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新絲路文旅有限公司
NEW SILKROAD CULTURALTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 472)

VARIATION AGREEMENT IN RELATION TO SHARE AND RIGHTS TRANSFER AGREEMENT

Reference is made to the announcement of New Silkroad Culturaltainment Limited (the "**Company**") dated 11 June 2024 (the "**Announcement**") in relation to the entering into of the Share and Rights Transfer Agreement and the Disposal contemplated thereunder. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Pursuant to the Share and Rights Transfer Agreement, the consideration for the Disposal is KRW5 billion (equivalent to approximately HK$28.3 million), which shall be settled in cash by the Purchaser to the Company in three installments (i) as to KRW0.5 billion (equivalent to approximately HK$2.8 million) within 10 business days from the date of signing of the Share and Rights Transfer Agreement; (ii) as to KRW2.25 billion (equivalent to approximately HK$12.7 million) by 20 December 2024; and (iii) as to KRW2.25 billion (equivalent to approximately HK$12.7 million) by 30 June 2025. As at the date of this announcement, the first instalment has been paid but the second and third instalments are overdue and remain unpaid by the Purchaser.

The Company would like to update its shareholders and investors that on 14 August 2025, the Company entered into a variation agreement (the "**Variation Agreement**") with the Purchaser, an Independent Third Party, to amend and supplement certain terms of the Share and Rights Transfer Agreement.

Pursuant to the terms of the Variation Agreement, the consideration payable under the Share and Rights Transfer Agreement shall be revised to KRW4,541,100,000 (equivalent to approximately HK$25.7 million), to be settled by the Purchaser to the Company in the following manner:

(i) as to KRW3.13 billion (equivalent to approximately HK$17.7 million) (the "**Cash Portion**") in cash; and

(ii) as to KRW1.41 billion (equivalent to approximately HK$8.0 million) (the "**Asset Portion**") by way of transfer of two properties located in Jeju-si, Jejudo, South Korea (the "**Properties**") by the Purchaser to the Company. The two properties are for residential use and commercial use, respectively. As at the date of this announcement, the property for commercial use is vacant and not subject to any tenancy but the property for residential use is leased out.

As the first instalment has already been paid by the Purchaser to the Company on 24 June 2024, the remaining balance of the Cash Portion is approximately KRW2.63 billion (equivalent to approximately HK$14.9 million). Payment of the balance of the Cash Portion and the transfer of the Properties in settlement of the Asset Portion shall be effected by the Purchaser to the Company on or before 31 December 2025 (or such other date as may be agreed by the Company and the Purchaser). Upon receiving the remaining balance of the Cash Portion, the release of the security over the Target Shares and the set-off and waiver of the sums owed to and from the Target Company and the Company will be effected, as disclosed in the Announcement.

The revised terms were determined after taking into account, among the reasons more particularly set out in the below section headed "Reasons for and benefits of entering into the Variation Agreement", the Purchaser's financial capacity and the Group's optimal recovery strategy in respect of the outstanding amount of the Consideration, the value of the Properties as at 31 July 2025 of not less than KRW1.41 billion based on an independent valuation using market approach, and the potential upside of the Group through either rental income or future disposition of the Properties at an opportune time.

Save as disclosed above, there is no material variation to the terms of the Share and Rights Transfer Agreement. Save as varied by the Variation Agreement, the terms of the Share and Rights Transfer Agreement remain unchanged.

REASONS FOR AND BENEFITS OF ENTERING INTO THE VARIATION AGREEMENT

Since the respective due dates of the second and third instalments on 20 December 2024 and 30 June 2025, the Company has been maintaining ongoing communication with the Purchaser regarding the payment status of these outstanding instalments. The Purchaser has demonstrated liquidity constraints, with limited cash reserves to satisfy the outstanding payments in cash in full. Through multiple rounds of negotiations, the Purchaser, while facing challenges in meeting the original payment schedule, has demonstrated a sincere commitment to settling the outstanding amount and has proactively proposed a solution involving partial repayment through the transfer of the Properties.

The Board considered that the amended terms under the Variation Agreement represent the most commercially prudent solution and the optimal path forward as: (i) pursuing legal action to enforce the original terms would be impractical due to the substantial litigation costs and prolonged timelines, as well as significant uncertainty in outcomes of litigation which, even if successful, has uncertainty in actual enforcement given the Purchaser's liquidity constraints; (ii) reversing the Disposal would not be feasible as it would require overcoming regulatory hurdles regarding the business licences of the Target Company if its ultimate beneficial owners were to be changed, and the original strategic rationale for divesting the loss-making Target Company and its entertainment business as disclosed in the Announcement remains valid in that the Disposal allowed the Group to stem ongoing losses, and the reacquisition of an underperforming and loss-making asset would not be commercially sound; (iii) the Group can either utilise the Properties being transferred, lease for recurring income, or dispose of them at an opportune time to realise capital gains; and (iv) new safeguards are provided to the Group as the original title deeds of the Properties have been handed over to the Group as collateral with full disposition rights to the Group. The amended payment terms preserve these benefits while adding new safeguards, and the structured settlement provides a realistic path to recovering the outstanding value.

In view of the foregoing, the Directors are of the view that the terms of the Variation Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transfer of the Properties under the Variation Agreement (which constitutes an acquisition of assets by the Company) are less than 5%, the transfer of the Properties contemplated under the Variation Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

By order of the Board
New Silkroad Culturaltainment Limited
Wang Gengyu
Chairman and Executive Director

Hong Kong, 14 August 2025

For the purpose of this announcement, the exchange rate of KRW1.00 = HK$0.00565 have been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in KRW or HK$ has been, could have been or may be converted at such a rate.

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Wang Gengyu, Mr. Zhang Jian, Mr. Hang Guanyu, Mr. Zhao Bin and Mr. Shen Yang, and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Mr. Chow On Kiu and Ms. Wen Yi.