

NEW SILKROUTES
GROUP LIMITED

NEW SILKROUTES GROUP LIMITED



ANNUAL REPORT 2017

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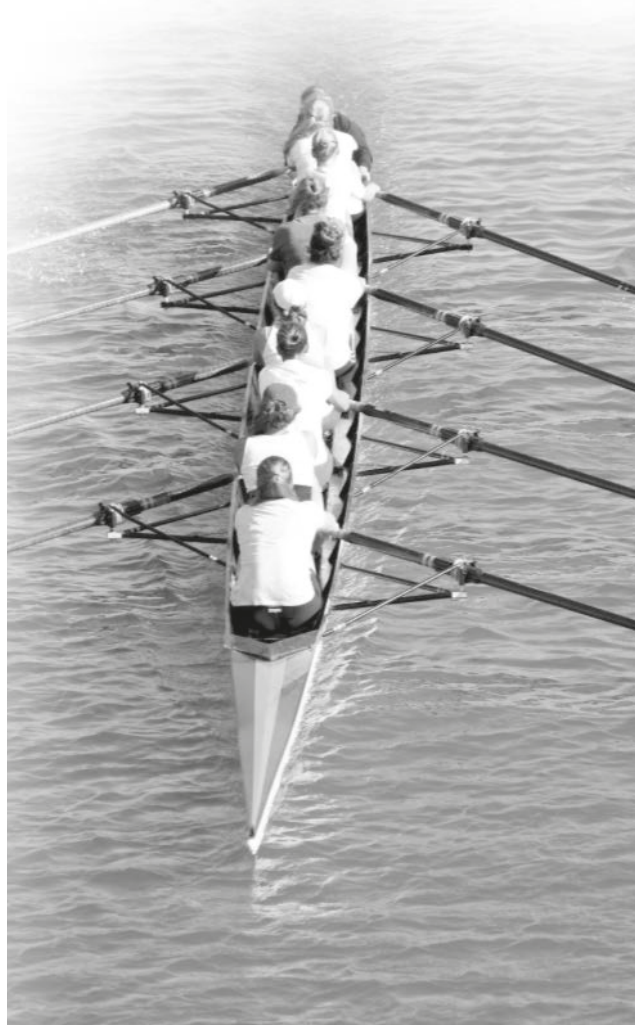
Profile and Mission Statement

PROFILE

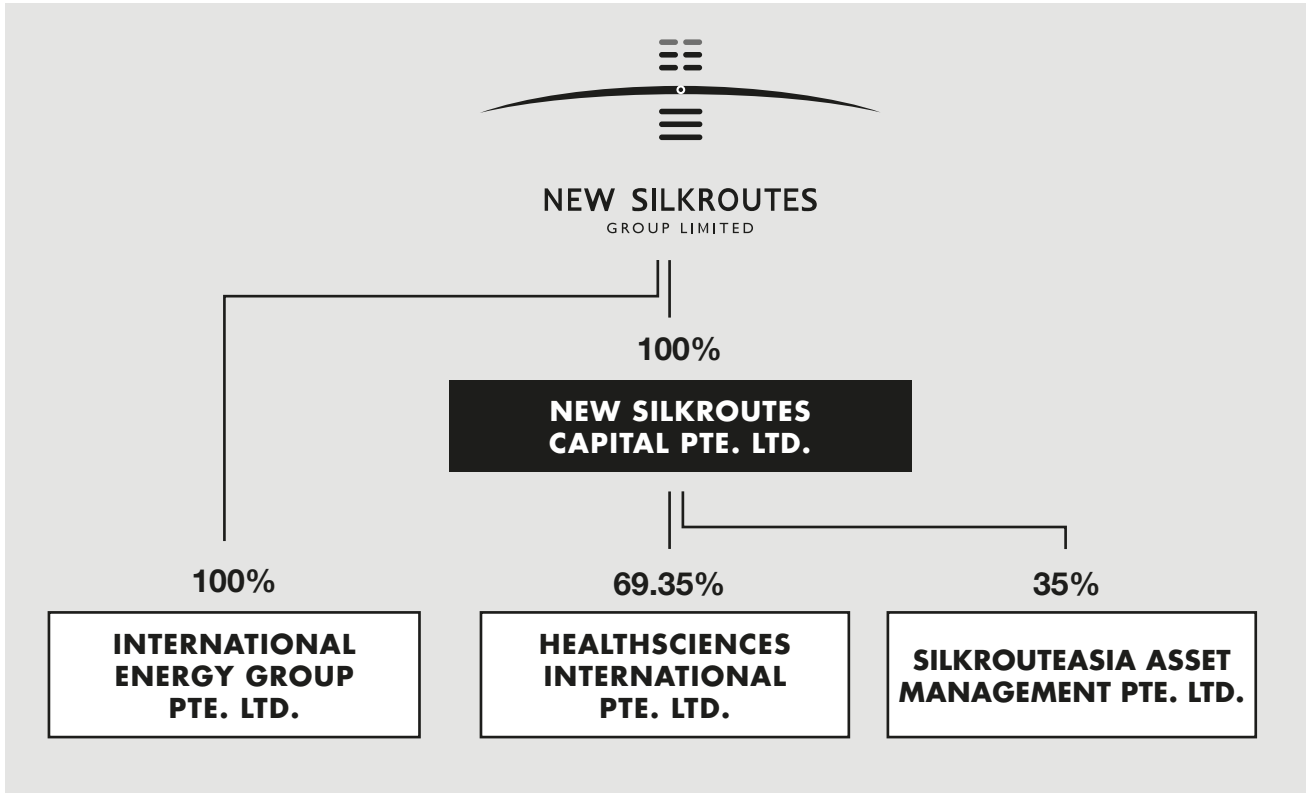
New Silkroutes Group Limited is a Singapore-incorporated investment holding company listed on the Mainboard of Singapore Exchange Securities Trading Ltd. The group, through its subsidiaries and associate companies, has focuses to key sector verticals, namely Financials, Energy/Resources, Healthcare and Real Estate.

