CIRCULAR DATED 16 OCTOBER 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your legal, financial, tax or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the issued and paid-up share capital of the Company, you should forward this Circular together with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the issued and paid-up share capital of the Company held through The Central Depository (Pte) Ltd ("CDP"), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for any statements made, opinions expressed or reports contained in this Circular.



NEW SILKROUTES
GROUP LIMITED

NEW SILKROUTES GROUP LIMITED

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

(A) THE PROPOSED PLACEMENT OF 35,087,720 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "PROPOSED PLACEMENT"); AND

(B) THE PROPOSED ACQUISITION OF 100% OF THE REGISTERED CAPITAL OF SHANGHAI FENGWEI GARMENT ACCESSORY CO., LTD. (上海枫围服装辅料有限公司) **(THE "PROPOSED ACQUISITION").**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	29 October 2018 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	31 October 2018 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting to be held at the same place on the same day at 10.00 a.m.)
Place of Extraordinary General Meeting	:	Seletar Room, Temasek Club, 131 Rifle Range Road, Singapore 588406

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PROXY FORM

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

"Acquisition Completion Date"	:	The date of completion of the Proposed Acquisition
"Board"	:	The board of Directors of the Company for the time being
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This Circular dated 16 October 2018
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Company"	:	New Silkroutes Group Limited
"Consideration"	:	S$12,500,000
"Director"	:	A director of the Company for the time being
"EPS"	:	Earnings per share
"EGM"	:	The extraordinary general meeting of the Company to be held at Temasek Club, 131 Rifle Range Road, Singapore 588406, Seletar Room on 31 October 2018 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting to be held at the same place on the same day at 10.00 a.m.), the notice of which is set out on pages 21 to 22 of this Circular
"Enlarged Share Capital"	:	207,886,215 ordinary shares (excluding 3,444,200 treasury shares)
"Group"	:	The Company and its subsidiaries
"Jinshan Limin"	:	Jinshan Limin Micro-Lending Co., Ltd. (上海金山利民小额贷款有限公司)
"Latest Practicable Date"	:	20 September 2018, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The listing manual of the SGX-ST as amended, modified or supplemented from time to time
"Long-Stop Date"	:	31 December 2018
"Notice of EGM"	:	The notice of the EGM which is set out on pages 21 to 22 of this Circular
"NSC"	:	New Silkroutes Capital Pte. Ltd.
"NTA"	:	Net tangible asset
"Placement Completion Date"	:	The date of completion of the Proposed Placement
"Placement Price"	:	The issue price of the Placement Shares, being S$0.285 per Placement Share
"Placement Shares"	:	The new ordinary shares in the issued and paid-up capital of the Company to be issued pursuant to the Proposed Placement
"PRC"	:	The People's Republic of China, and for the purpose of this Circular, excluding Hong Kong SAR, Macao SAR and Taiwan
"Proposed Acquisition"	:	The proposed acquisition of 100% of the registered capital of Shanghai Fengwei Garment Accessory Co., Ltd. (上海枫围服装辅料有限公司)

"Proposed Placement"	:	The proposed placement of 35,087,720 new ordinary shares in the capital of the Company
"Related Party"	:	Means, in relation to a shareholder of the Subscriber, (a) his family and relatives, including but not limited to his spouse, partner, child, adopted child, step-child, sibling, step-sibling, parent, adoptive parent, cousin, nephew, niece and in-law; (b) the trustees of any trust of which he or his family/relatives is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (c) any company in which he and/or his family/relatives (directly or indirectly) has an interest of 30% or more
"Sale Capital"	:	100% of the total registered and contributed/paid-up capital of Shanghai Fengwei
"SFA"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shanghai Fengwei" or "Target Company"	:	Shanghai Fengwei Garment Accessory Co., Ltd. (上海枫围服装辅料有限公司)
"Shareholder"	:	Means: (a) where CDP is named in the Register of Members of the Company as the holder of shares, a Depositor in respect of the number of shares which stand in credit against his name in the Depository Register; and (b) in any other case, a person whose name appears on the Register of Members maintained by the Company pursuant to Section 190 of the Companies Act and/or any other applicable law
"Subscribers"	:	SYY Capital Holdings Pte. Ltd. and WTL Capital Holdings Pte. Ltd.
"Subscription Agreements"	:	The subscription agreements entered into between the Company and the Subscribers
"Vendors"	:	Mr Shen Yuyun (沈玉云), Mr Shen Donghua (沈冬华), Mr Wang Xing (王兴) and Ms Tang Meifang (汤美芳)

Depositors. The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Subsidiaries and related corporations. The terms "**subsidiaries**" and "**related corporations**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

References. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations. Any reference to a "Paragraph" shall be a reference to a paragraph of this Circular.

