

NEW SILKROUTES GROUP LIMITED

(Registration No. 199400571K)

(Incorporated in Singapore)

CHANGE IN USE OF NET PROCEEDS OF PREVIOUS RIGHTS ISSUE EXERCISES UNDERTAKEN BY THE COMPANY

1. INTRODUCTION

1.1 The board of directors (the “**Board**” or the “**Directors**”) of New Silkroutes Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following:

- (a) the Company’s offer information statement dated 12 November 2012 (the “**2012 OIS**”) in relation to the Company’s rights issue exercise completed on 12 December 2012 (the “**2012 Rights Issue**”);
- (b) the Company’s circular dated 14 October 2013 relating to, *inter alia*, the change in use of proceeds from the 2012 Rights Issue (the “**2013 Circular**”); and
- (c) the Company’s offer information statement dated 28 April 2014 (the “**2014 OIS**”) in relation to the Company’s rights issue exercise completed on 19 May 2014 (the “**2014 Rights Issue**”).

The 2012 Rights Issue and the 2014 Rights Issue are collectively referred to as the “**Rights Issue Exercises**”.

1.2 The Company wishes to announce a change in the use of the net proceeds of the Rights Issue Exercises, as compared to that previously disclosed in the 2012 OIS, the 2013 Circular and the 2014 OIS.

2. USE OF NET PROCEEDS OF THE 2012 RIGHTS ISSUE AND THE 2014 RIGHTS ISSUE

2.1 The Board further refers to the Company’s financial results announcement dated 12 February 2016 for the second quarter ended 31 December 2015 (the “**2Q2016 Results Announcement**”), which sets out details of the Company’s utilisation of the proceeds from the 2012 Rights Issue and the 2014 Rights Issue.

2.2 As detailed in the 2Q2016 Results Announcement, the balance proceeds from the 2012 Rights Issue and the 2014 Rights Issue amount to approximately US\$0.393 million (the “**2012 Balance Net Proceeds**”) and approximately US\$4.757 million (the “**2014 Balance Net Proceeds**”) respectively. Pursuant to the 2012 OIS, the 2013 Circular and the 2014 OIS, the 2012 Balance Net Proceeds and the 2014 Balance Net Proceeds are wholly allocated to fund the cost of investments, acquisition, joint ventures or strategic alliances (“**Acquisitions**”) which the Company may identify through its efforts to actively seek new areas of business, investment and collaboration.

3. CHANGES IN USE OF NET PROCEEDS OF THE RIGHTS ISSUE EXERCISES

3.1 The Company would like to announce, pursuant to Rule 704(30) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual (the “**Listing Manual**”), that there will be a change in the use of net proceeds of the Rights Issue Exercises.

- 3.2 As detailed in paragraph 2.2 of this announcement, the 2012 Balance Net Proceeds and the 2014 Balance Net Proceeds are to be wholly utilised to fund the cost of Acquisitions. The Group has diversified into the business of oil trading and such oil trades require high levels of working capital. The Board has, upon careful evaluation of the capital requirements of the Group's oil trading business, decided to re-allocate the use of the 2012 Balance Net Proceeds and the 2014 Balance Net Proceeds so that they are to be wholly used for working capital of the Group ("**Working Capital**").
- 3.3 Pursuant to such change of use of net proceeds from the Rights Issue Exercises, details of the changes in the percentage allocation of use of the net proceeds of the Rights Issue Exercises are set out below:

	2012 Rights Issue		2014 Rights Issue	
	Previous Percentage Allocation	New Percentage Allocation	Previous Percentage Allocation	New Percentage Allocation
Acquisitions	Up to 100%	57.61%	Up to 100%	0%
Working Capital	Up to 40%	42.39%	Up to 50%	100%

- 3.4 For the avoidance of doubt, the change in use of proceeds described in this announcement relate only to the proceeds from the 2012 Rights Issue and the 2014 Rights Issue, and does not relate to the proceeds from the Company's recently completed rights cum warrants issue, details of which are contained in the Company's offer information statement dated 8 March 2016.
- 3.5 The Company will make periodic announcements via the SGXNET on the utilisation of the 2012 Balance Net Proceeds and the 2014 Balance Net Proceeds as and when they are materially disbursed, and will provide a status report on such use in its annual report.

BY ORDER OF THE BOARD

Lim Koon Hock
Joint Company Secretary

3 May 2016