NEW SILKROUTES GROUP LIMITED

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

SHARE SALE AND PURCHASE AGREEMENTS IN RELATION TO THE PROPOSED ACQUISITIONS OF CERTAIN HEALTHCARE COMPANIES

1. INTRODUCTION

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 its announcement dated 26 June 2018 in relation to the entry into certain memorandums of understanding for the proposed acquisitions of certain healthcare companies and is pleased to announce that HSI Medical Pte. Ltd. (formerly known as HSI Nominees B Pte. Ltd.) (the "**Purchaser**"), the Company's subsidiary, had on 2 August 2018 entered into separate share sale and purchase agreements (the "**SPA**") with the following persons (the "**Vendors**") to acquire between 51% and 60% of the total issued and paid-up share capital of each of the following companies (the "**Target Companies**") for an aggregate consideration of S$11,352,000 (the "**Consideration**") as set out below (the "**Proposed Acquisitions**"):

Vendors	Target Company
Dr Aw Lee Fhoon @ Lily Aw	Lily Aw Medical Services Pte Ltd ("**LilyAw**")
Dr Hiak Tai Soon Dr Ho Hern Lu Dr Lim Seok Cheng Sabrina Dr Michael Chong Chee Keong Dr Roy Ong Eu Jin	HL Family Clinic & Surgery (Bedok) Pte. Ltd. ("**HLFCS (Bedok)**")
Dr Hiak Tai Soon Dr Lim Seok Cheng Sabrina	HL Dermahealth Aesthetic Clinic Pte. Ltd. ("**HLDACpl**")
Dr Hiak Tai Soon Dr Lim Seok Cheng Sabrina	HL Clinic Pte Ltd ("**HLCpl**")
Dr Hiak Tai Soon Dr Khoo Bee Sim	HK Family Clinic & Surgery Pte. Ltd. ("**HKFCS**")
Dr Chua Kok Keong Dr Low Wymin (Liu Weiming)	Dr Chua's Family Clinic Pte. Ltd. ("**DrChua**")

2. INFORMATION ON THE TARGET COMPANIES

2.1 The Target Companies are exempt private companies limited by shares incorporated in Singapore. The Target Companies are engaged in the business of provision of family medicine and aesthetic healthcare services through general practitioner and aesthetic clinics. The clinics operated by the Target Companies are registered with the Ministry of Health and the doctors employed in the clinics are registered with the Singapore Medical Council. The basic details of each of the Target Companies as at the date of this announcement are as follows:

Target Company	**Issued and Paid-Up Share Capital**	**Clinic Name**	**Date of last financial statements made up to**
LilyAw	S$100 comprising 100 ordinary shares	Lily Aw Pasir Ris Family Clinic & Surgery	31 December 2017
HLFCS (Bedok)	S$25,000 comprising 25,000 ordinary shares	HL Family Clinic & Surgery (Bedok) Pte Ltd	28 February 2018
HLDACpl	S$100 comprising 100 ordinary shares	HL Dermahealth Aesthetic Clinic Pte Ltd	31 December 2017
HLCpl	S$100 comprising 100 ordinary shares	HL Clinic Pte Ltd	31 December 2017
HKFCS	S$100 comprising 100 ordinary shares	HK Family Clinic & Surgery Pte Ltd	31 December 2017
DrChua	S$200 comprising 200 ordinary shares	Dr Chua's Family Clinic Pte. Ltd.	31 December 2017

2.2 Based on the unaudited financial statements of the Target Companies for the various financial period-ends as shown in the table above, the adjusted aggregate earnings of the Target Companies are approximately S$2.4 million, after taking into consideration the professional fees agreed with the physicians in their service agreements.

3. RATIONALE OF THE PROPOSED ACQUISITIONS

The Proposed Acquisitions are in line with the Group's business strategy to focus on and expand its healthcare division, which the Board believes has the potential for growth to the benefit of the Company and its shareholders. The Board is of the view that the Proposed Acquisitions will reinforce the Company's earnings base, strengthen the Group's operations and financial position, and enhance the long-term interests of shareholders.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITIONS

4.1 Introduction

4.1.1 Pursuant to the terms of the SPA, the Purchaser shall acquire an aggregate of between 51% and 60% of the issued and paid-up share capital of each of the Target Companies (the "**Sale Shares**") from the Vendors, free and clear from any encumbrances and claims, and together with all rights, benefits, and entitlements attaching thereto.