Time and date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, SFA, Listing Manual or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, SFA, Listing Manual or such statutory or regulatory modification thereof, as the case may be.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

Cautionary Note on Forward-Looking Statements. All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "estimate", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "if", "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company disclaims any responsibility to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

NEW SILKROUTES
GROUP LIMITED

NEW SILKROUTES GROUP LIMITED

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

Directors:

Mr Ho Sheng	(Independent and Non-Executive Chairman)
Dr Goh Jin Hian	(Executive Director and Chief Executive Officer)
Mr Oo Cheong Kwan Kelvyn	(Executive Director and Chief Corporate Officer)
Mrs Chen Chou Mei Mei Vivien	(Independent and Non-Executive Director)
Mr Pao Kiew Tee	(Independent and Non-Executive Director)

Registered Office:

456 Alexandra Road
#19-02 Fragrance
Empire Building
Singapore 119962

16 October 2018

TO : THE SHAREHOLDERS OF NEW SILKROUTES GROUP LIMITED

Dear Sir/Madam

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

(B) THE PROPOSED ACQUISITION OF 100% OF THE REGISTERED CAPITAL OF SHANGHAI FENGWEI GARMENT ACCESSORY CO., LTD. (上海枫围服装辅料有限公司) **(THE "PROPOSED ACQUISITION")**

1. INTRODUCTION

1.1 Extraordinary General Meeting

1.1.1 The Directors are convening an extraordinary general meeting of the Company to be held at Temasek Club, 131 Rifle Range Road, Singapore 588406, Seletar Room on 31 October 2018 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting to be held at the same place on the same day at 10.00 a.m.) (the "**EGM**") to seek Shareholders' approval for the following:

(i) the proposed placement of 35,087,720 new ordinary shares in the capital of the Company (the "**Proposed Placement**") (Resolution 1); and

(ii) the proposed acquisition of 100% of the registered capital of Shanghai Fengwei Garment Accessory Co., Ltd. (上海枫围服装辅料有限公司) (the "**Proposed Acquisition**") (Resolution 2).

1.1.2 **SHAREHOLDERS SHOULD NOTE THAT RESOLUTIONS 1 AND 2 ARE INTER-CONDITIONAL. THIS MEANS THAT IF EITHER RESOLUTION 1 OR 2 IS NOT APPROVED, THE OTHER RESOLUTION WOULD NOT BE CARRIED. THE RESOLUTIONS ARE INTER-CONDITIONAL AS THE PROPOSED PLACEMENT IS REQUIRED TO FUND THE PROPOSED ACQUISITION.**

1.2 Purpose of this Circular

1.2.1 The purpose of this Circular is to provide Shareholders with information relating to the above proposals and to seek Shareholders' approval in relation thereto at the EGM. The Notice of EGM is set out on pages 21 to 22 of this Circular.

1.2.2 The SGX-ST assumes no responsibility for any statements made, opinions expressed or reports contained in this Circular.

2. THE PROPOSED PLACEMENT

2.1 INTRODUCTION

On 13 August 2018, the Company announced that it had 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 had agreed to subscribe for, in aggregate, up to 35,087,720 new ordinary shares in the issued and paid up capital of the Company (the "**Placement Shares**"), comprising:

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

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

at an issue price of S$0.285 per share (the "**Placement Price**"). A copy of the Announcement is available on the website of the SGX-ST at http://www.sgx.com.

2.2 RATIONALE OF THE PROPOSED PLACEMENT

The Company has decided to undertake the Proposed Placement to raise funds for the Proposed Acquisition. In addition, the Company would have the opportunity to work together with the Subscribers to explore the development of the Group's healthcare business.

2.3 USE OF PROCEEDS FROM THE PROPOSED PLACEMENT

2.3.1 The Proposed Placement will raise gross proceeds of S$10,000,000. The estimated net proceeds of S$9,970,000 (after deducting estimated expenses of S$30,000) will be utilised by the Group for the following purposes:

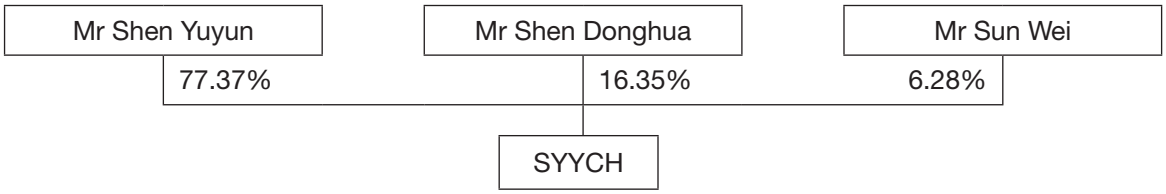
Use of Proceeds	**Percentage Allocation**
Expansion of the business of the Group through the Proposed Acquisition	100%

2.3.2 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.

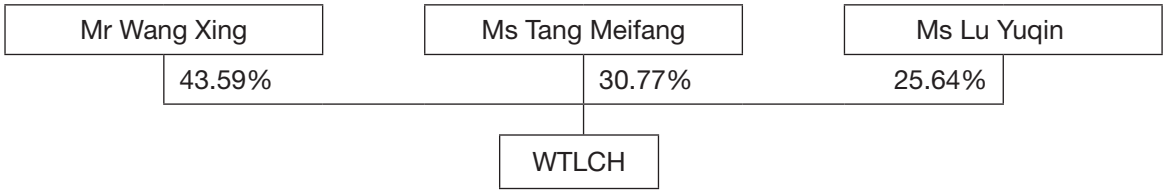
2.3.3 The Company will make periodic announcements on the utilisation of proceeds from the Proposed Placement as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report. Where there is any material deviation from the stated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

2.4 INFORMATION ON THE SUBSCRIBERS

2.4.1 SYYCH is a private company limited by shares incorporated in Singapore and owned by Mr Shen Yuyun, Mr Shen Donghua and Mr Sun Wei (孙炜)in the proportion as shown in the diagram below. The shareholders of SYYCH are also the directors of SYYCH. Mr Shen Yuyun and Mr Shen Donghua are shareholders of Shanghai Fengwei. Mr Shen Yuyun is also a director of Shanghai Fengwei and Mr Shen Donghua and Mr Sun Wei are both senior executives of Shanghai Fengwei. Mr Shen Donghua is the nephew of Mr Shen Yuyun and Mr Sun Wei is the brother-in-law of Mr Shen Yuyun.