MISSION STATEMENT

To deliver superior returns on our shareholders' base of wealth through our capabilities, policies, and capital allocation, and to achieve sustained success through the exchange of ideas, cultures, philosophies and technologies.



Group Structure



New Silkroutes Capital Pte. Ltd.	100%	New Silkroutes Group (HK) Limited	100%	Dover Dental Surgery Pte. Ltd.	70%
International Energy Group Pte. Ltd.	100%	Silk Systems Pte. Ltd.	100%	L'ving Vine Dental Clinic Pte. Ltd.	70%
Healthsciences International Pte. Ltd.	69.35%	Top Post Enterprises Limited	100%	Trendz Dental Surgeons Pte. Ltd.	70%
DG Shanghai International Trading Co., Ltd.	100%	Baling (China) Investment Limited	99.97%	Greedygums Pte. Ltd.	51%
Digiland Pty Ltd	100%	Digiland (Hong Kong) Limited	99.9%	Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd.	51%
Grand Wood Group Limited	100%	IEG Malta Limited	90%	Wren Dental and Medical Supplies Pte. Ltd.	51%
HSI Nominees A Pte. Ltd.	100%	New Silkroutes Capital, LLC	70%	Rubeus Silk Pte. Ltd. <i>(striking off in progress)</i>	51%
Liangyue (Shanghai) Business Consulting Co., Ltd.	100%	Crescent Dental Clinic Pte. Ltd.	70%	SilkrouteAsia Asset Management Pte. Ltd.	35%
New Silkroutes Capital Sdn. Bhd.	100%	Dentaltrendz JP Pte. Ltd.	70%	Smartnation Sdn. Bhd.	30%
New Silkroutes Group (Europe) Limited	100%	Dentaltrendz Pte. Ltd.	70%		

Group Structure

HEAD OFFICE

New Silkroutes Group Limited

460 Alexandra Road #24-06
PSA Building Singapore 119963
Tel: (65) 6377 0100 Fax: (65) 6377 0600
Website: www.newsilkroutes.org

SUBSIDIARIES

New Silkroutes Capital Pte. Ltd.

460 Alexandra Road #24-06
PSA Building Singapore 119963
Tel: (65) 6377 0100 Fax: (65) 6377 0600

International Energy Group Pte. Ltd.

460 Alexandra Road #24-06
PSA Building Singapore 119963
Tel: (65) 6377 0100 Fax: (65) 6377 0600
Website: www.ieggroup.sg

Healthsciences International Pte. Ltd.

290 Orchard Road #07-11/12
The Paragon Singapore 238859
Tel: (65) 6836 3637 Fax: (65) 6836 2627

DG Shanghai International Trading Co., Ltd.

R4G No 28 North Caoxi Road
People's Republic of China
Tel: (8621) 6486 9659 Fax: (8621) 5424 1136

Digiland Pty Ltd

21 Ellingworth Parade, Box Hill
Victoria 3128 Melbourne Australia
Tel: (613) 9896 7788 Fax: (613) 9896 7780

Grand Wood Group Limited

P.O. Box 957 Offshore Incorporations Centre
Road Town, Tortola, British Virgin Islands
Tel: (65) 6377 0100 Fax: (65) 6377 0600

HSI Nominees A Pte. Ltd.

460 Alexandra Road #24-06
PSA Building Singapore 119963
Tel: (65) 6377 0100 Fax: (65) 6377 0600

Liangyue (Shanghai) Business Consulting Co., Ltd.

Room B78, Seven Floor, No 1359 of Zhonghua Road,
Huangpu District, Shanghai, 200070, P.R.China
Tel: (8621) 5204 6277 Fax: (8621) 5204 6277

New Silkroutes Capital Sdn. Bhd.

Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur Malaysia
Tel: (603) 2084 9000 Fax: (603) 2094 9940

New Silkroutes Group (Europe) Limited

Canter Business Centre, Patri Felicjan
Bilocca Street, Marsa, MRS 1524, Malta
Tel: (356) 2569 2801 Fax: (356) 2122 0186

New Silkroutes Group (HK) Limited

20th Floor, Euro Trade Centre 21-23
Des Voeux Road Central Hong Kong
Tel: (852) 2521 6692 Fax: (852) 2810 4468

Silk Systems Pte. Ltd.

290 Orchard Road #07-11/12
The Paragon Singapore 238859
Tel: (65) 6836 3637 Fax: (65) 6836 2627

Top Post Enterprises Limited

OMC Chambers, Wickhams Cay 1
Road Town, Tortola, British Virgin Islands
Tel: (65) 6377 0100 Fax: (65) 6377 0600

Baling (China) Investment Limited

Room 1208, Wing On Centre
111 Connaught Road Central, Hong Kong
Tel: (852) 2851 7776 Fax: (852) 2851 2929

Digiland (Hong Kong) Limited

20th Floor, Euro Trade Centre 21-23
Des Voeux Road Central Hong Kong
Tel: (852) 2521 6692 Fax: (852) 2810 4468

IEG Malta Limited

Canter Business Centre, Patri Felicjan
Bilocca Street, Marsa, MRS 1524, Malta
Tel: (356) 2569 2801 Fax: (356) 2122 0186

New Silkroutes Capital, LLC

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Wilmington Delaware 19801, USA
Tel: (001) 2124201337 Fax: (001) 5614056513

Group Structure

Crescent Dental Clinic Pte. Ltd.

12 Telok Blangah Crescent
#01-115, Singapore 090012
Tel: (65) 6270 0732 Fax: (65) 6270 0632

Dentaltrendz JP Pte. Ltd.

1 Jurong West Central 2
#01-16A&B, Singapore 648886
Tel: (65) 6794 0788 Fax: (65) 6794 0780

Dentaltrendz Pte. Ltd.

1 Jurong West Central 2
#01-16A&B, Singapore 648886
Tel: (65) 6794 0788 Fax: (65) 6794 0780

Dover Dental Surgery Pte. Ltd.

28 Dover Crescent, #01-87
Singapore 130028
Tel: (65) 6779 0233 Fax: (65) 6776 2851

L'ving Vine Dental Clinic Pte. Ltd.

154 West Coast Road
#01-84/85, Singapore 127371
Tel: (65) 6775 8385 Fax: (65) 6777 7563

Trendz Dental Surgeons Pte. Ltd.

762 Jurong West Street 75
#02-254, Singapore 640762
Tel: (65) 6397 0284 Fax: (65) 6790 8925

Greedygums Pte. Ltd.

165 Bukit Merah Central #04-3685
Singapore 150165
Tel: (65) 6270 2918 Fax: (65) 6270 2961

**Orange Orthodontics and Dentofacial
Orthopaedics Pte. Ltd.**

304 Orchard Road
Lucky Plaza Suite #05-42/44
Orchard Medical Specialists
Singapore 238863
Tel: (65) 6737 0544 Fax: (65) 6737 0543

Wren Dental and Medical Supplies Pte. Ltd.

165 Bukit Merah Central #04-3685
Singapore 150165
Tel: (65) 6270 2918 Fax: (65) 6270 2961

Rubeus Silk Pte. Ltd.

460 Alexandra Road #24-06
PSA Building Singapore 119963
Tel: (65) 6377 0100 Fax: (65) 6377 0600

ASSOCIATE

SilkrouteAsia Asset Management Pte. Ltd.

460 Alexandra Road #24-06
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Tel: (65) 6377 0100 Fax: (65) 6377 0600

Smartnation Sdn. Bhd.

Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur Malaysia
Tel: (603) 2084 9000 Fax: (603) 2094 9940

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Dr Goh Jin Hian (*Executive Director and Chief Executive Officer*)

Mr Lee Soek Shen (*Executive Director*)

Mr Oo Cheong Kwan Kelvyn (*Executive Director and Chief Corporate Officer*)

INDEPENDENT & NON-EXECUTIVE DIRECTORS

Mr Ho Sheng (*Chairman*)

Mrs Chen Chou Mei Mei Vivien

Mr Pao Kiew Tee

AUDIT COMMITTEE

Mr Pao Kiew Tee (*Chairman*)

Mr Ho Sheng

Mrs Chen Chou Mei Mei Vivien

NOMINATING COMMITTEE

Mr Ho Sheng (*Chairman*)

Mrs Chen Chou Mei Mei Vivien

Mr Pao Kiew Tee

REMUNERATION COMMITTEE

Mrs Chen Chou Mei Mei Vivien (*Chairman*)

