



Silkroad Nickel Ltd.
(Company Registration Number 200512048E)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUERY RAISED BY SINGAPORE EXCHANGE REGULATION ON 23 JUNE 2021

The board of directors (the “**Board**”) of Silkroad Nickel Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 22 June 2021 (“**Announcement**”) in respect of the entry into a placement agreement for the placement of new shares (“**Proposed Placement**”) to GFL International Co., Limited (the “**Subscriber**”). The Company wishes to inform shareholders that it had on 23 June 2021 received a query from the Singapore Exchange Regulation (the “**Query**”) in relation to the Proposed Placement to the Subscriber. The Board wishes to respond to the Query as follows:

SGX Query:

It is announced that the Proposed Placement was to facilitate the Subscriber’s compliance with People’s Republic of China (“**PRC**”) requirements in conjunction with the proposed issuance of exchangeable bonds announced on 28 May 2021. Please provide more details on the said PRC requirements.

Company’s response:

As stated under Section 2.3.1(ii) of the Announcement, the Subscriber will be seeking approval for the Proposed Placement and the proposed issuance of the exchangeable bonds as announced by the Company on 28 May 2021 (the “**Proposed Issuance**”) from the Provincial Development and Reform Commission, the Ministry of Commerce and the State Administration of Foreign Exchange. In accordance with the Notice of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Loans by Domestic Enterprises, Huifa 2009 No. 24 (the “**Notice**”) provided by the Subscriber, domestic enterprises can provide financing directly to their overseas wholly-owned subsidiaries or overseas companies which they hold an equity stake in.

As such, in compliance with the guidelines as set out under the Notice, the Subscriber had proposed for the Company and the Subscriber to undertake the Proposed Placement (i.e. a new investment of US\$2,000,000 by way of subscription for new shares in the Company) which would result in the Subscriber becoming a shareholder of the Company. Thereafter, the Subscriber (being a domestic enterprise under the Notice) would be able to provide financing directly to the Company (being an overseas company which the Subscriber holds an equity stake in under the Notice) via the Proposed Issuance.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. The Proposed Placement and the Proposed Issuance are subject to the fulfilment of certain conditions. There is no certainty or assurance that the Proposed Placement and the Proposed Issuance will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors of the Company should exercise caution when

trading in shares of the Company, and where in doubt as to the action they should take, they should consult their legal, financial, tax or other professional adviser immediately.

By Order of the Board

Mr Hong Kah Ing
Executive Director and Chief Executive Officer
25 June 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.