2.4.2 WTLCH is a private company limited by shares incorporated in Singapore and owned by Mr Wang Xing, Ms Tang Meifang and Ms Lu Yuqin (陆育芹) in the proportion as shown in the diagram below. The shareholders of WTLCH are also the directors of WTLCH. Mr Wang Xing and Ms Tang Meifang are shareholders and directors of Shanghai Fengwei. Ms Lu Yuqin is a senior executive of Shanghai Fengwei. Mr Wang Xing, Ms Tang Meifang and Ms Lu Yuqin are not Related Parties of one another, and none of them is a Related Party of the shareholders of SYYCH.



2.4.3 The shareholders of the Subscribers are the shareholders and/or directors/senior executives of the Target Company in the Proposed Acquisition (please refer to Paragraph 3.2.2 for more information). The Subscribers, and the shareholders of the Subscribers, have no past or existing connection (including business relationships) with the Company, its Directors and substantial shareholders, and are not persons to whom the Company is prohibited from issuing shares to under Rule 812 of the Listing Manual. In addition, the Proposed Placement will not result in the transfer of a controlling interest to Mr Shen Yuyun and his associates, as shown in Paragraph 2.5.2.

2.4.4 SYYCH has given an undertaking that, for a period of one (1) year after the Placement 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;

(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; and

(iii) it will not exercise its voting rights in the Company and/or otherwise, directly or indirectly, take any step or action in relation to any appointment or removal of the Directors of the Company, and will not nominate or propose any director to the Board of Directors of the Company; and

(iv) it will not 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.

2.4.5 In addition, Mr Shen Yuyun has given an undertaking that, for a period of one (1) year after the Placement Completion Date:

(i) he (and/or his Related Parties) will not exercise their voting rights in the Company and/or otherwise, directly or indirectly, take any step or action in relation to any appointment or removal of the Directors of the Company, and will not nominate or propose any director to the Board of Directors of the Company; and

(ii) he (and/or his Related Parties) will not exercise their voting rights in the Company and/or otherwise, directly or indirectly, take any step or action to change the management team of the Company.

2.4.6 Each Subscriber has also given an undertaking that, in the exercise of its voting power as shareholder of the Company after the Placement Completion Date, 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 pursuant to which one party can prescribe, direct or instruct the voting of shares held by another party.

2.5 PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

2.5.1 Placement Price

The Placement Price of S$0.285 represented 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).

2.5.2 Enlarged Share Capital after the Proposed Placement

As at the Latest Practicable Date, the issued and paid-up share capital of the Company is 164,198,495 ordinary shares (excluding 3,444,200 treasury shares). The issued and paid-up share capital of the Company after the allotment and issue of 8,600,000 ordinary shares to Mr Wang Huinuo (汪慧诺) is 172,798,495 ordinary shares (excluding 3,444,200 treasury shares). Upon completion of the Proposed Placement and assuming that there are no other changes to the share capital of the Company between the date of allotment of the shares to Mr Wang Huinuo and the Placement Completion Date, the issued and paid-up share capital of the Company will increase to 207,886,215 ordinary shares (excluding 3,444,200 treasury shares) (the "**Enlarged Share Capital**") and the Placement Shares will represent approximately 16.88% of the Company's Enlarged Share Capital (excluding 3,444,200 treasury shares). The number of Placement 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	Percentage of the Enlarged Share Capital (%)[1]
SYYCH	14.25%
WTLCH	2.63%

Note:

(1) Based on 207,886,215 shares (excluding 3,444,200 treasury shares) after the allotment and issue of 8,600,000 shares to Mr Wang Huinuo and the issuance of the 35,087,720 Placement Shares.

2.5.3 Conditions Precedent

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

(i) approval in-principle for the listing and quotation of the Placement 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, 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 Placement 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 Placement Shares by the Subscribers not being prohibited by any statute, order, rule or regulation promulgated or issued after the date of the Subscription Agreements 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.

2.5.4 Status of the Placement Shares

The Placement 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 Placement Shares.

2.5.5 Listing and Quotation of Placement Shares

As announced on 26 September 2018, the SGX-ST has on that date granted in-principal approval for the listing and quotation of the Placement Shares. The listing and quotation of the Placement Shares is subject to, *inter alia*, the following conditions:

(i) compliance with the SGX-ST's listing requirements;

(ii) Shareholders' approval for the Proposed Placement and the Proposed Acquisition;

(iii) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Proposed Placement and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

(iv) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual; and

(v) a written confirmation from the Company that it will not issue the Placement Shares to persons prohibited under Rule 812(1) of the Listing Manual.

