers of the Company.

Company's Response:

The Nominating Committee and the Board (with Dr Goh abstaining) are of the view that Dr Goh and Mr Teo are suitable to continue as a director and/or executive officer of the Company, as investigations are still ongoing and no charges have been made against them. Dr Goh and Mr Teo have always conducted their duties professionally and in the best interest of the Group. Dr Goh has contributed substantially to the Group in its focus on healthcare and energy sector. Dr Goh has also assisted the Group in establishing and maintaining strong relationships with its stakeholders such as the various minority shareholders in the some of the subsidiaries of the Group. Dr Goh has also acted above and beyond the duties of an Executive Director when to assist the Group, he extended a personal guarantee as additional security for certain credit facilities to the Group.

The Nominating Committee and the Board (with Dr Goh abstaining) are of the view that the investigations or Dr Goh's and Mr Teo's assistance in the investigations do not compromise the performance of their professional duties in relation to the Group. As the investigations are still on-going and no charges have been brought against them and taking into account the principle that a person is innocent until proven guilty, the Nominating Committee and the Board are of the view that the character and integrity of Dr Goh and Mr Teo remain suitable to continue as a director and executive office, respectively, of the Company. The Nominating Committee and the Board (with Dr Goh abstaining) believe that it is in the interest of the Company and the shareholders that Dr Goh remains as a director of the Company and Mr Teo remains as an executive officer of the Company.

The Board has requested Dr Goh and Mr Teo to keep the Board updated on the progress of the investigations and the Company will make further announcements as and when necessary. The Board will continue to monitor the progress of the investigations as informed by Dr Goh and Mr Teo, in evaluating their continued

suitability as Director and/or Executive Officer of the Company and compliance with the continuing listing rules.

5. SGX-ST's Query:

We refer to paragraphs 5.10 and 5.11 of the Practice Note 7.1 of the Listing Manual. Please confirm whether there were any restriction or conditions imposed by CAD on each of the parties named in the Company's response to (1) above.

Company's Response:

The passports of both Dr Goh and Mr Teo have been retained by the CAD. Neither person has been arrested or charged and no bail has been required to be posted.

BY ORDER OF THE BOARD

Ong Beng Hong
Company Secretary

30 September 2020