Mr Ho Sheng

Mr Pao Kiew Tee

JOINT COMPANY SECRETARIES

Mr Lim Koon Hock

Ms Ong Beng Hong

REGISTERED OFFICE

460 Alexandra Road

#24-06 PSA Building

Singapore 119963

Tel: (65) 6377 0100 Fax: (65) 6377 0600

www.newsilkroutes.org

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road #03-00
ASO Building
Singapore 048544

INDEPENDENT AUDITOR

Foo Kon Tan LLP
Public Accountants and Chartered Accountants
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621
Audit Partner-in-charge: Mr Robin Chin Sin Beng
Date of Appointment: 10 July 2015

PRINCIPAL BANKERS

CIMB Bank Berhad
Credit Suisse (Switzerland) Ltd
DBS Bank Ltd
Oversea-Chinese Banking Corporation Ltd
United Overseas Bank Limited

EXECUTIVE MANAGEMENT

Dr Goh Jin Hian
Executive Director and Chief Executive Officer

Mr Lee Soek Shen
Executive Director

Mr Oo Cheong Kwan Kelvyn
Executive Director and Chief Corporate Officer

Mr Lim Koon Hock
Chief Financial Officer

Mr Wu Guoliang
Executive Director of International Energy Group Pte. Ltd.

Mr Artun Gursel
Trading Manager and Book Leader of International Energy Group Pte. Ltd.

Chairman's Statement

Dear Shareholders,

The financial year ended 30 June 2017 ("FY2017") was a watershed for New Silkroutes Group Limited ("NSG" or the "Group"). Having spent the previous two years reconfiguring our business model and laying the foundation for our long-term growth, we focused on execution in FY2017. We also further streamlined our group structure in FY2017 to better reflect our transformation into an investment holding company that can raise funds for deployment in the energy, healthcare and real estate sectors.

Overall, the outcome of our efforts in FY2017 was encouraging. We ended the year with revenue of US\$433 million, the highest in 14 years and eight times more than what we achieved in FY2016. The result even exceeded our own forecast of US\$400 million.

The significant improvement in revenue was driven by our wholly-owned oil trading subsidiary, International Energy Group Pte. Ltd. ("IEG"). Despite being in business only since June 2015, Singapore-headquartered IEG has made substantial progress in the last two years and now counts oil majors and national oil companies among its counterparties.

Our other business divisions are also shaping up nicely, and we expect their financial contributions to increase in the quarters ahead. Following the streamlining of our group structure, New Silkroutes Capital Pte. Ltd. ("NSC"), our wholly-owned financial investment arm, will play a key role in raising funds to support the growth of our energy, healthcare and real estate businesses. We will use the funds to expand our talent pool and infrastructure, enhance NSG's brand equity, and pursue earnings-accretive acquisitions.

Healthcare

Amid rising healthcare spending in Asia, our healthcare division has expanded its capabilities to better position itself for the opportunities the region can offer.

On 29 May 2017, we announced the acquisition of majority control of six dental clinics and two dental supplies companies in Singapore in a share-funded deal. With the acquisition completed on 30 June 2017, the clinics and dental supplies companies are now part of Healthsciences International Pte. Ltd. ("HSI"), NSG's 69.35%-owned healthcare subsidiary.

HSI, which NSG acquired in December 2016, has another two clinics in Singapore providing complementary integrative therapies based on Western standards of medical care. HSI also operates clinic and pharmacy management systems in Singapore and China. Excluding results from the dental clinics, HSI contributed US\$0.7 million in revenue to the Group in FY2017.

Real Estate Investment

We announced our foray into real estate investment in March 2017 with the launch of a three-party joint venture called SilkrouteAsia Asset Management Pte. Ltd. NSC owns 35% of SilkrouteAsia Asset Management, which focuses on real estate advisory, deal origination and investment structuring for residential and commercial projects. Its target markets are the US, China, Japan, South Korea, Hong Kong, Singapore and Malaysia.

The other two shareholders in SilkrouteAsia Asset Management are Mr Steven Loh, who has a 50% stake in the joint venture, and Global Advisory & Investments Pte. Ltd., which owns 15%. Mr Loh, a former country asset manager for South Korea, China and Japan at the real estate arm of Singapore sovereign wealth fund GIC, leads SilkrouteAsia Asset Management in identifying projects, sourcing for investors, and unlocking value in properties.

SilkrouteAsia Asset Management is currently working on a few deals. We will share more details in due course.

Fund Management and Investment Banking

We are committed to building up NSC to focus on wealth management, investment banking, brokerage, as well as private equity and venture capital investment. Through NSC, we want to offer these services to companies and sophisticated investors across various time zones in key gateway cities worldwide.

Chairman's Statement

While our proposed acquisition of New York-based CG Capital Markets Holdings LLC ("CG Capital") did not materialise, as disclosed on 4 September 2017, we remain in discussions with the vendors to explore a commercially viable transaction. A broker-dealer and investment bank, CG Capital specialises in fixed-income market making and provides capital raising and advisory services to companies and projects in sectors such as technology, life sciences, real estate, and natural resources and energy.