The approval of the SGX-ST for the listing and quotation of the Placement Shares shall not be taken as an indication of the merits of the Proposed Placement, the Placement Shares, the Proposed Acquisition, the Company and/or its subsidiaries.

2.5.6 No Prospectus Required

The Proposed Placement will be undertaken by way of private placement in accordance with Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

2.5.7 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 (7th) business day after the satisfaction of the last of the conditions precedents, or such other date as may be agreed between the Company and the Subscribers (the "**Placement Completion Date**"), but in any event, not later than the Long-Stop Date.

2.6 FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

2.6.1 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 2018 are set out in the table below:

	Before the Proposed Placement	**After the Proposed Placement**
Net Asset Value per Share	25.3304 US cents[(1)]	24.5552 US cents[(2)]
Earnings (Loss) per Share	(2.0126) US cents[(3)]	(1.6416) US cents[(4)]

Notes:

(1) Based on 164,198,495 ordinary shares (excluding 3,444,200 treasury shares) as at 30 June 2018.

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

(3) Based on 155,238,628 weighted average number of ordinary shares as at 30 June 2018.

(4) Based on 190,326,348 weighted average number of ordinary shares after the issuance of the 35,087,720 Placement Shares.

2.6.2 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.

2.7 RESOLUTIONS INTER-CONDITIONAL

SHAREHOLDERS SHOULD NOTE THAT RESOLUTIONS 1 AND 2 ARE INTER-CONDITIONAL. THIS MEANS THAT IF EITHER RESOLUTION 1 OR 2 IS NOT APPROVED, THE OTHER RESOLUTION WOULD NOT BE CARRIED. THE RESOLUTIONS ARE INTER-CONDITIONAL AS THE PROPOSED PLACEMENT IS REQUIRED TO FUND THE PROPOSED ACQUISITION.

3. THE PROPOSED ACQUISITION

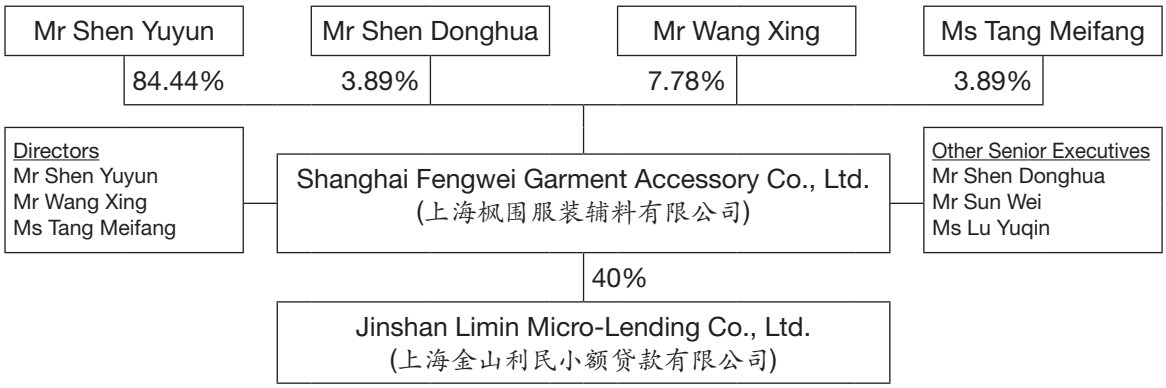
3.1 INTRODUCTION

On 13 August 2018, the Company announced that it and its wholly-owned subsidiary, New Silkroutes Capital Pte. Ltd. ("**NSC**") had entered into a share sale and purchase agreement (the "**SPA**") with Mr Shen Yuyun, Mr Shen Donghua, Mr Wang Xing and Ms Tang Meifang (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 (the "**Proposed Acquisition**"). A copy of the Announcement is available on the website of the SGX-ST at http://www.sgx.com.

3.2 INFORMATION ON THE TARGET COMPANY

3.2.1 The Target Company is a limited liability company established in the People's Republic of China ("**PRC**") on 17 November 1990 in form of a collective ownership enterprise then and has as at the Latest Practicable Date 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. Mr Shen Yuyun is the legal representative of the Target Company.

3.2.2 As at the Latest Practicable Date, Mr Shen Yuyun holds 84.44% (equivalent to RMB15,452,000), Mr Shen Donghua holds 3.89% (equivalent to RMB712,000), Mr Wang Xing holds 7.78% (equivalent to RMB1,424,000) and Ms Tang Meifang holds 3.89% (equivalent to RMB712,000) of the total registered and contributed/paid-up capital of the Target Company.



