NEW SILKROUTES GROUP LIMITED

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

(A) PROPOSED PLACEMENT OF 35,087,720 NEW ORDINARY SHARES IN THE CAPITAL OF NEW SILKROUTES GROUP LIMITED (THE "PROPOSED PLACEMENT")

(B) PROPOSED ACQUISITION OF 100% OF THE REGISTERED CAPITAL OF SHANGHAI FENGWEI GARMENT ACCESSORY CO., LTD. (THE "PROPOSED ACQUISITION")

(A) PROPOSED PLACEMENT

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**") wishes to announce that the Company had on 13 August 2018 entered into separate subscription agreements (the "**Subscription Agreements**") with SYY Capital Holdings Pte. Ltd. ("**SYYCH**") and WTL Capital Holdings Pte. Ltd. ("**WTLCH**") (collectively, the "**Subscribers"**) pursuant to which the Subscribers agree to subscribe for, in aggregate, up to 35,087,720 new ordinary shares in the issued and paid up capital of the Company (the "**New Shares**"), comprising:

(i) 29,614,035 New Shares to SYYCH; and

(ii) 5,473,685 New Shares to WTLCH,

at an issue price of S$0.285 per share (the "**Issue Price**"). The Issue Price represents a premium of approximately 4.31% to the volume weighted average price of S$0.2732 for trades done on the Company's shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 13 August 2018 (being the full market day on which the Subscription Agreements were signed).

2. The Proposed Placement

2.1 The New Shares, if and when fully allotted, issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company save that they shall not rank for any dividends, distributions or entitlements the record date of which falls on or before the date of issue of the New Shares.

2.2 Upon completion of the Proposed Placement, the issued and paid-up share capital of the Company will increase to 199,286,215 ordinary shares (excluding 3,444,200 treasury shares) (the "**Enlarged Share Capital**") and the New Shares will represent approximately 17.61% of the Company's Enlarged Share Capital (excluding 3,444,200 treasury shares). The number of New Shares to be issued to each Subscriber and the shareholding of each Subscriber following the completion of the Proposed Placement will be as follows:

Name of Subscriber	**Percent of the Enlarged Share Capital (%)[(1)]**
SYYCH	14.86%
WTLCH	2.75%

Note:

(1) Based on 199,286,215 shares (excluding 3,444,200 treasury shares) after the issuance of the 35,087,720 New Shares.

2.3 Conditions Precedent

The Proposed Placement is conditional upon, *inter alia*:

(i) approval in-principle for the listing and quotation of the New Shares on the official list of the SGX-ST (on conditions, if any, acceptable to the Company and the Subscribers) having been obtained from the SGX-ST and remaining in full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the Placement Completion Date (as defined in Paragraph 2.6 below), such conditions being reasonably acceptable to the Subscribers or fulfilled by the Company, as the case may be;

(ii) the approval of the Company's shareholders in an extraordinary general meeting having been obtained for the allotment and issue of the New Shares and the transfer of a controlling interest (if any) to a Subscriber;

(iii) the Company obtaining such approval(s) from the Board in connection with the Subscription Agreements and the transactions contemplated therein as may be necessary;

(iv) the allotment, issue and subscription of the New Shares by the Subscriber not being prohibited by any statute, order, rule or regulation promulgated or issued hereafter by any legislative, executive or regulatory body or authority of Singapore; and

(v) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct in all material respects as if made on the Placement Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations therein to be performed on or before the Placement Completion Date.

2.4 The Company will be submitting an application to the SGX-ST for the listing and quotation of the New Shares shortly. In the event that any of the aforementioned conditions precedent as set out in the Subscription Agreement is not satisfied on or before 31 December 2018 (or such later date as the parties to the Subscription Agreement may agree in writing), the Subscription Agreement shall forthwith terminate.

2.5 The Proposed Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

2.6 Completion

Completion of the Proposed Placement shall take place on a date notified in writing by the Company to the Subscribers as the date of completion no later than the seventh (7^{th}) business day after the satisfaction of the last of the conditions precedents, or such other date as may be agreed between the parties (the "**Placement Completion Date**").