Following a strategic review, we sold our 30% stake in New Silkroutes Asset Management Pte. Ltd. ("NSAM") in September 2017. Initially a four-party joint venture, NSAM was formed in September 2016 to develop private equity funds focused on healthcare and infrastructure in the Asia Pacific region. Our decision to exit NSAM was in line with similar moves by the joint venture's two other original shareholders to sell their stakes to Mr Ong Sea Eng, the remaining shareholder.

Other Corporate Developments

As part of our overall restructuring, we also divested our infocomm technology business, carried out via Digiland Pte. Ltd., and ended a joint venture with the owners of London-based consulting firm Rubeus Limited in June 2017.

While both entities held promise, we figured that the Group's resources could be used for even better opportunities in our other business divisions. The disposal of Digiland Pte. Ltd. and the cessation of the Rubeus Silk joint venture had no material impact on NSG's FY2017 financial performance.

Board Reshuffle

In line with good corporate governance and as part of efforts to bring new ideas to the Group, NSG's Board of Directors (the "Board") was reshuffled in FY2017. Mr Cai Sui Xin stepped down from the Board in December 2016 after four years as Chairman. On behalf of the Board, I thank him for his contributions to NSG over the years and wish him the best in his future endeavours. I am also thankful to the rest of the Board for entrusting me with the chairmanship of NSG.

I would also like to thank Mr Lau Yu and Mr Frank Yu, who retired from the Board in October 2016, for their contributions. In other changes, Mr Pao Kiew Tee was appointed an Independent Non-Executive Director and Mr Oo Cheong Kwan Kelvyn was re-designated as Executive Director from Independent Director.

Appreciation

As mentioned at the start of my statement, we spent the last two years restructuring and laying the foundation for NSG's long-term growth. Our constant goal is to create value and superior returns for all stakeholders. While FY2017 was undoubtedly a busy and eventful year, we expect to do even more in the new financial year as we seek to further develop our private wealth management business and investment practice group, while ensuring the other business divisions continue to do well.

We would not have achieved what we have so far without the trust and support of all shareholders, customers, business partners and staff. On behalf of the Board, thank you and I look forward to your continued support.

Ho Sheng

Independent, Non-Executive Chairman

Board of Directors



From left to right: Mr. Ho Sheng, Mr. Oo Cheong Kwan Kelvyn, Mrs. Chen Chou Mei Mei Vivien, Mr. Lee Soek Shen, Mr. Pao Kiew Tee and Dr. Goh Jin Hian

MR HO SHENG

Independent, Non-Executive Chairman

Ho Sheng was appointed as Lead Independent and Non-Executive Director on 24 June 2015 and as Independent, Non-Executive Chairman on 8 December 2016.

He has more than 25 years of experience in the financial services industry with extensive exposure to regional capital markets and cycles.

He is currently the Non-Executive Chairman and Independent Director of SGX-listed Cordlife Group Limited.

Ho Sheng holds a Master of Applied Finance degree from Macquarie University, Sydney. He is a Senior Associate of the Financial Services Institute of Australasia and an Associate of the Institute of Chartered Secretaries and Administrators (UK).

DR GOH JIN HIAN

Executive Director and Chief Executive Officer

Dr Goh Jin Hian was appointed as Executive Director on 24 June 2015 and as Chief Executive Officer on 7 July 2015.

Dr Goh is currently an Independent Director of SGX-listed Cordlife Group Limited. Prior to joining New Silkroutes Group, Dr Goh was a C-suite executive in ParkwayHealth from 1999-2011 and an Executive Director in a private oil and gas company from 2012-2014.

He had also served on the Council of the Singapore Human Resource Institute from 2007 to 2017 and on the Council of the Singapore Medical Association from 1996-2000.

Dr Goh obtained his Bachelor of Medicine and Bachelor of Surgery from the National University of Singapore in 1992. He also holds a Master of Business Administration from The University of Hull. In addition, Dr Goh completed The Wharton Advanced Management Program in 2005.

Board of Directors

MR LEE SOEK SHEN

Executive Director

Shen was appointed to the Board as Executive Director on 30 Mar 2015.

He has more than 20 years of experience in areas of strategic analysis, corporate restructuring & turnaround, post-merger integration, and capital markets financing, with direct experience across various industries such as securities, oil & gas, real estate, healthcare and technology industries with a focus on strategy and value-creation.

Building on his experience and background, Shen is responsible for making recommendations to the Board with regards to the group's capabilities, corporate policies, and capital allocation.

He is currently holds several senior executive appointments in companies across Asia, Europe and the United States.

MR OO CHEONG KWAN KELVYN

Executive Director and Chief Corporate Officer

Kelvyn Oo was appointed as Independent and Non-Executive Director on 24 June 2015 and as Executive Director on 1 June 2017.