3.2.3 Based on the audited financial statements of the Target Company for the financial year ended 31 December 2017, the adjusted profit-before-tax of the Target Company for the financial year ended 31 December 2017 is US$1,760,000 and the adjusted net tangible asset value of the Target Company is US$2,950,000 (after adjusting for the exclusion of the investment in Jinshan Limin and other receivables from a third party which the Company is not acquiring). The Target Company has an operating track record for the past 17 years. The key financials of the Target Company (after adjusting for the exclusion of the investment in Jinshan Limin and other receivables from a third party which the Company is not acquiring) for the past three (3) financial years ended 31 December are disclosed as follows:

US$'000	**Financial year ended 31 December 2015 (Audited)**	**Financial year ended 31 December 2016 (Audited)**	**Financial year ended 31 December 2017 (Audited)**
Revenue	17,962	17,325	23,429
Profit before tax	1,136	979	1,756
Total Assets	13,997	14,071	14,701
Total Liabilities	13,437	12,557	11,755

3.2.4 Mr Shen Yuyun 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 the PRC.

3.2.5 As at the Latest Practicable Date, the Target Company holds 40% of the registered and contributed/paid-up capital of Jinshan Limin. The remaining 60% of the registered and contributed/paid-up capital of Jinshan Limin is held by Shanghai Zida Construction Engineering Co., Ltd. (上海梓达建设工程有限公司), Shanghai Ai Fusheng Chemical Co., Ltd. (上海艾孚生化工有限公司), Shanghai Jingui Construction Engineering Co., Ltd. (上海金贵建设工程有限公司), Mr Wang Guoqiang and Mr Shen Yuyun. There were no inter-company transactions between the Target Company and Jinshan Limin in the past three years. As the business of Jinshan Limin is not related to the Company's healthcare business, Jinshan Limin will be excluded from the Proposed Acquisition.

3.3 RATIONALE OF THE PROPOSED ACQUISITION

3.3.1 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 the PRC. Its products are also exported to markets such as North America and Europe.

3.3.2 The Proposed Acquisition will enable the Company to provide cost benefits through controlling the production and costs of one of the key expense drivers in the healthcare industry. The Company's TCM, dental, general practitioner and aesthetic clinics as well as the planned establishment of dental clinics in Vietnam will use these healthcare consumables which will help to lower the operating expenses of these clinics.

3.3.3 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 will remain as directors and/or senior executives of the Target Company and will work together with the management of the Company after the completion of the Proposed Acquisition to grow the business of the Target Company and realise synergies for the benefit of the Group. The objective of the Vendors is to grow its business outside China in a bigger way which is in line with the Group's intention to expand its healthcare business lines. The Company can work together with the Target Company and the Vendors and be the distributing channel of the consumables to Singapore and the region.

3.3.4 The Proposed Acquisition will allow the Company to gain a foothold in the supply of consumables to the healthcare industry in the PRC. With the Group's network and business contacts, the Group intends to assist the Target Company to expand the supply of consumables to the healthcare industry in Singapore and Southeast Asia. This would allow the Group to expand its healthcare offerings from dental, medical and TCM services to include supply of consumables to the healthcare industry in the PRC and beyond, particularly in Southeast Asia. It will broaden the capabilities of the Company's healthcare division and enable the Company to further expand its business and distribution channels in the healthcare industry. It 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.

3.3.5 Overall, 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 taking into account the value and the profitable business presented by the Proposed Acquisition.

3.4 PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.4.1 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, benefits, and entitlements attaching thereto.

3.4.2 Consideration

The consideration for the sale and purchase of the Sale Capital is S$12,500,000 (the "**Consideration**"). 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. The Consideration represents a premium of 5.23 times the adjusted profit-before-tax of the Target Company for the financial year ended 31 December 2017 and a premium of 3.12 times the adjusted net tangible asset value of the Target Company.

The Consideration shall be satisfied in cash and will be financed through the proceeds of the Proposed Placement and the proceeds of the placement of 8,600,000 shares at S$0.30 per share to Mr Wang Huinuo. The placement to Mr Wang Huinuo was announced on 29 August 2018 and receipt of in-principle approval for the listing and quotation of the shares proposed to be issued to Mr Wang Huinuo was received and announced on 26 September 2018. The placement to Mr Wang Huinuo was completed on 28 September 2018 and the shares were listed with effect from 4 October 2018. Mr Wang Huinuo is not a family member or relative of Mr Shen Yuyun. He runs Shanghai Ruyuan Financial Advisory Services, a company established in the People's Republic of China which is involved in the business of providing financial services, equity and investment consultancy as well as business management, and was engaged to provide business management

services to Jinshan Limin. Mr Wang Huinuo has undertaken that he will, in the exercise of his voting power as shareholder of the Company, act independently and that there is no agreement, understanding or voting arrangement between him and Mr Shen Yuyun or SYY Capital Holdings Pte. Ltd. or WTL Capital Holdings Pte. Ltd. or the shareholders of SYY Capital Holdings Pte. Ltd. or WTL Capital Holdings Pte. Ltd. in relation to the shares in the Company. Mr Shen Yuyun has also undertaken that there is no agreement, understanding or voting arrangement between him and Mr Wang Huinuo in relation to the shares in the Company.