4.1.2 The number of ordinary shares in the share capital of each of the Target Companies to be acquired by the Purchaser from each of the Vendors is as follows:

Target Company	Vendor	Number of Sale Shares to be acquired by the Company	Percentage of total number of shares in the Target Company after the Proposed Acquisition
LilyAw	Dr Aw Lee Fhoon @ Lily Aw	60	60%
HLFCS (Bedok)	Dr Hiak Tai Soon	2,700	10.8%
	Dr Ho Hern Lu	2,250	9%
	Dr Lim Seok Cheng Sabrina	2,700	10.8%
	Dr Michael Chong Chee Keong	4,500	18%
	Dr Roy Ong Eu Jin	2,850	11.4%
HLDACpl	Dr Hiak Tai Soon	48	48%
	Dr Lim Seok Cheng Sabrina	12	12%
HLCpl	Dr Hiak Tai Soon	30	30%
	Dr Lim Seok Cheng Sabrina	30	30%
HKFCS	Dr Hiak Tai Soon	30	30%
	Dr Khoo Bee Sim	30	30%
DrChua	Dr Chua Kok Keong	71	35.5%
	Dr Low Wymin (Liu Weiming)	31	15.5%

4.2 Consideration

4.2.1 The total consideration for the sale and purchase of the Sale Shares in all of the Target Companies is S$11,352,000.

4.2.2 The Consideration shall be satisfied in cash and will be financed through internal resources of the Group and bank borrowings.

4.2.3 The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendors and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the adjusted historical earnings of the Target Companies.

5. CHAPTER 10 OF THE LISTING MANUAL

As the Proposed Acquisitions are in the ordinary course of the Company's healthcare business, Chapter 10 is not applicable.

6. FINANCIAL EFFECTS

6.1 Bases and Assumptions

The *pro forma* financial effects of the Proposed Acquisitions are based on, *inter alia*:

(i) the audited consolidated financial statements of the Company and the Group for the financial year ended 30 June 2017; and

(ii) the unaudited financial statements of LilyAw for the 12 months ended 31 December 2017;

(iii) the unaudited financial statements of HLFCS (Bedok) for the 12 months ended 28 February 2018; and

(iv) the unaudited financial statements of HLDACpl for the 15 months ended 31 December 2017;

(v) the unaudited financial statements of HLCpl for the 12 months ended 31 December 2017;

(vi) the unaudited financial statements of HKFCS for the 12 months ended 31 December 2017; and

(vii) the unaudited financial statements of DrChua for the 12 months ended 31 December 2017.

The *pro forma* financial effects are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company or the Group following the completion of the Proposed Acquisitions.

6.2 NTA per share

Assuming that the Proposed Acquisitions were completed on 30 June 2017, the *pro forma* financial effects of the Proposed Acquisitions on the consolidated NTA of the Group are as follows:

	Before the Proposed Acquisitions	**After completion of the Proposed Acquisitions**
Consolidated NTA attributable to the shareholders (US$'000)	34,358	26,468[(1) (2)]
Number of shares	144,563,187	144,563,187
Consolidated NTA per share attributable to the shareholders (US cents)	23.7669	18.3092

Notes:

(1) Based on the last unaudited financial statements of the Target Companies, between 51% and 60% of the total net assets of the Target Companies is approximately S$607,324 (equivalent to approximately US$445,958 based on the in-house exchange rate of the Company of S$1 to US$0.7343 for the month of August 2018).

(2) The NTA takes into account the Consideration in cash.

6.3 Earnings per Share ("**EPS**")

Assuming that the Proposed Acquisitions were completed on 1 July 2016, the *pro forma* financial effects of the Proposed Acquisitions on the EPS of the Group are as follows:

	Before the Proposed Acquisitions	**After completion of the Proposed Acquisitions**
Consolidated profit/(loss) after taxation and minority interests (US$'000)	(1,794)	(776) [(1) (2)]
Weighted average number of shares	129,844,580	129,844,580
Consolidated earnings/(loss) per share (US cents)	(1.3816)	(0.5974)

Notes:

(1) Based on the last unaudited financial statements of the Target Companies, between 51% and 60% of the adjusted total profit-after-tax of the Target Companies is approximately S$1,386,800 (equivalent to approximately US$1,018,327 based on the in-house exchange rate of the Company of S$1 to US$0.7343 for the month of August 2018).

(2) HLDACpl's profit-after-tax is prorated to 12 months due to change of financial year end.

7. SERVICE AGREEMENTS

As at the date of this announcement, no person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisitions.

8. COMPLETION

The SPAs were completed on 2 August 2018 and the Target Companies are now indirect subsidiaries of the Company.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Company's Directors or controlling shareholders or their associates has any interest, direct or indirect, in the Proposed Acquisitions, other than through their respective shareholdings (if any) in the Company.

10. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in dealings with the shares, to read this announcement carefully and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

11. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisitions, the Company, and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the SPAs will be available for inspection during normal business hours at the Company's registered office at 456 Alexandra Road #19-02 PSA Building, Singapore 119962 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Dr Goh Jin Hian
Executive Director and Chief Executive Officer

2 August 2018