NEW SILKROUTES GROUP LIMITED

(Company Registration No. 199400571K)
(Incorporated in Singapore)

PROPOSED PLACEMENT OF UP TO 25,506,600 NEW ORDINARY SHARES IN THE CAPITAL OF NEW SILKROUTES GROUP LIMITED (THE "PLACEMENT")

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1. Introduction

The Board of Directors (the "**Board**" or the "**Directors**") of New Silkroutes Group Limited (the "**Company**", and collectively with its subsidiaries, the "**Group**") wishes to announce that the Company will be entering into separate subscription agreements to place to subscribers, in aggregate, up to 25,506,600 new ordinary shares in the issued and paid-up capital of the Company (the "**Placement Shares**"). The Company has on 29 and 30 November 2016 entered into separate subscription agreements (each a "**Subscription Agreement**" and collectively the "**Subscription Agreements**") with the first two investors, namely, Fortress Capital Asset Management (M) Sdn. Bhd. ("**Fortress Capital**") and Quantum Health Pte Ltd ("**Quantum Health**") (each a "**Subscriber** and collectively the "**Subscribers**") pursuant to which the Subscribers agree to subscribe for, in aggregate, up to 3,000,000 new ordinary shares in the issued and paid-up capital of the Company (the "**New Shares**" and each a "**New Share**") (the "**First Placement**"), comprising:

(i) 1,000,000 New Shares to Fortress Capital; and

(ii) 2,000,000 New Shares to Quantum Health,

at an issue price of S$0.97 (the "**Issue Price**"). The Issue Price represents a discount of approximately 4.8% to the volume weighted average price of S$1.019 for trades done on the Company's Shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 25 November 2016 (being the full market day up to the day a trading halt was called prior to the signing of the Subscription Agreements).

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 (the "**Shares**") 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 First Placement, the issued and paid-up share capital of the Company will increase to 130,533,304 ordinary shares (the "**Enlarged Share Capital**") and the New Shares will represent approximately 2.30% of the Company's Enlarged Share Capital. The number of New Shares to be issued to each Subscriber and the shareholding of each of the Subscribers following the completion of the Subscription Agreements will be as follows:

Names of Subscribers	Percent of the Enlarged Share Capital (%)[(1)]
Fortress Capital	0.77
Quantum Health	1.53

Note:

(1) Based on 130,533,304 Shares after the issuance of the 3,000,000 New Shares.

2.3 Conditions Precedent

The First 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 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 Completion Date (as defined in Paragraph 2.4 below), such conditions being reasonably acceptable to the Subscribers 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 Agreements and the transactions contemplated therein as may be necessary;

(c) the allotment, issue and subscription of the New Shares by the Subscribers 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 Agreements 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 each Subscription Agreement is not satisfied on or before 31 December 2016 (or such later date as the parties to the respective Subscription Agreement may agree in writing) ("**Long-Stop Date**"), the Subscription Agreement shall forthwith terminate.

2.4 Completion

Completion of the First Placement shall take place on a date no later than the seventh (7^{th}) business day after the satisfaction of the last of the conditions set out in the Subscription Agreements 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 30 October 2016.

3. Financial Effects of the Placement

3.1 The effects of the Placement, assuming the Placement is fully completed, on the net asset value and earnings/loss per share of the Group for the financial year ended 30 June 2016 ("**FY2016**") are set out in the table below:

	Before the Placement(1)	**After the Placement(2)**
Net Asset Value per Share ("NTA")	27.495 US cents	33.576 US cents
Loss per Share ("LPS")	3.143 US cents	2.538 US cents

Notes:

(1) NTA based on 124,570,227 Shares as at 30 June 2016 and LPS based on the weighted average of 106,939,537 Shares for FY2016.

(2) NTA based on 150,076,827 Shares and LPS based on the weighted average of 132,446,137 Shares for FY2016, both after the issuance of 25,506,600 New Shares, assuming the Placement is fully completed at S$0.97.

3.2 The aforesaid financial effects of the Placement are strictly for illustrative purposes 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 (assuming that the Placement will be fully subscribed) from the Placement (after deducting the estimated expenses, including but not limited to the commission payable to the introducers and the professional fees in relation to this Placement) will be approximately S$22.3 million. The net proceeds will be utilised by the Group in the following estimated proportions:

Use of Proceeds	**Percentage Allocation**
General working capital purposes	20% to 30%
Expansion of the business of the Group through investments, acquisitions, joint ventures or strategic alliances.	70% to 80%

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 Subscribers

5.1 (i) Fortress Capital

Fortress Capital is a private company incorporated in Kuala Lumpur, Malaysia in 2002 and is primarily engaged in the business of fund management and asset management, with a focus on Asian investment opportunities.

(ii) Quantum Health

Quantum Health is a Singapore-based healthcare investment and management company focusing on the medical services sector in the Asia-Pacific.

5.2 The Subscribers were introduced to the Company by the Company's appointed introducers (the "**Introducers**")**.** Subject to completion of the Placement, a commission of approximately 8% of the gross proceeds of the Placement, shall be payable to the Introducers by the Company. Save as disclosed above, the Introducers do not have any connection (including business dealings) with the Group, the substantial shareholders or Directors.

5.3 The Company has decided to undertake the Placement to strengthen the Group's financial position and flexibility to capitalise on growth opportunities.

5.4 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. As at the date of this announcement, as far as the Directors are aware, the Subscribers do not hold any Shares in the Company.

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 None of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Placement.

6.3 The Company will make the necessary announcements 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
30 November 2016