3.4.3 Conditions Precedent

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 relevant authorities in the PRC having been duly executed. The equity transfer agreement is a summary of the main terms of the SPA in Chinese to transfer the capital in the Target Company, similar to the requirements of a share transfer form in Singapore;

(iii) the conversion of the Target Company into a Wholly Foreign-Owned Enterprise or such structure as may be necessary or appropriate under the applicable laws in the PRC 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)) contemplated to be entered into in the SPA;

(iv) to the extent required by the applicable laws in the PRC, approval having been obtained from the relevant authorities in the PRC for the transactions (including but not limited to the transfer of the Sale Capital from the Vendors to NSC) contemplated to be entered into in the SPA, including the relevant approval by the 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 on trust for Mr Shen Yuyun having been entered into on such terms as may be agreed between the parties. The Vendors had undertaken, as soon as practicable after and in any case no later than 24 months from the Completion Date, to transfer the Target Company's legal and beneficial title in the registered capital of Jinshan Limin to Mr Shen Yuyun or a third party;

(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 the PRC having been paid;

(xiii) an indemnity(/ies) having been obtained from Mr Shen Yuyun for the potential non-recoverability of certain accounts receivable of the Target Company amounting to approximately RMB10,171,000, any fines which may be imposed on the Target Company for breaches or non-compliance before the Acquisition Completion Date and any losses which the Target Company may incur as a result of Jinshan Limin incurring or suffering losses before or after the Acquisition Completion Date. The amount recoverable shall be the full amount of the write-off, the fine and/or the loss. There is currently no timeline to determine when the accounts receivable are not recoverable and this will be determined by the Company at the relevant time;

(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 of the Proposed Acquisition;

(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.

As at the Latest Practicable Date, the conditions stated in (ii), (vi) and (vii) of this Paragraph 3.4.3 have been fulfilled.

3.4.4 Completion

Completion of the Proposed Acquisition 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 the Long-Stop Date.

3.5 CHAPTER 10 OF THE LISTING MANUAL

Relative Figures under Rule 1006 of the Listing Manual

3.5.1 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. The Proposed Acquisition is in connection with the ordinary course of the Company's healthcare business as it involves the acquisition of a healthcare company which produces healthcare consumables that could be used for the Company's TCM, dental, general practitioner and aesthetic clinics. Accordingly, the Directors are of the view that the Proposed Acquisition would not change the risk profile of the Company.

3.5.2 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 audited financial statements of the Group for the financial year ended 30 June 2018 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 2018, the net loss of the Group is approximately US$2,960,538. 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$1,206,197. The ratio in Rule 1006(b) is thus –40.74% 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.

Notwithstanding the Directors' view that Chapter 10 is not applicable, the Company is seeking shareholders' approval for the Proposed Acquisition. The Company has also taken into account that the Proposed Placement, which is inter-conditional with the Proposed Acquisition, is subject to shareholders' approval pursuant to the Listing Manual.

3.6 FINANCIAL EFFECTS

3.6.1 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 2018; 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.

3.6.2 NTA per share

Assuming that the Proposed Acquisition was completed on 30 June 2018, the *pro forma* financial effects of the Proposed Acquisition (after adjusting for the exclusion of the investment in Jinshan Limin and other receivables from a third party which the Company is not acquiring) 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)	35,163	36,274[(1)]
Number of shares	164,198,495	199,286,215[(2)]
Consolidated NTA per share attributable to the shareholders (US cents)	21.4149	18.2018

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.

3.6.3 Earnings per Share

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)	(3,124)	(1,918)
Weighted average number of shares	155,238,628	190,326,348[(1)]
Consolidated earnings/(loss) per share (US cents)	(2.0126)	(1.0078)

Note:

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

3.7 SERVICE AGREEMENT

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

3.8 RESOLUTIONS INTER-CONDITIONAL

SHAREHOLDERS SHOULD NOTE THAT RESOLUTIONS 1 AND 2 ARE INTER-CONDITIONAL. THIS MEANS THAT IF EITHER RESOLUTION 1 OR 2 IS NOT APPROVED, THE OTHER RESOLUTION WOULD NOT BE CARRIED. THE RESOLUTIONS ARE INTER-CONDITIONAL AS THE PROPOSED PLACEMENT IS REQUIRED TO FUND THE PROPOSED ACQUISITION.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date (i.e. before the Proposed Placement) and after the Proposed Placement are set out below, assuming that there are no other changes to the interests of the existing Directors and Substantial Shareholders between the Latest Practicable Date and the Placement Completion Date:

	Before the Proposed Placement				**After the Proposed Placement**			
	Direct Interest		**Deemed Interest**		**Direct Interest**		**Deemed Interest**	
	No. of Shares	**(%)**	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**
Directors								
Mr Ho Sheng	–	–	–	–	–	–	–	–
Dr Goh Jin Hian[1]	–	–	6,242,849	3.802	–	–	6,242,849	3.133
Mr Oo Cheong Kwan Kelvyn	–	–	–	–	–	–	–	–
Mr Pao Kiew Tee	–	–	–	–	–	–	–	–
Mrs Chen Chou Mei Mei Vivien[2]	–	–	576,000	0.351	–	–	576,000	0.289
Substantial Shareholders								
SYY Capital Holdings Pte. Ltd.	–	–	–	–	29,614,035	14.860	–	–
Mr Shen Yuyun[3]	–	–	–	–	–	–	29,614,035	14.860
Mr Cai Sui Xin[4]	–	–	22,541,038	13.728	–	–	22,541,038	11.311
Fortune Woods Global Investment Limited[5]	18,798,433	11.449	1,751,608	1.067	18,798,433	9.433	1,751,608	0.879
General Nice Resources (Hong Kong) Limited[6]	–	–	22,541,038	13.728	–	–	22,541,038	11.311
General Nice Development Ltd[7]	–	–	22,541,038	13.728	–	–	22,541,038	11.311
General Nice Investment (China) Limited[8]	–	–	22,541,038	13.728	–	–	22,541,038	11.311
General Nice Group Holdings Limited[9]	–	–	22,541,038	13.728	–	–	22,541,038	11.311
Smartful Global Holdings Limited	12,325,000	7.506	–	–	12,325,000	6.185	–	–
Mr Xiao De[10]	–	–	12,325,000	7.506	–	–	12,325,000	6.185
Mr Andrew Chua Soon Kian	11,363,636	6.921	–	–	11,363,636	5.702	–	–

