NEW SILKROUTES GROUP LIMITED

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

ENTRY INTO CONVERTIBLE LOAN AGREEMENT

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1. INTRODUCTION

1.1 The board of directors (the "**Board**") of New Silkroutes Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 25 February 2018 in relation to the entry by the Company into a memorandum of understanding and term sheet with Haitong International Securities Group (Singapore) Pte. Ltd. in relation to a proposed issue of S$5 million worth of convertible bonds by the Company to Haitong International Securities Group (Singapore) Pte. Ltd. (the "**Previous Announcement**").

1.2 The Company now wishes to announce that the Company has on 30 May 2018 entered into a convertible loan agreement (the "**Convertible Loan Agreement**") with Haitong International Financial Products (Singapore) Pte. Ltd. (the "**Lender**"), pursuant to which, the Lender has agreed to make available to the Company a convertible loan facility of up to a maximum amount of S$5,000,000 (the "**Convertible Loan**").

1.3 Pursuant to the Convertible Loan Agreement, the Lender has been granted the right to, at any time on and from the date falling thirty days after 1 June 2018 (the "**Availability Date**"), convert at the Conversion Price (as defined below) all or part of the Outstandings (as defined below) into fully paid new ordinary shares in the capital of the Company ("**Conversion Shares**"). For the purposes herein, "**Outstandings**" means the aggregate principal amount of loans utilised by the Company under the Convertible Loan Agreement less any amount which has already been converted into shares.

2. INFORMATION ON THE LENDER

2.1 The Lender is part of the Haitong International Securities Group ("**Haitong International**"). Haitong International is an international financial institution with an established presence in Hong Kong and a rapidly expanding network across the globe. It strives to serve as a bridge linking up to the Chinese and overseas markets. The parent company of Haitong International is Haitong Securities Co., Ltd in Hong Kong. Further details on the Lender and Haitong International are set out in the Previous Announcement.

2.2 As at the date of this announcement, the Lender does not hold any Shares in the Company. The Lender has no existing connection (including business relationships) with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided under Rule 812 of the Listing Manual of the SGX-ST.

3. MANDATE FOR THE ISSUE OF CONVERSION SHARES

The Conversion Shares will be allotted and issued pursuant to the general share issue mandate obtained from the shareholders of the Company at the last annual general meeting of the Company held on 31 October 2017 (the "**General Mandate**").

4. SALIENT TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT

4.1 The terms and conditions of the Convertible Loan Agreement were negotiated and agreed upon by the parties on an arm's length basis.

4.2 The salient terms and conditions of the Convertible Loan Agreement are set out below:

Principal Amount	:	S$5,000,000
Interest	:	The interest rate for the Convertible Loan is 5% per annum, unless, where applicable as set out in the Convertible Loan Agreement, the relevant Singapore swap offer rate for Singapore dollars (determined by reference to the rates quoted at 11.45 a.m. London time two (2) London business days before the relevant utilisation of the Convertible Loan) is greater than 2%, in which case, the interest rate shall be as the Lender may determine at its sole discretion. The interest shall be payable in cash.
Maturity Date	:	The date occurring two (2) years after the Availability Date.
Conversion Right	:	The Lender shall have the right but not the obligation at any time on and from the date falling thirty (30) days after the Availability Date to convert all or part of the Outstandings into shares in the Company by issuing a conversion notice to the Company.
Conversion Price	:	The conversion price shall be: (i) S$0.60 in respect of each Conversion Share; (ii) as adjusted by a conversion price reset and, if applicable, any necessary adjustments to the conversion price as set out in the Convertible Loan Agreement from time to time. Based on the agreed adjustment formulae as set out in the Convertible Loan Agreement, the Conversion Price may be adjusted downwards to a minimum of S$0.45.
Conversion Shares	:	The number of shares to be allotted and issued on the relevant conversion date shall be determined by dividing the conversion amount on the delivery date by the Conversion Price. Solely for illustrative purposes: (i) on the assumption that the Conversion Price is the maximum Conversion Price of S$0.60 ("**Maximum Conversion Price Scenario**"), the maximum number of Conversion Shares that may be issued is 8,333,333, representing approximately 5.08% of the Company's existing and issued paid-up share capital as at the date of this announcement; and (ii) on the assumption that the Conversion Price is the minimum Conversion Price of S$0.45 ("**Minimum**

Conversion Price Scenario"), the maximum number of Conversion Shares that may be issued is 11,111,111, representing approximately 6.77% of the Company's existing and issued paid-up share capital as at the date of this announcement.