3. Financial Effects of the Proposed Placement

3.1 The effects of the Proposed Placement on the net asset value and earnings per share of the Company and its subsidiaries (the "**Group**") for the financial year ended 30 June 2017 are set out in the table below:

	Before the Proposed Placement	**After the Proposed Placement**
Net Asset Value per Share	27.0807 US cents[(1)]	25.8789 US cents[(2)]
Earnings per Share	(1.3816) US cents[(3)]	(1.0877) 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 179,650,907 ordinary shares (excluding 1,481,100 treasury shares) after the issuance of the 35,087,720 New 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 "**Conversion Shares**") issued by the Company pursuant to the conversion of warrants on 12 October 2017, (iii) 3,068,182 ordinary shares (the "**First 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 issued by the Company to Andrew Chua Soon Kian pursuant to a placement exercise on 8 March 2018 (the "**Second Placement Shares**").

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

(4) Based on 164,932,300 weighted average number of ordinary shares after the issuance of the 35,087,720 New Shares.

3.2 Assuming the Conversion Shares, the First Placement Shares, the Consideration Shares and the Second 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 effects of the Proposed Placement on the net asset value and earnings per share of the Group for the financial year ended 30 June 2017 are set out in the table below:

	Before the Proposed Placement	**After the Proposed Placement**
Net Asset Value per Share	23.8423 US cents[(1)]	23.3291 US cents[(2)]
Earnings per Share	(1.2002) US cents[(3)]	(0.9720) US cents[(4)]

Notes:

(1) Based on 164,198,495 ordinary shares (excluding 3,444,200 treasury shares) assuming the Conversion Shares, the First Placement Shares, the Consideration Shares and the Second 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.

(2) Based on 199,286,215 ordinary shares (excluding 3,444,200 treasury shares) after the issuance of the 35,087,720 New Shares.

(3) Based on 149,479,888 weighted average number of ordinary shares assuming the Conversion Shares, the First Placement Shares, the Consideration Shares and the Second 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 184,567,608 weighted average number of ordinary shares after the issuance of the 35,087,720 New Shares.

3.3 The aforesaid financial effects of the Proposed Placement are strictly for illustrative purposes only and may not necessarily reflect the actual future financial position and results of the Group following the Proposed Placement.

4. Use of Proceeds from the Proposed Placement

4.1 The Proposed Placement will raise gross proceeds of S$10,000,000. The estimated net proceeds from the Proposed Placement (after deducting the estimated expenses) will be utilised by the Group for the following purposes:

Use of Proceeds	**Percentage Allocation**
Expansion of the business of the Group through the Proposed Acquisition and other investments, acquisitions, joint ventures or strategic alliances	100%

4.2 Pending deployment of the net proceeds from the Proposed Placement, the net proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money market instruments and/or used for the Group's working capital requirements as the Directors may deem appropriate in the interests of the Group.

4.3 The Company will make periodic announcements on the utilisation of proceeds from the Proposed Placement as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5. Information on the Subscribers

5.1 SYYCH is a private company limited by shares incorporated in Singapore and owned by Mr Shen Yuyun, Mr Shen Donghua and Mr Sun Wei. WTLCH is a private company limited by shares incorporated in Singapore and owned by Mr Wang Xing, Ms Tang Meifang and Ms Lu Yuqin. Please refer to paragraph 2 of Section B of this announcement for more information on Mr Shen Yuyun and the other shareholders of the Subscribers. Mr Sun Wei is the brother-in-law of Mr Shen Yuyun and Ms Lu Yuqin is a senior executive of the Target Company (as defined below).

5.2 The Company has decided to undertake the Proposed Placement to strengthen the Group's financial position and flexibility to capitalise on growth opportunities. In addition, the Company would have the opportunity to work together with the Subscribers to explore the development of the Group's healthcare business.

5.3 The Subscribers have 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.

5.4 SYYCH has given an undertaking that, for a period of one (1) year after the Completion Date:

(i) the shareholder (and/or his related parties, if applicable) of SYYCH will not procure SYYCH to exercise its voting rights in the Company and/or

otherwise, directly or indirectly, to take any step or action in relation to any appointment or removal of the Directors of the Company, and will not procure SYYCH to nominate or propose any director to the Board of Directors of the Company; and

(ii) the shareholder (and/or his related parties, if applicable) of SYYCH will not procure SYYCH to exercise its voting rights in the Company and/or otherwise, directly or indirectly, to take any step or action to change the management team of the Company.

