NEW SILKROUTES GROUP LIMITED

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

MEMORANDUM OF UNDERSTANDING IN RELATION TO S$5 MILLION CONVERTIBLE BOND FACILITY

The board of directors (the "**Board**" or the "**Directors**") of the Company wishes to announce that the Company has on 25 February 2018 entered into a memorandum of understanding and term sheet (collectively, the "**MOU**") with Haitong International Securities Group (Singapore) Pte. Ltd. (the "**Subscriber"**) pursuant to which the Subscriber will agree to subscribe for S$5 million worth of convertible bonds (the "**Convertible Bonds**") from the Company (the "**Proposed Issue**"). The Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company when issued. The Convertible Bonds will be issued in registered form and will not be listed. The Convertible Bonds will have a maturity date falling two (2) years from the date of issue of the Convertible Bonds. An interest of 5% per annum will be payable semi-annually by the Company to the Subscriber. At the option of the Subscriber, the Convertible Bonds are convertible (in whole or in part, subject to a minimum of S$100,000) into fully paid-up new ordinary shares of the Company at a conversion price of S$0.60, subject to certain price reset mechanisms and a minimum conversion price of S$0.50.

One of the principal terms of the Convertible Bonds is that the Subscriber has the option of early redemption in the event, *inter alia*, that Dr Goh Jin Hian ceases to be the Chief Executive Officer or equivalent of the Company or when the permitted holders (namely, Dr Goh and Mr Shen Yuyun and their associates) cease to collectively be the controlling shareholder of the Company with the ability to direct the management and strategic direction of the Company.

The Subscriber is part of the Haitong International Securities Group ("**Haitong International**"). Haitong International is an international financial institution with established presence in Hong Kong and a rapidly expanding network across the globe. It strives to serve as a bridge linking up the Chinese and overseas capital markets. The parent company of the Haitong International is Haitong Securities Co., Ltd in Hong Kong.

To date, Haitong International is well positioned to serve about 200,000 corporate, institutional, as well as retail and high-net worth clients worldwide. Its well-established investment banking business platform provides corporate finance, wealth management, asset management, fixed income, currency and commodities (FICC), institutional equities and a full spectrum of financial products and services. Haitong International possesses a sound risk management system that is in line with international standards. Haitong International has been assigned a "Baa2" long-term issuer rating by Moody's and a "BBB" long-term credit rating by Standard and Poor's. Haitong International has a global financial servicing network covering the world's major capital markets including Hong Kong, Singapore, New York, London, Tokyo, Mumbai and Sydney, thereby making it to be a leading global financial institution with international competitiveness, systematic importance and brand influence.

Ian Sea, the Vice President of Haitong International (Singapore) said, "Haitong (Singapore) is keen to support Singapore companies seeking Chinese opportunities. We believe with its recent expansion into the healthcare business, New Silkroutes Group has a strong business that will grow steadily over the coming years."

The proceeds obtained from the Proposed Issue (after deducting the estimated expenses) will be used for general corporate development and expansion of the business of the Group through investments, acquisitions, joint ventures or strategic alliances.

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

Shareholders are advised that the Proposed Issue is subject to the conditions in the MOU being fulfilled and there is no certainty or assurance that the Proposed Issue will be completed or that no changes will be made to the terms of the Proposed Issue. 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.

The Company will make further announcement(s) in relation to the Proposed Issue as and when there are any material developments on the same.

BY ORDER OF THE BOARD

Lim Koon Hock
Joint Company Secretary
25 February 2018