He was a lawyer by profession and for almost 20 years has practiced in several of the large local as well as international law firms. Prior to joining us, Kelvyn was a partner of an international law firm. His area of practice was mainly in corporate finance particularly mergers and acquisitions (public and private, including reverse take-overs), joint ventures, equity capital markets and corporate restructuring. He also advised on fund formation and with corporate entities (listed and private) he also advised on various securities, compliance and regulatory matters. Kelvyn is also an Independent Director of Teho International Inc Ltd., a company listed on the Singapore Exchange Securities Trading Limited.

He graduated from The University of Buckingham with LLB (Honours) and subsequently obtained his LL.M (Financial Services) from The University of New South Wales.

MRS CHEN CHOU MEI MEI VIVIEN

Independent and Non-Executive Director

Chen Chou Mei Mei Vivien was appointed as Independent and Non-Executive Director on 24 June 2015.

She graduated with a Bachelor of Arts degree from the University of Colorado in the United States of America and has over 30 years' experience in investments, in particular, property investments and in garment manufacturing and aircraft maintenance businesses. She is also currently a Non-Executive Director of SEHK-listed Wing Tai Properties Limited; an Executive Director of Winsor Industrial Corporation Ltd., HK; a President of Modernized Chinese Medicine International Association Limited and Vice-President of The Hong Kong Health Food Association Ltd. She is a member of the Young President Organization (YPO) Gold member in the HK Chapter.

Mrs Chen is a Director of Farnham Group Ltd. and Gala Land Investment Co. Ltd., which are the substantial shareholders of Wing Tai Properties Limited within the meaning of Part XV of the SFO. She is also Director of Lian Thai Apparel Co. Ltd., Bangkok, Thailand, and a Director/advisory member of various non-profit organisations in various countries.

MR PAO KIEW TEE

Independent and Non-Executive Director

Mr Pao was appointed as Independent Director on 31 October 2016. He is currently the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

Mr Pao was a senior government auditor. The last post he held before his retirement in July 2016 after serving the Civil Service for 37 years was Senior Group Director. As a senior auditor, he was the overall-in-charge of a group responsible for carrying out financial statements and operation audits of government ministries and statutory boards. Prior to joining the Singapore Government, he was with two accounting firms in New Zealand between October 1976 and September 1978. From March 1975 to September 1976, he worked as an analyst for the Commercial Bank of Australia in New Zealand.

Mr Pao is currently an independent director of three other public listed companies in Singapore, namely, Boldtek Holdings Limited, Mary Chia Holdings Limited and Wong Fong Industries Limited. He is also a Trustee of the Serangoon Gardens Country Club and a member of the Audit Committee of the Seletar Country Club. Mr Pao is also active in various grassroots organisations.

Mr Pao graduated with a Bachelor of Commerce (Accounting) degree from the University of Otago, Dunedin, New Zealand in 1974. He is a Fellow of Institute of Chartered Accountant of Singapore and a member of the Singapore Institute of Directors.

Executive Management

DR GOH JIN HIAN

Executive Director and Chief Executive Officer

Please refer to write-up under “Board of Directors”

MR LEE SOEK SHEN

Executive Director

Please refer to write-up under “Board of Directors”

MR OO CHEONG KWAN KELVYN

Executive Director and Chief Corporate Officer

Please refer to write-up under “Board of Directors”

MR LIM KOON HOCK

Chief Financial Officer

Koon Hock joined as Chief Financial Officer on 1 November 2004.

His career of more than 20 years spans auditing, finance, accounts and corporate functions in both private and public listed companies.

Koon Hock has a Bachelor of Commerce (Accountancy) degree from the University of Auckland, and a Master of Business Administration degree from the National University of Singapore. He is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants.

MR WU GUOLIANG

Executive Director, International Energy Group Pte. Ltd. (“IEG”)

Mr Wu Guoliang was appointed as Executive Director of IEG on 17 October 2016.

Guoliang has more than 15 years corporate experience in the energy and investment industries, namely energy logistics, medical, wellness and real estate. He graduated from University of Heriot-Watt with a Bachelor in Construction Management, and from Reading University with a Master in Real Estate Finance and Economics.

MR ARTUN GURSEL

Trading Manager and Book Leader, International Energy Group Pte. Ltd. (“IEG”)

Artun joined IEG as Trading Manager and Book Leader in September 2015.

He has been in the oil industry since 2003. At the early stages of his career, while based in Europe, he ran supply operations and terminals, managed chartering activities of an European major oil distributor and played a key role in their global expansion.

Following that, in 2007-2009, he was also in charge of developing structured price risk management models for the refining arm of the European group.

Since 2008, he has been trading in Asia-Pacific markets and managing oil asset investments in the Far East. Proficient in both physical and derivative trading, his focus was global fuel oil & feedstock trading prior to IEG.

Artun Gursel holds a bachelor degree in business administration from Galatasaray College, a francophone University, with a major in statistics.