5.5 Each Subscriber has given an undertaking that, in the exercise of its voting power as shareholder of the Company after Completion, it shall act independently and there is no and there will not be any agreement, understanding or voting arrangement between it (or its shareholders or any Related Party of its shareholders) and the other shareholders (or their Related Parties) of Shanghai Fengwei Garment Accessory Co., Ltd. (上海枫围服装辅料有限公司) pursuant to which one party can prescribe, direct or instruct the voting of shares held by another party;

(B) PROPOSED ACQUISITION

1. INTRODUCTION

The Board is pleased to announce that the Company and its wholly-owned subsidiary, New Silkroutes Capital Pte. Ltd. ("**NSC**"), had on 13 August 2018 entered into a share sale and purchase agreement (the "**SPA**") with Mr Shen Yuyun ("**SYY**"), Mr Shen Donghua ("**SDH**"), Mr Wang Xing ("**WX**") and Ms Tang Meifang ("**TMF**") (collectively, the "**Vendors**" and each, a "**Vendor**") to acquire 100% of the total registered and contributed/paid-up capital (the "**Sale Capital**") of Shanghai Fengwei Garment Accessory Co., Ltd. (上海枫围服装辅料有限公司) (the "**Target Company**"), for an aggregate consideration of S$12,500,000.

2. INFORMATION ON THE TARGET COMPANY

2.1 The Target Company is a limited liability company established in the People's Republic of China on 17 November 1990 in form of a collective ownership enterprise then and has at the date of this Announcement a registered and contributed/paid-up capital of RMB18,300,000. The Target Company engages in the business of production and processing of non-woven fabric, nonwoven converted products and polyester wadding to be used in, *inter alia*, the medical industry. SYY is the legal representative of the Target Company.

2.2 As at the date of this Announcement, SYY holds 84.44% (equivalent to RMB15,452,000), SDH holds 3.89% (equivalent to RMB712,000), WX holds 7.78% (equivalent to RMB1,424,000) and TMF holds 3.89% (equivalent to RMB712,000) of the total registered and contributed/paid-up capital of the Target Company. SDH is the nephew of SYY.

2.3 Based on the audited financial statements of the Target Company for the financial year ended 31 December 2017, the profit-before-tax of the Target Company for the financial year ended 31 December 2017 is US$1,800,000 and the adjusted net tangible asset value of the Target Company is US$3,000,000. The Target Company has an operating track record for the past 17 years.

2.4 SYY is the chairman and general manager of the Target Company and an industry veteran holding executive committee positions of various associations related to the nonwoven material industry in China.

3. RATIONALE OF THE PROPOSED ACQUISITION

3.1 The Proposed Acquisition is in line with the Group's business strategy to 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 Acquisition will reinforce the Company's earnings base, strengthen the Group's operations and financial position, and enhance the long-term interests of shareholders, especially after also taking into account the good value presented by the Proposed Acquisition, having regard to comparable companies in similar markets.

3.2 The Target Company manufactures non-woven fabric, nonwoven converted products, polyester wadding, polypropylene fabrics and related products for use in the medical industry and have been in business for more than two (2) decades. It supplies the base materials for the production of healthcare consumables such as isolation gowns, disposable shoe covers, linen and drapes used in hospitals in China. Its products are also exported to markets such as North America and Europe.

3.3 The Proposed Acquisition will enable the Group to provide cost benefits through controlling the production and costs of one of the key expense drivers in the healthcare industry. Due to the heightened concerns over infection control, healthcare consumables such as disposable gowns, linen and drapes are increasingly being used in healthcare facilities worldwide. Moreover, the Vendors have undertaken to work together with the management of the Company after the completion of the Proposed Acquisition to grow the business and realise synergies for the benefit of the Group.

3.4 The Proposed Acquisition could thus pave the way for the Company to become a major supplier of consumables to the healthcare industry in China and beyond, particularly in South East Asia. It will broaden the capabilities of the Company's healthcare division and enable the Company to further expand its business and distribution channels internationally in the healthcare industry.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 Introduction

Pursuant to the terms of the SPA, NSC shall acquire the Sale Capital from the Vendors, free and clear from any encumbrances and claims, and together with all rights, entitlements and benefits attaching thereto.

4.2 Consideration

4.2.1 The consideration for the sale and purchase of the Sale Capital is S$12,500,000 (the "**Consideration**").

4.2.2 The Consideration shall be satisfied in cash and will be financed through the proceeds of the Proposed Placement and through internal resources.

4.2.3 The Consideration was arrived at after arm's length negotiations between the Company, NSC and the Vendors and on a willing-buyer and willing-seller basis,

taking into account, *inter alia*, the historical earnings and net tangible assets of the Target Company.