Notes:

(1) Dr Goh Jin Hian is deemed to be interested in the 6,242,849 shares held in the name of Citibank Nominees Singapore Pte Ltd and DBS Nominees (Private) Limited, both of which are nominee companies.

(2) Mrs Chen Chou Mei Mei Vivien's deemed interest in the Company arises from her deemed interest in the shares of the Company held by Avec Inc. (of which she is sole shareholder), the family trust "Chow Wen Hsien Estate" and a nominee.

(3) Mr Shen Yuyun's deemed interest in the Company arises from his deemed interest in the shares of the Company held by SYY Capital Holdings Pte. Ltd..

(4) Mr Cai Sui Xin's deemed interest in the Company arises from his deemed interest in the shares of the Company in respect of which General Nice Group Holdings Limited has a deemed interest, and also through his deemed and direct interests in General Nice Investment (China) Limited and General Nice Development Ltd.

(5) Fortune Woods Global Investment Limited is deemed to be interested in the shares of the Company held in the name of OCBC Securities Private Limited, a nominee company.

(6) General Nice Resources (Hong Kong) Limited's deemed interest in the Company arises from its deemed interest in the shares of the Company held by two nominee companies and in the shares of the Company in respect of which Fortune Woods Global Investment Limited has deemed or direct interest.

(7) General Nice Development Ltd's deemed interest in the Company arises from its deemed interest in the shares of the Company in respect of which General Nice Resources (Hong Kong) Limited has deemed interest.

(8) General Nice Investment (China) Limited's deemed interest in the Company arises from its deemed interest in the shares of the Company in respect of which General Nice Resources (Hong Kong) Limited has deemed interest.

(9) General Nice Group Holdings Limited's deemed interest in the Company arises from its deemed interest in the shares of the Company in respect of which General Nice Development Ltd and General Nice Investment (China) Limited have deemed interest.

(10) Mr Xiao De's deemed interest in the Company arises from his deemed interest in the shares of the Company held by Smartful Global Holdings Limited.

4.2 None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Placement or the Proposed Acquisition, other than through their shareholdings (if any) in the Company.

5. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Proposed Placement and the Proposed Acquisition are in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the resolutions to be proposed at the EGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Placement and 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 Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 21 to 22 of this Circular, will be held on 31 October 2018, at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting to be held at the same place on the same day at 10.00 a.m.) at Temasek Club, 131 Rifle Range Road, Singapore 588406, Seletar Room, for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions set forth in the aforementioned notice.

8. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's share registrar, **B.A.C.S. Private Limited, at 8 Robinson Road #03-00 ASO Building, Singapore 048544** not less than 48 hours before the time appointed for the holding of the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time appointed for the holding of the EGM.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA is available for inspection at the office of the Company's registered office at 456 Alexandra Road, #19-02 Fragrance Empire Building, Singapore 119962 during normal business hours with prior appointment from the date hereof up to and including the date of the EGM.

Yours faithfully

For and on behalf of the Board of Directors of
NEW SILKROUTES GROUP LIMITED

Dr Goh Jin Hian
Executive Director and Chief Executive Officer

NEW SILKROUTES GROUP LIMITED

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of the Company will be held at **Temasek Club, 131 Rifle Range Road, Singapore 588406, Seletar Room** on **Wednesday, 31 October 2018** at **10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting to be held at the same place on the same day at 10.00 a.m.)** for the purpose of considering and, if thought fit, passing the following resolutions:

All capitalised terms in the resolutions below and defined in the Circular shall, unless otherwise defined herein, have the same meanings ascribed to them in the Circular dated 16 October 2018.

SHAREHOLDERS SHOULD NOTE THAT ORDINARY RESOLUTIONS 1 AND 2 ARE INTER-CONDITIONAL. THIS MEANS THAT IF EITHER RESOLUTION 1 OR 2 IS NOT APPROVED, THE OTHER RESOLUTION WOULD NOT BE CARRIED. THE RESOLUTIONS ARE INTER-CONDITIONAL AS THE PROPOSED PLACEMENT (AS DEFINED BELOW) IS REQUIRED TO FUND THE PROPOSED ACQUISITION (AS DEFINED BELOW).

