

NEW SILKROUTES GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Registration No. 199400571K)

(the “Company”)

PROPOSED PLACEMENT OF 11,363,636 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “PLACEMENT”)

1. Introduction

The board of directors (the “Board” or the “Directors”) of the Company wishes to announce that the Company has on 21 February 2018 entered into a subscription agreement (the “Subscription Agreement”) with an investor, Dr Andrew Chua Soon Kian (the “Subscriber”) pursuant to which the Subscriber will agree to subscribe for 11,363,636 new ordinary shares in the issued and paid up capital of the Company (the “New Shares”) at an issue price of S\$0.44 per share (the “Issue Price”).

2. The 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 entitlements, distributions, dividends or rights (if any), the record date in respect of which falls prior to the date of issue of the New Shares.

2.2 Upon completion of the Placement, the issued and paid-up share capital of the Company will increase to 167,143,995 ordinary shares (excluding 498,700 treasury shares) (the “Enlarged Share Capital”) and the New Shares will represent approximately 6.80% of the Company’s Enlarged Share Capital (excluding 498,700 treasury shares). The number of New Shares to be issued to the Subscriber and the shareholding of the Subscriber following the completion of the Placement will be as follows:

Name of Subscriber	Percent of the Enlarged Share Capital (%) ⁽¹⁾
Dr Andrew Chua Soon Kian	6.80%

Note:

(1) Based on 167,143,995 shares (excluding 498,700 treasury shares) after the issuance of the 11,363,636 New Shares.

2.3 Conditions Precedent

The Placement is conditional upon, *inter alia*:

- (a) the approval in-principle being granted by the SGX-ST 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 Subscriber) 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 Completion Date (as defined in Paragraph 2.4 below), such conditions being reasonably acceptable to the Subscriber or fulfilled by the Company, as the case may be;
- (b) the Company obtaining such approval(s) from the Board in connection with the Subscription Agreement and the transactions contemplated therein as may be necessary;
- (c) 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

- (d) 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 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 Completion Date.

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 May 2018 (or such later date as the parties to the Subscription Agreement may agree in writing), the Subscription Agreement shall forthwith terminate.

2.4 Completion

Completion of the Placement shall take place on a date no later than the seventh (7th) business day after the satisfaction of the last of the conditions set out in the Subscription Agreement and Paragraph 2.3 above, or such other date as may be agreed between the parties (the “**Completion Date**”).

- 2.5 The New Shares are intended to be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 31 October 2017.

3. **Financial Effects of the Placement**

- 3.1 The effects of the 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 Placement	After the Placement
Net Asset Value per Share	27.0807 US cents ⁽¹⁾	27.5566 US cents ⁽²⁾
Earnings per Share	(1.3816) US cents ⁽³⁾	(1.2705) 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 155,926,823 ordinary shares (excluding 1,481,100 treasury shares) after the issuance of the 11,363,636 New Shares but not including the (i) net 982,400 treasury shares (the “**Treasury Shares**”) disposed for cash during the period 4 July 2017 to 19 October 2017, (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 “**Placement Shares**”) issued by the Company to Zhou Bin pursuant to a placement exercise on 28 October 2017 and (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.
- (3) Based on 129,844,580 weighted average number of ordinary shares as at 30 June 2017.
- (4) Based on 141,208,216 weighted average number of ordinary shares after the issuance of the 11,363,636 New Shares.

- 3.2 Assuming the Conversion Shares, the Placement Shares and the Consideration Shares were deemed to have been issued and allotted on 30 June 2017, and the Treasury Shares were deemed to have been disposed on 30 June 2017, the effects of the 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 Placement	After the Placement
Net Asset Value per Share	25.1307 US cents ⁽¹⁾	25.7073 US cents ⁽²⁾

Earnings per Share	(1.2718) US cents ⁽³⁾	(1.1770) US cents ⁽⁴⁾
--------------------	----------------------------------	----------------------------------

Notes:

- (1) Based on 155,780,359 ordinary shares (excluding 498,700 treasury shares) assuming the Conversion Shares, the Placement Shares and the Consideration Shares were deemed to have been issued and allotted on 30 June 2017 and the Treasury Shares were deemed to have been disposed on 30 June 2017.
- (2) Based on 167,143,995 ordinary shares (excluding 498,700 treasury shares) after the issuance of the 11,363,636 New Shares.
- (3) Based on 141,061,752 weighted average number of ordinary shares assuming the Conversion Shares, the Placement Shares and the Consideration Shares were deemed to have been issued and allotted on 30 June 2017 and the Treasury Shares were deemed to have been disposed on 30 June 2017.
- (4) Based on 152,425,388 weighted average number of ordinary shares after the issuance of the 11,363,636 New Shares.

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

4. Use of Proceeds from the Placement

- 4.1 The estimated net proceeds from the Placement (after deducting the estimated expenses will be utilised by the Group for the following purposes:

Use of Proceeds	Percentage Allocation
General working capital purposes	35%
Expansion of the business of the Group through investments, acquisitions, joint ventures or strategic alliances	65%

- 4.2 Pending deployment of the net proceeds from the 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 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 Subscriber

- 5.1 The Subscriber, Dr Andrew Chua Soon Kian was introduced to the Company through mutual business associates and will take up the New Shares for investment purposes. Dr Andrew Chua Soon Kian is currently the principal and chairman of the Management Council of the award-winning East Asia Institute of Management and a patron of the Yew Tee Community Centre and the Yew Tee Sports Council. He was the immediate past president of the Association of Private Schools and Colleges in Singapore and a former advisor to the Institute of Management Consultants, Singapore. Prior to that he was a seasoned corporate executive with 27 years of experience in the IT and management consultancy industries, having held multiple senior positions in companies such as Dell Computer Corporation, Wearnes Computer Systems and the predecessor of Price Waterhouse Coopers. The Accounting and Enterprise Resource Planning (ERP) software was designed and developed by Dr Andrew Chua Soon Kian in 1982. Dr Andrew Chua Soon Kian was also conferred the Public Service Medal during the 2013 National Day Awards by the President of the Republic of Singapore.

- 5.2 The Company has decided to undertake the 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 Subscriber to explore the development of healthcare education and training.
- 5.3 The Subscriber has 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.
- 6. General**
- 6.1 The 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.
- 6.2 Save as disclosed above, none of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect in the Placement.
- 6.3 The Company will make the necessary announcement once the approval for the listing and quotation of the New Shares has been obtained.

BY ORDER OF THE BOARD

Lim Koon Hock
Joint Company Secretary
21 February 2018