4.3 Conditions Precedent

4.3.1 The completion of the Proposed Acquisition is conditional upon, *inter alia*:

(i) to the extent required by the Listing Manual or the Companies Act, the approval of the Company's shareholders in general meeting having been obtained for the entry into and completion of the transactions (including but not limited to the acquisition of the Sale Capital) contemplated to be entered into in the SPA;

(ii) an equity transfer agreement in such form to be agreed and to be submitted to the SGX-ST having been duly executed;

(iii) the conversion of the Target Company into a Chinese-Foreign Joint Venture or such other structure as may be necessary or appropriate under the applicable laws in China for the effecting of the transactions (including but not limited to the transfer of the Sale Capital by the Vendors to NSC (being a foreign entity) and the allotment and issue of the Consideration Shares by the Company (being a foreign entity) to the Vendors) contemplated to be entered into in the SPA;

(iv) to the extent required by the applicable laws in China, approval having been obtained from the relevant authorities in China for the transactions (including but not limited to the transfer of the Sale Capital from the Vendors to NSC and the allotment and issue of the Consideration Shares by the Company to the Vendors) contemplated to be entered into in the SPA, including the relevant approval by China Securities Regulatory Commission and Ministry of Commerce of China (where applicable) PROVIDED THAT if such approval is not obtained at the first instance, a professional to be mutually agreed upon between the parties shall be appointed to assist the Vendors in the application for approval and where necessary, the parties agree to vary the terms of the SPA to support the application for approval under this paragraph;

(v) a trust deed pursuant to which the Target Company shall hold all of its rights, title and interest in and to the registered capital of Jinshan Limin Micro-Lending Co., Ltd. (上海金山利民小额贷款有限公司) on trust for SYY having been entered into on such terms as may be agreed between the parties;

(vi) completion of NSC's due diligence investigations in respect of the Target Company and the results thereof being satisfactory to NSC;

(vii) the management accounts of the Target Company having been provided to NSC and the Company and being satisfactory to NSC and the Company;

(viii) the registered capital of the Target Company having been fully contributed and paid-up and duly registered with the Shanghai Administration for Industry and Commerce (上海市工商行政管理局), i.e. the published information shows that the registered capital of RMB18,300,000 has been fully contributed and paid up;

(ix) the correct version (being No. 8253 and No. 8255 Tingfeng Road, Fengjing Town, Jinshan District, Shanghai (上海市金山区枫泾镇亭枫公路 8253 号和 8255 号) of the Target Company's registered address having been duly registered with the Shanghai Administration for Industry and Commerce (上海市工商行政管理局);

(x) a lease agreement reflecting the correct address of the leased premises (being No. 8253 and No. 8255 Tingfeng Road, Fengjing Town, Jinshan District, Shanghai (上海市金山区枫泾镇亭枫公路 8253 号和 8255 号) having been entered into on such terms as may be agreed between the parties;

(xi) all loans or debts owing by any director, employee or shareholder of the Target Company to the Target Company having been repaid;

(xii) all fines or composition of fines imposed in relation to the Target Company's non-compliance with the applicable laws, rules and regulations of China having been paid;

(xiii) an indemnity(/ies) having been obtained from SYY in relation to certain issues identified during the course of the due diligence exercise undertaken in respect of the Target Company and/or otherwise disclosed by the Vendors to NSC;

(xiv) the Target Company having sufficient working capital to cover ongoing operating expenses in its bank account(s) which is not subject to any encumbrance and which may be freely disbursed for the operation of the business of the Target Company post-Completion;

(xv) the Vendors each having entered into a service agreement with the Target Company pursuant to which he agrees, *inter alia*, to continue to manage and operate the Target Company for a minimum term of five (5) calendar years from the Acquisition Completion Date;

(xvi) all necessary consents, approvals and waivers of the relevant authorities, financial institutions or other third parties for the transactions contemplated in the SPA having been obtained by the Vendors, NSC or the Company, such consents, approvals and waivers not having been amended or revoked before the Acquisition Completion Date, and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the Acquisition Completion Date, all such conditions having been duly so fulfilled;

(xvii) the Vendors, NSC and the Company not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened; and

(xviii) the warranties being true, accurate and correct as if made on the Acquisition Completion Date, with reference to the then existing circumstances and the Vendors, NSC and the Company having performed all of its obligations herein to be performed on or before the Acquisition Completion Date.

4.4 Completion

Completion shall take place on a date notified in writing by NSC to the Vendors as the date of completion, being a date no later than the seventh (7th) business day after the satisfaction of the last of the conditions precedent, or such other date as the parties may agree in writing (the "**Acquisition Completion Date**"), but in any event, not later than 31 December 2018.