5. CONFIRMATION FROM THE COMPANY

The Company confirms that no transfer of a controlling interest in the Company within the meaning of Rule 803 of the Listing Manual will arise from the allotment and issue of the Conversion Shares by the Company to the Lender.

6. FINANCIAL EFFECTS OF THE CONVERTIBLE LOAN AND THE CONVERSION SHARES

Bases and Assumptions

6.1 For the purposes of illustration only, the *pro forma* financial effects of the Convertible Loan and the Conversion Shares taken as a whole are set out below. The *pro forma* financial effects have been prepared on the relevant assumptions set out below and based on the audited consolidated financial statements of the Group for FY2017 and do not necessarily reflect the actual future financial position and performance of the Group in the event that the Convertible Loan is fully disbursed and fully converted.

Financial Effects in the event of the Maximum Conversion Price Scenario

6.2 Assuming that the Convertible Loan is fully disbursed and fully converted on 30 June 2017 and based on the Group's audited consolidated financial statements for FY2017, the *pro forma* financial effects of the Convertible Loan on the net asset value and earnings per share of the Group for FY2017 are as follows:

	Before conversion of the Convertible Loan and issue of the Conversion Shares	**After conversion of the Convertible Loan and issue of the Conversion Shares**
Net Asset Value per Share	27.0807 cents[(1)]	28.0750 cents[(2)]
Earnings per Share	(1.3816) US cents[(3)]	(1.2983) US cents[(4)]

Notes:

(1) Based on 144,563,187 ordinary shares (excluding 1,481,100 treasury shares) as at 30 June 2017.

(2) Based on 152,896,520 ordinary shares (excluding 1,481,100 treasury shares) after the issuance of the 8,333,333 Conversion Shares but not including the (i) net 1,963,100 treasury shares (the "**Treasury Shares**") acquired during the period 4 July 2017 to 16 May 2018, (ii) 7,500 ordinary shares (the "**2017 Conversion Shares**") issued by the Company pursuant to the conversion of warrants on 12 October 2017, (iii) 3,068,182 ordinary shares (the "**2017 Placement Shares**") issued by the Company to Zhou Bin pursuant to a placement exercise on 28 October 2017, (iv) 7,159,090 ordinary shares (the "**Consideration Shares**") issued by the Company as consideration shares to Dr Toh Teck Kiong, Ainsley and Dr Foong Siew Hong on the completion of the acquisitions of 70% of the shares in each of 84 Inc Pte. Ltd., The Dental Hub@SG Pte. Ltd. and NDC Consulting Pte. Ltd. on 30 October 2017 and (v) 11,363,636 ordinary shares (the "**2018 Placement Shares**") issued by the Company to Andrew Chua Soon Kian pursuant to a placement exercise on 8 March 2018.

(3) Based on 129,844,580 weighted average number of ordinary shares as at 30 June 2017.

(4) Based on 138,177,913 weighted average number of ordinary shares after the issuance of the 8,333,333 Conversion Shares.

6.3 Assuming that the Convertible Loan is fully disbursed and fully converted on 30 June 2017 and assuming that the 2017 Conversion Shares, the 2017 Placement Shares, the Consideration Shares and the 2018 Placement Shares were deemed to have been issued and allotted on 30 June 2017, and the Treasury Shares were deemed to have been acquired on 30 June 2017, the *pro forma* financial effects of the Convertible Loan on the net asset value and earnings per share of the Group for FY2017 are as follows

	Before conversion of the Convertible Loan and issue of the Conversion Shares	**After conversion of the Convertible Loan and issue of the Conversion Shares**
Net Asset Value per Share	23.8423 US cents[(1)]	24.8799 US cents[(2)]
Earnings per Share	1.2002 US cents[(3)]	1.1368 US cents[(4)]

Notes:

(1) Based on 164,198,495 ordinary shares (excluding 3,444,200 treasury shares) assuming the 2017 Conversion Shares, the 2017 Placement Shares, the Consideration Shares and the 2018 Placement Shares were deemed to have been issued and allotted on 30 June 2017 and the Treasury Shares were deemed to have been acquired on 30 June 2017.