ORDINARY RESOLUTION 1 – PROPOSED PLACEMENT OF 35,087,720 NEW ORDINARY SHARES TO SYY CAPITAL HOLDINGS PTE. LTD. AND WTL CAPITAL HOLDINGS PTE. LTD. (THE "PROPOSED PLACEMENT")

Resolved that:

(a) approval be and is hereby given for the proposed placement of 35,087,720 new ordinary shares to SYY Capital Holdings Pte. Ltd. and WTL Capital Holdings Pte. Ltd. at an issue price of S$0.285 per share (the "**Proposed Placement**"), pursuant to and subject to the terms and conditions of the Subscription Agreements; and

(b) the directors and each of them be and are hereby authorised to do all acts and things (including, without limitation, executing all such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Placement as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

ORDINARY RESOLUTION 2 – PROPOSED ACQUISITION OF 100% OF THE REGISTERED CAPITAL OF SHANGHAI FENGWEI GARMENT ACCESSORY CO., LTD. (上海枫围服装辅料有限公司) (THE "PROPOSED ACQUISITION")

Resolved that:

(a) the Company's proposed acquisition of 100% of the registered capital of Shanghai Fengwei Garment Accessory Co., Ltd. (上海枫围服装辅料有限公司) for a consideration of S$12,500,000 (the "**Proposed Acquisition**") be and is hereby approved; and

(b) the directors and each of them be and are hereby authorised to do all acts and things (including, without limitation, executing all such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Acquisition as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

BY ORDER OF THE BOARD

Ong Beng Hong
Joint Company Secretary
16 October 2018

Notes:

1) (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act (Chapter 50) of Singapore) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the EGM. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

(b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act (Chapter 50) of Singapore) is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

2) A proxy need not be a member of the Company.

3) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument appointment a proxy must be executed either under its seal or under the hand of its duly authorised officer or attorney.

4) The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, B.A.C.S. Private Limited, at **8 Robinson Road #03-00 ASO Building, Singapore 048544** not less than 48 hours before the time appointed for the holding of the EGM.

5) A depositor shall not be regarded as a member of the Company entitled to attend, speak and vote at the EGM unless his name appears on the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore) 72 hours before the time appointed for the holding of the EGM.

Personal Data Privacy:

By attending the EGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NEW SILKROUTES GROUP LIMITED
(Company Registration No. 199400571K)
(Incorporated in the Republic of Singapore)

IMPORTANT

1. For investors who hold shares in New Silkroutes Group Limited under the Central Provident Fund Investment Scheme ("**CPF Investors**") or under the Supplementary Retirement Scheme ("**SRS Investors**"), this Proxy Form is forwarded to them at the request of the CPF Approved Nominees and/or SRS Approved Nominees (as may be applicable).
2. This Proxy Form is not valid for use by CPF Investors and/or SRS Investors (as may be applicable) and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors and/or SRS Investors (as may be applicable) who wish to attend and vote at the Meeting should contact their CPF Approved Nominees and/or SRS Approved Nominees (as may be applicable).
4. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50) may appoint more than two (2) proxies to attend, speak and vote at the Meeting.

PROXY FORM
EXTRAORDINARY GENERAL MEETING

I/We _____ (Name),

NRIC/Passport (delete as appropriate) Number: _____

of _____ (Address)

being a member/members of **NEW SILKROUTES GROUP LIMITED** (the "**Company**"), hereby appoint:

Name	**NRIC / Passport No.**	**Proportion of Shareholdings (%)**	
		No. of shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC / Passport No.**	**Proportion of Shareholdings (%)**	
		No. of shares	**%**
Address			

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (the "**Meeting**") of the Company to be held at **Temasek Club, 131 Rifle Range Road, Singapore 588406, Seletar Room** on **Wednesday, 31 October 2018** at **10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting to be held at the same place on the same day at 10.00 a.m.)** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion.

SHAREHOLDERS SHOULD NOTE THAT ORDINARY RESOLUTIONS 1 AND 2 ARE INTER-CONDITIONAL. THIS MEANS THAT IF EITHER RESOLUTION 1 OR 2 IS NOT APPROVED, THE OTHER RESOLUTION WOULD NOT BE CARRIED. THE RESOLUTIONS ARE INTER-CONDITIONAL AS THE PROPOSED PLACEMENT (AS DEFINED BELOW) IS REQUIRED TO FUND THE PROPOSED ACQUISITION (AS DEFINED BELOW).

	ORDINARY RESOLUTIONS	**For***	**Against***
1.	To approve the proposed placement of 35,087,720 new ordinary shares to SYY Capital Holdings Pte. Ltd. and WTL Capital Holdings Pte. Ltd. (the "**Proposed Placement**")		
2.	To approve the proposed acquisition of 100% of the registered capital in Shanghai Fengwei Garment Accessory Co., Ltd. (上海枫围服装辅料有限公司) (the "**Proposed Acquisition**")		

* If you wish to exercise all your votes "For" or "Against", please indicate your vote "For" or "Against" with "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2018.

Total number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

_____

Signature of Shareholder(s)
Or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act (Chapter 50) of Singapore) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the Meeting. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

   (b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act (Chapter 50) of Singapore) is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share(s) held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, B.A.C.S. Private Limited, at **8 Robinson Road #03-00 ASO Building, Singapore 048544** not less than 48 hours before the time appointed for the holding of the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for the holding of the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By attending the Extraordinary General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting.

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AFFIX
STAMP

NEW SILKROUTES GROUP LIMITED
c/o B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544