NEW SILKROUTES
GROUP LIMITED

MEDIA RELEASE

New Silkroutes Group to Take 80% Stake in New York Broker-Dealer and Investment Bank CG Capital Markets for US$14.4m

- ***Acquisition will enable NSG to diversify income stream and operate its investment business seamlessly across different time zones worldwide***

- ***NSG's New Silkroutes Capital will be one of the first Singapore-based investment firms with operating entities registered with both US SEC and FINRA***

Singapore – 3 February 2017. New Silkroutes Group Limited ("**NSG**") will acquire an 80% stake in New York-based CG Capital Markets Holdings LLC ("**CGCMH**") and all its subsidiaries, including FINRA-registered broker-dealer CG Capital Markets LLC ("**CGCM**"), for US$14.4 million, in a major push to expand its own investment business and diversify its business lines.

Founded in 2015, CGCM specialises in fixed-income market making and provides capital raising and advisory services to companies and projects in sectors including technology, life sciences, natural resources, real estate and energy.

In addition to New York, CGCM maintains trading operations in New Jersey and Florida. It also has representative offices in Boston, Philadelphia, Charlotte and Denver, and plans to open a San Francisco office pending regulatory approvals.

Besides CGCM, CGCMH also owns and operates Structured Products Pricing Service LLC, which uses artificial intelligence techniques to provide pricing data for illiquid securities, and CG Capital Management LLC, an investment advisory firm registered with the US Securities and Exchange Commission ("**SEC**").

NSG will issue new shares to fund the acquisition. The issue price per share will be three Singapore cents above the average closing price of NSG's shares in the five trading days prior to the completion date of the acquisition, converted into US dollars.

NSG will issue additional new shares worth up to US$9.6 million if CGCMH and its subsidiaries meet certain after-tax profit targets over three years from 2017 to 2019. CGCMH's subsidiaries had combined earnings of US$1.5 million in the 12 months ended 30 June 2016.

The acquisition is subject to the approval of NSG's shareholders and other conditions, including a satisfactory outcome of due diligence investigations by NSG, a go-ahead from the Singapore Exchange for the listing and quotation of the consideration shares, and approval by the respective regulatory agencies of CGCM and CG Capital Management LLC.

Post-acquisition, the US companies will operate under the brand name of NSG's wholly-owned investment arm, New Silkroutes Capital, which will be one of the first Singapore-based investment companies with operating entities registered with both the US SEC and the Financial Industry Regulatory Authority ("**FINRA**"). NSG and the vendors have until 30 June 2017 to complete the transaction.

New Silkroutes Capital and CG Capital Partners, one of the beneficial owners of CGCMH, have a joint venture in New York, set up in February last year, offering structured products to Asian investors.

Mr Sean K. Rice, President of CGCM, said: "NSG's focus on sectors like energy and technology complements our own areas of interest. Having successfully worked together with New Silkroutes Capital for a year now, it is a natural progression for us to formally become part of NSG. I see a clear alignment of interests for both sides."

Mr Armand R. Pastine, CEO of CGCM, said: "The opportunity to partner NSG and achieve a truly global footprint for our business, while being able to provide NSG infrastructure in the US for capital raising, asset management and trading, is transformative for our firm."

Dr Goh Jin Hian, NSG's Group CEO, said: "The acquisition will give a significant boost to New Silkroutes Capital, especially in the US, where CGCM has made a name for itself as a value-added trading partner in creating sophisticated investment products for astute investors and in providing capital-raising and various financial advisory services to companies."

The acquisition will also enable New Silkroutes Capital to operate seamlessly across different time zones in key gateway cities worldwide and help NSG diversify its income stream, according to Dr Goh.

NSG currently gets the bulk of its revenue from oil trading. Its energy subsidiary, International Energy Group, had previously said it expects to generate no less than

US$310 million in revenue for the current financial year ending 30 June 2017. Besides energy, NSG also has businesses in healthcare and infocomm technology. Results for its half-year ended 31 December 2016 will be released on 13 February 2017.

About New Silkroutes Group Limited

New Silkroutes Group (Bloomberg: NSG SP) is a Singapore-incorporated company (established on 25 January 1994) listed on the Mainboard of Singapore Exchange Securities Trading Ltd (SGX). It is evolving into an investment holding company with core competencies in Capabilities Enablement, Capital Allocation, and (Policy) Analysis. The group, through its subsidiaries and associate companies, has exposure to key sector verticals, including Energy/Resources, Healthcare, and Infocomm Technology with a focus on Security & Governance.

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