

NEW SILKROUTES GROUP LIMITED

(Registration No. 199400571K)

(Incorporated in Singapore)

CHANGE IN USE OF NET PROCEEDS FROM THE RIGHTS CUM WARRANTS ISSUE EXERCISE

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or the “**Directors**”) of New Silkroutes Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following:
- (a) the Company’s offer information statement dated 8 March 2016 (the “**2016 OIS**”) in relation to the Company’s rights cum warrants issue exercise completed on 31 March 2016 (the “**2016 Rights cum Warrants Issue**”); and
 - (b) the general announcement dated 25 April 2016 in relation to the utilisation of approximately 50% of the net proceeds from the 2016 Rights cum Warrants Issue (the “**25 April 2016 Announcement**”).
- 1.2 The Company wishes to announce a change in the use of the net proceeds from the 2016 Rights cum Warrants Issue (“**Net Proceeds**”), as compared to that previously disclosed in the 2016 OIS and the 25 April 2016 Announcement.

2. USE OF NET PROCEEDS FROM THE 2016 RIGHTS CUM WARRANTS ISSUE

- 2.1 In the 2016 OIS, the Company had provided that it intended to use approximately 50% of the Net Proceeds to fund the expansion of the business of the Group through investments, acquisitions, joint ventures or strategic alliances (“**Acquisitions**”) which the Company may identify through its efforts to actively seek new areas of business, investment and collaboration; and the remaining 50% of the Net Proceeds for working capital of the Group (“**Working Capital**”).
- 2.2 The Company subsequently released the 25 April 2016 Announcement disclosing that 50% of the Net Proceeds had been utilised for Working Capital, such utilisation of which is consistent with the intended use of the Net Proceeds as disclosed in the 2016 OIS.
- 2.3 As detailed in the 25 April 2016 Announcement, the balance proceeds from the 2016 Rights cum Warrants Issue, comprising 50% of the Net Proceeds, amount to approximately S\$2.36 million (the “**2016 Balance Net Proceeds**”), which are to be used for Acquisitions.

3. CHANGE IN USE OF NET PROCEEDS OF THE 2016 RIGHTS CUM WARRANTS ISSUE

- 3.1 The Company would like to announce, pursuant to Rule 704(30) of the Singapore Exchange Securities Trading Limited Listing Manual, that there will be a change in the use of the Net Proceeds from the 2016 Rights cum Warrants Issue exercise.
- 3.2 As disclosed in the financial results announcement dated 12 May 2016 for the third quarter ended 31 March 2016, the Group’s oil trading business is gaining momentum and the Company is optimistic of getting a step closer to its goal of becoming a leading international energy player. As such, whilst the 2016 Balance Net Proceeds were originally envisioned to be wholly utilised to fund the cost of Acquisitions, the Board has, upon careful evaluation of the capital requirements of the Group’s oil trading business, decided to re-allocate the use of the 2016 Balance Net Proceeds so that the same is to be wholly used for Working Capital.

- 3.3 The Company will make periodic announcements via the SGXNET on the utilisation of the 2016 Balance Net Proceeds as and when they are materially disbursed, and will provide a status report on such use in its annual report.

BY ORDER OF THE BOARD

Lim Koon Hock
Joint Company Secretary

18 August 2016