MEDIA RELEASE

New Silkroutes Group to Expand into Medical Consumables Business with China Acquisition

- ***NSG to issue S$65 million worth of new shares at S$0.50 each as consideration***
- ***NSG shares to resume trading on 26 February 2018 at 9.00am***

Singapore – 23 February 2018. New Silkroutes Group Limited ("**NSG**" or the "**Group**") has signed a legally binding memorandum of understanding with a Chinese party with a view to acquire two Shanghai-based firms that manufacture polypropylene fabrics, polyester wadding and related products, in a move that could pave the way for it to become a major supplier of consumables to the healthcare industry in China and beyond, particularly in South East Asia.

NSG expects to issue S$65 million worth of new shares to Mr Shen Yuyun as consideration for full control of Shanghai Fengwei Nonwovens Co Ltd and Shanghai Fengwei Garment Accessories Co Ltd. The shares will be priced at S$0.50 each. Mr Shen is the Chairman and General Manager of the two companies and an industry veteran holding executive committee positions of various associations related to the nonwoven material industry in China.

In business for more than two decades now, the two Chinese companies supply the base materials for the production of healthcare consumables like isolation gowns, disposable shoe covers, linen and drapes used in hospitals in China. Their products are also exported to markets such as North America and Europe.

The proposed acquisition will broaden the capabilities of NSG's healthcare division and enable the enlarged entity to further expand its business and distribution channels internationally in the healthcare industry.

"Amid growing concerns worldwide over infection control, disposable gowns, shoe covers, linens and other medical consumables are increasingly being used and adding to the overall cost of running hospitals and other healthcare facilities. Through this acquisition and with our experience in managing healthcare facilities, we can lower the cost of consumables for healthcare providers and

help them enhance operating efficiency," said Dr Goh Jin Hian, NSG's Group CEO.

The vendor believes collaborating with NSG will enable his manufacturing firms to expand beyond China. "NSG is an ideal platform for our overseas expansion plans as we can leverage its healthcare network in the region to reach more markets and establish ourselves as a key player in the global medical consumables space," said Mr Shen.

In Singapore, NSG has nine dental clinics and another two clinics that provide complementary integrative therapies based on Western standards of medical care. It also operates clinic and pharmacy management systems in Singapore and China, and is exploring opportunities to manage hospitals in China and Southeast Asia. NSG recently delivered its first quarterly net profit in more than three years, driven by its core healthcare and oil trading businesses.

The proposed transaction constitutes a very substantial acquisition under Singapore Exchange ("**SGX**") listing rules and requires approvals from NSG's shareholders and SGX, among other parties.

NSG will lift the trading suspension on its shares on 26 February 2018. The stock was suspended since 4 December 2017 as the Group sought to prevent any unusual share-price activity while it was in talks for potential acquisitions.

About New Silkroutes Group Limited

New Silkroutes Group (Reuters: NEWS.SI; Bloomberg: NSG SP) is a growth company listed on the Mainboard of Singapore Exchange Securities Trading Ltd (SGX). It has key businesses in the Healthcare and Energy/Resources sectors.

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