Operations Review

OPERATIONS REVIEW

The main highlight of the financial year ended 30 June 2017 (“FY17”) is the phenomenal increase in oil sales from US\$51.7M the previous financial year to US\$432.3M in FY17, a massive 8.4 times. Net profit after tax from the oil business more than correspondingly rose, from US\$0.1M in the previous financial year to US\$1.6M in FY17 - a staggering 16 times.

FY17 also saw the conclusion of the acquisition of the first batch of dental clinics comprising 9 companies. The Group will only benefit from their contribution to the Group’s bottom line in the coming financial year. The Group plans to continue with its acquisition strategy going forward.

With the planned myriad of corporate activities, the Board pre-empted the need to advance its own capabilities. The Board was strengthened with the appointment of independent director Mr Pao Kiew Tee, formerly a Senior Group Director in the Singapore Auditor-General’s office. He now chairs the Group’s Audit Committee. During the year, Mr Ho Sheng was appointed Independent Non-Executive Chairman of the Group. Mr Ho has been the Lead Independent Non-Executive Director of the Group since June 2015 and brings with him more than 25 years of experience in the financial services industry with extensive exposure to regional capital markets and cycles. He is currently also the Non-Executive Chairman and Independent Director of SGX-listed Cordlife Group Limited. He also chairs the Group’s Nominations Committee. Also during the year, Mr Kelvyn Oo, an Independent Non-Executive Director of the Group since June 2015, was appointed an Executive Director of the Group. His local and international law background, particularly in the fields of mergers and acquisitions, joint ventures, equity capital markets and corporate restructuring augurs well for the Group’s extensive corporate activities.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue rose 8-fold from US\$54.3M in the previous year to US\$433.0M for FY17. This is almost entirely attributable to oil sales, as the Group continued building on the momentum in expanding its oil market, established in the final quarter of the previous financial year.

Despite such remarkable growth, the Group managed to decrease its other operating expenses by 17%, from US\$2.9M to US\$2.4M helped in part by lower foreign exchange losses compared to the previous year. However, in supporting such growth, finance costs increased from almost nil in the previous financial year to US\$1.2M in FY17. The net result was a sharp drop in losses after tax of US\$3.3M in the previous financial year to US\$2.0M in FY17.

STATEMENTS OF FINANCIAL POSITION

The sharp increase in oil trades also caused a sharp increase in cash and bank balances and fixed deposits from US\$3.6M in the previous year to US\$30.9M in FY17, and in trade and other payables from US\$11.1M in the previous year to US\$38.3M in the financial year under review. Trade and other receivables reduced from US\$35.1M in the previous year to US\$26.5M in FY17, mainly due to the conversion into equity, a deposit of US\$13.8M (plus US\$0.3M, being part of interest accrued on the said deposit), paid for an investment (in Thai General Nice Coal and Coke Co., Ltd). It would have otherwise increased in tandem with the increase in oil trades.

The intangible assets of US\$4.8M pertain to the goodwill arising from the acquisition of Healthsciences International Pte. Ltd. and the mentioned dental clinics, and from a clinic management system software owned by the former.

Share capital rose from US\$64.0M to US\$71.2M mainly due to the placement of 3,000,000 of the Company’s shares in December 2016, the issue of 7,319,043 Company shares as consideration for the acquisition of the mentioned dental clinics, and the conversion of warrants.

The net effect of the abovementioned operations resulted an increase in the total equity of the Group increasing from US\$34.2M to US\$39.5M.

Corporate Governance

New Silkroutes Group Limited (the “Company”, and together with its subsidiaries, the “Group”) is committed to maintaining a high standard of corporate governance to protect the interest as well as to enhance the long-term value of its shareholders. This is in line with the Code of Corporate Governance 2012 (the “Code”). This statement describes the corporate governance policies and practices that have been adopted by the Company together with appropriate explanations where there are deviations from the Code.

PRINCIPLE 1: THE BOARD’S CONDUCT OF ITS AFFAIRS

The Board of Directors of the Company (the “Board” or “Directors”) is entrusted with the overall management of the business affairs of the Company, and sets the overall strategy and policies on the Group’s business direction.

The principal functions of the Board include:

- a) Approving the overall policies, strategic plans, key operational initiatives, major investments and funding decisions;
- b) Approving the budget and monitoring the performance of the business;
- c) Approving the financial results of the Group for release to shareholders;
- d) Ensuring the implementation of appropriate control systems to manage the Group’s business and financial risks; and
- e) Considering and approving the nominations and re-nominations to the Board as well as the appointment of key personnel.

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company.

The Board holds regular scheduled meetings throughout the year, with additional meetings and ad hoc teleconferences as warranted by particular circumstances. The Constitution of the Company allows Directors to participate in a meeting of the Board by means of a conference, telephone or similar communications equipment. In addition, important matters concerning the Group are also put to the Board for its decision by way of written resolutions.