5. CHAPTER 10 OF THE LISTING MANUAL

Relative Figures under Rule 1006 of the Listing Manual

5.1 Pursuant to Rule 1002(1) of the Listing Manual, a "transaction" under Chapter 10 of the Listing Manual excludes an acquisition or disposal which is in, or in connection with, the ordinary course of an issuer's business. As the Proposed Acquisition would expand the Company's existing healthcare business and the Proposed Acquisition is in, or in connection with, the ordinary course of the Company's healthcare business, Chapter 10 is not applicable.

5.2 Notwithstanding that Chapter 10 is not applicable, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Acquisition and based on the latest announced consolidated financial statements of the Group for the financial year ended 30 June 2017 ("**FY2017**") are set out below for illustration purposes only.

Rule	Proposed Acquisition
Rule 1006(a) – the net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable, as this is not a disposal of assets.
Rule 1006(b) – the net profits attributable to the assets acquired, compared with the Group's net profits	Not meaningful(1)
Rule 1006(c) – the aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares (excluding treasury shares)	27.16%(2)
Rule 1006(d) – the number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue (excluding treasury shares)	Not applicable.
Rule 1006(e) – the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves	Not applicable, as the Company is not a mineral, oil and gas company and this is not a disposal.

Notes:

(1) Based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2017, the net loss of the Group before income tax, minority interests and extraordinary items is approximately US$1,843,119. Based on the audited financial statements of the Target Company for the Target Company's financial year ended 31 December 2017, the net profits attributable to the assets acquired is approximately US$1,755,947. The ratio in Rule 1006(b) is thus –95.27% and not meaningful, as it is comparing profits with losses.

(2) The Consideration for the Proposed Acquisition is S$12,500,000. The Company's market capitalisation of S$46,024,838 is computed based on the 164,198,495 ordinary shares in

issue (excluding treasury shares) and the weighted average price of S$0.2803 per share transacted on 10 August 2018, being the last market day preceding the signing of the SPA.

6. FINANCIAL EFFECTS

6.1 Bases and Assumptions

The *pro forma* financial effects of the Proposed Acquisition 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 audited financial statements of the Target Company for the financial year 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 Acquisition.

6.2 NTA per share

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

	Before the Proposed Acquisition	**After completion of the Proposed Acquisition**
Consolidated NTA attributable to the shareholders (US$'000)	34,358	35,469 (1)
Number of shares	144,563,187	179,650,907(2)
Consolidated NTA per share attributable to the shareholders (US cents)	23.7669	19.7433

Notes:

(1) Based on the last audited financial statements of the Target Company, the total net assets of the Target Company attributable to the Target Company's core business is US$2,946,608.

(2) The proceeds of the Proposed Placement will be utilised for the Proposed Acquisition.

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

Assuming that the Proposed Acquisition was completed on 1 July 2017, the financial effects of the Proposed Acquisition on the EPS of the Group are as follows:

	Before the Proposed Acquisition	**After completion of the Proposed Acquisition**
Consolidated profit/(loss) after taxation and minority interests (US$'000)	(1,794)	(588)
Weighted average number of shares	129,844,580	164,932,300[(1)]
Consolidated earnings/(loss) per share (US cents)	(1.3816)	(0.3564)

Note:

(1) The proceeds of the Proposed Placement will be utilised for the Proposed Acquisition.

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 Acquisition.

8. DOCUMENTS AVAILABLE FOR INSPECTION

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

(C) EXTRAORDINARY GENERAL MEETING

The Company will be convening an extraordinary general meeting (the "**EGM**") to seek shareholders' approval for the Proposed Placement and the Proposed Acquisition. Shareholders should note that the resolution to approve the Proposed Acquisition is conditional upon the resolution to approve the Proposed Placement.

(D) 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 Placement or the Proposed Acquisition, other than through their respective shareholdings (if any) in the Company.

(E) CAUTIONARY STATEMENT

Shareholders are advised that the completion of the Proposed Placement and the Proposed Acquisition is subject to the conditions precedents in the Subscription Agreement and the SPA being fulfilled and there is no certainty or assurance that

the Proposed Placement or the Proposed Acquisition will be completed or that no changes will be made to the terms of the Subscription Agreement or the SPA. Accordingly, shareholders are advised to exercise caution in dealings with the shares, to read this announcement and any further update announcement(s) released by the Company carefully and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

(F) 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 Placement, the Proposed Acquisition, 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.

BY ORDER OF THE BOARD

Dr Goh Jin Hian
Executive Director and Chief Executive Officer

13 August 2018