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(2) Based on 172,531,828 ordinary shares (excluding 3,444,200 treasury shares) after the issuance of the 8,333,333 Conversion Shares.

(3) Based on 149,479,888 weighted average number of ordinary shares assuming the 2017 Conversion Shares, the 2017 Placement Shares, the Consideration and the 2018 Placement Shares were deemed to have been issued and allotted on 30 June 2017 and the Treasury Shares were deemed to have been acquired on 30 June 2017.

(4) Based on 157,813,221 weighted average number of ordinary shares after the issuance of the 8,333,333 Conversion Shares.

Financial Effects in the event of the Minimum Conversion Price Scenario

6.4 Assuming that the Convertible Loan is fully disbursed and fully converted on 30 June 2017 and based on the Group's audited consolidated financial statements for FY2017, the *pro forma* financial effects of the Convertible Loan on the net asset value and earnings per share of the Group for FY2017 are as follows:

	Before conversion of the Convertible Loan and issue of the Conversion Shares	**After conversion of the Convertible Loan and issue of the Conversion Shares**
Net Asset Value per Share	27.0807 cents[(1)]	27.5740 cents[(2)]
Earnings per Share	(1.3816) US cents[(3)]	(1.2727) US cents[(4)]

Notes:

(1) Based on 144,563,187 ordinary shares (excluding 1,481,100 treasury shares) as at 30 June 2017.

(2) Based on 155,674,298 ordinary shares (excluding 1,481,100 treasury shares) after the issuance of the 11,111,111 Conversion Shares but not including the (i) net 1,963,100 Treasury Shares acquired during the period 4 July 2017 to 16 May 2018, (ii) the 2017 Conversion Shares, (iii) the 2017 Placement Shares, (iv) the Consideration Shares and (v) the 2018 Placement Shares.

(3) Based on 129,844,580 weighted average number of ordinary shares as at 30 June 2017.

(4) Based on 140,955,691 weighted average number of ordinary shares after the issuance of the 11,111,111 Conversion Shares.

6.5 Assuming that the Convertible Loan is fully disbursed and fully converted on 30 June 2017 and assuming that the 2017 Conversion Shares, the 2017 Placement Shares, the Consideration Shares and the 2018 Placement Shares were deemed to have been issued and allotted on 30 June 2017, and the Treasury Shares were deemed to have been acquired on 30 June 2017, the *pro forma* financial effects of the Convertible Loan on the net asset value and earnings per share of the Group for FY2017 are as follows

	Before conversion of the Convertible Loan and issue of the Conversion Shares	**After conversion of the Convertible Loan and issue of the Conversion Shares**
Net Asset Value per Share	23.8423 US cents(1)	24.4856 US cents(2)
Earnings per Share	1.2002 US cents(3)	1.1171 US cents(4)

Notes:

(1) Based on 164,198,495 ordinary shares (excluding 3,444,200 treasury shares) assuming the 2017 Conversion Shares, the 2017 Placement Shares, the Consideration Shares and the 2018 Placement Shares were deemed to have been issued and allotted on 30 June 2017 and the Treasury Shares were deemed to have been acquired on 30 June 2017.

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(2) Based on 175,309,606 ordinary shares (excluding 3,444,200 treasury shares) after the issuance of the 11,111,111 Conversion Shares.

(3) Based on 149,479,888 weighted average number of ordinary shares assuming the 2017 Conversion Shares, the 2017 Placement Shares, the Consideration and the 2018 Placement Shares were deemed to have been issued and allotted on 30 June 2017 and the Treasury Shares were deemed to have been acquired on 30 June 2017.

(4) Based on 160,590,999 weighted average number of ordinary shares after the issuance of the 11,111,111 Conversion Shares.

7. RATIONALE AND USE OF LOAN

The Board is of the view that the entry into the Convertible Loan Agreement will improve the Company's financial position and flexibility to capitalise on growth opportunities. The Convertible Loan shall be applied towards funding the growth of the Group's healthcare business, including without limitation, the funding of healthcare training related activities and acquisitions.

8. LISTING AND QUOTATION OF THE CONVERSION SHARES

The Company will make an application to the SGX-ST for the listing and quotation of the Conversion Shares on the Main Board of the SGX-ST and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect in the Convertible Loan Agreement.

BY ORDER OF THE BOARD

Dr Goh Jin Hian
Executive Director and Chief Executive Officer

30 May 2018