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PROPOSED DEVELOPMENT OF THE SINO-AUSTRALIA INCUBATOR PARK IN JIASHAN COUNTY, ZHEJIANG PROVINCE

The Directors of SHKL Group Limited (NSX: SKV) (the “**Company**”) wish to announce that Jiaxing Kunlun Technology Development Co., Limited [Official name: 嘉兴坤伦科技发展有限公司], an indirect wholly-own subsidiary of the Company, has entered into an agreement with China Guigu Business Park Management Committee [Official name: 嘉善县归谷园区管委会] (the “**Committee**”) to develop a specialised zone within the Guigu Business Park in Jiashan County to be named the Sino-Australia Incubator Park (“**S-AIP**”). The Committee is the entity set up by the local government of Jiashan County to oversee and implement the development of the Guigu Business Park. Jiashan County is located 80 kilometres west of Shanghai connected by the national-level Hukun Highway and is a 26-minute high speed train ride from Shanghai Hongqiao station.

S-AIP aims to attract small and medium enterprises in China who are either listed in Australia or who consider a listing in Australia (especially those seeking to list on National Stock Exchange of Australia (“**NSX**”) as part of their business plans (“**Target Clients**”) to set up their corporate offices at the S-AIP. For its initial phase, the Company will build a 3,000m² service centre to house representative offices of professional services providers (e.g., lawyers, accountants, corporate advisers and valuers) and other relevant market participants (e.g., stock brokers, banks and remittance agents) to provide one-stop service to these Target Clients.

Besides providing an additional income source for the Company, this proposed development of S-AIP is part of the Company's strategy for the business development of NSX to value-add to its 16.419% substantial stake in NSX Limited.

For and on behalf of
SHKL GROUP LIMITED

SHEN Weiguo
Executive Director
Shanghai, 1 August 2016

For media and other queries, please contact:

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