NEW SILKROUTES GROUP LIMITED

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

PROPOSED PLACEMENT OF 8,600,000 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 29 August 2018 entered into a subscription agreement (the "**Subscription Agreement**") with an investor, Mr Wang Huinuo (the "**Subscriber"**) pursuant to which the Subscriber will agree to subscribe for 8,600,000 new ordinary shares in the issued and paid up capital of the Company (the "**New Shares**") at an issue price of S$0.30 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 172,798,495 ordinary shares (excluding 3,444,200 treasury shares) (the "**Enlarged Share Capital**") and the New Shares will represent approximately 4.98% of the Company's Enlarged Share Capital (excluding 3,444,200 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)]**
Mr Wang Huinuo	4.98%

Note:

(1) Based on 172,798,495 shares (excluding 3,444,200 treasury shares) after the issuance of the 8,600,000 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 30 September 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 2018 are set out in the table below:

	Before the Placement	**After the Placement**
Net Asset Value per Share	25.3304 US cents(1)	25.1661 US cents(2)
Earnings per Share	(2.0126) US cents(3)	(1.9070) 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 172,798,495 ordinary shares (excluding 3,444,200 treasury shares) after the issuance of the 8,600,000 New Shares.

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

(4) Based on 163,838,628 weighted average number of ordinary shares after the issuance of the 8,600,000 New Shares.

3.2 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	20%
Expansion of the business of the Group through investments, acquisitions, joint	80%

ventures or strategic alliances

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, Mr Wang Huinuo, is an investor who was introduced to the Company through mutual business associates and will take up the New Shares for investment purposes. The Subscriber 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.

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

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 None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect in the Placement other than through their respective shareholdings in the Company (if any).

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

Dr Goh Jin Hian
Executive Director and Chief Executive Officer

29 August 2018