In the financial year ended 30 June 2017, the Board met at four scheduled meetings. Board members were present at the meetings, either in person or via teleconferencing. In two Board meetings, all six Board members attended. In another two Board meetings, five out of seven attended and five out of six attended respectively.

While the Board considers Directors’ attendance at Board Meetings to be important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

In the discharge of its function, the Board is supported by specialty Board Committees that provide independent oversight on the Management, and which also serve to ensure that there are appropriate checks and balances. The key committees are the Audit Committee, Nominating Committee and Remuneration Committee. These Board Committees function within clearly defined terms of reference and operating procedures. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

The executive directors are primarily responsible for the management of the business and affairs of the Company and endeavours to reduce the administrative time, inconvenience and the expenses associated with the convening of Board meetings by the circulation of resolutions in writing of the Board, without compromising the Group’s corporate objectives and adversely affecting the day-to-day operations of the Company. Meetings of the Board are still held and/or resolutions in writing of the Board are circulated for matters which are reserved for the Board’s decision, including but not limited to the following:

- a) review of the annual budget and the performance of the Group;
- b) review of the key activities and business strategies;
- c) approval of the corporate strategy and direction of the Group;
- d) approval of transactions involving a conflict of interest for a substantial shareholder or a director or interested person transactions;

Corporate Governance

- e) material acquisitions and disposals;
- f) corporate or financial restructuring and share issuances;
- g) declaration of dividends and other returns to shareholders;
- h) appointment of new Directors or key personnel.

All newly appointed Directors are given briefings by the Management on the history and business operations of the Group. The Company will, if necessary, organise briefing sessions or circulate memoranda to the Directors to enable them to keep pace with regulatory changes, where such changes have a material bearing on the Group. The Company will also provide the newly-appointed Director with a formal letter setting out his/her duties and obligations. The Directors are also encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as directors to the Company.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

As at the date of this Annual Report, the Board comprises six members, of whom three are independent non-executive directors and three are executive directors. As such, there is a strong and independent element on the Board, with independent directors making up half the Board. Further, all the members of each speciality Board Committee are independent non-executive directors. The list of Directors is as follows:

Mr Ho Sheng	(Independent, Non-Executive Chairman)
Dr Goh Jin Hian	(Executive Director and Chief Executive Officer)
Mr Lee Soek Shen	(Executive Director)
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)

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies, and experience for the Group, regardless of gender. The Board is of the view that the current Board members comprise persons whose diverse skills, experience, knowledge of the Company and attributes provide for effective direction of the Group. The Board's structure, size and composition are reviewed annually by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making. The Nominating Committee, with the concurrence of the Board, is of the view that, given the scope and nature of the Group's operations, the present size of the Board is appropriate in facilitating effective decision-making.

The independent and non-executive members of the Board comprise seasoned professionals with management, financial, and industry backgrounds. This enables the Management to benefit from their external and objective perspectives of issues that are brought before the Board. The independent and non-executive Directors constructively challenge and help develop proposals on strategy, assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. The independent Directors meet at least once annually without the presence of the other Directors and the Management.

The Nominating Committee assesses the suitability of each new Director based on the standing, character and relevance of a candidate's expertise, skills and experience to the Group, before recommending the appointment to the Board.

A Director who is not an employee of the Group and who has no relationship with the Group or its officers or its 10% shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company, is considered to be independent. The Board has identified each of the Company's independent Directors to be independent, after determining, taking into account the views of the Nominating Committee, whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when they arise.

None of the independent Directors has served on the Board beyond nine years from the date of his first appointment. In the event that any independent Director has served on the Board for nine years or more, the Nominating Committee

Corporate Governance

will subject the independence of such a Director to particularly rigorous review and explain why such a Director should still be considered independent in the Annual Report.

Key information regarding the Directors is given in the “Board of Directors” section of this Annual Report.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a distinct separation of responsibilities between the Chairman and the Chief Executive Officer (“CEO”) to ensure an appropriate balance of power and authority at the top of the Company and no one individual has considerable concentration of power. The positions of the Chairman and the CEO are kept separate and are held by Mr Ho Sheng and Dr Goh Jin Hian respectively. The Board appointed Mr Ho Sheng as the Independent, Non-Executive Chairman on 8 December 2016.

As the Chairman, Mr Ho bears the following responsibilities:

- a) leading the Board to ensure its effectiveness on all aspects of its role;
- b) setting the Board’s agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- c) promoting a culture of openness and debate at the Board;
- d) ensuring that the Directors receive complete, adequate and timely information;
- e) ensuring effective communication with shareholders;
- f) encouraging constructive relations within the Board and between the Board and Management;
- g) facilitating the effective contribution of independent Directors towards the Company; and
- h) together with the Audit and Risk Committee, promoting high standards of corporate governance.

The CEO is responsible for the day-to-day management of the Group’s affairs. He executes the strategic plans set by the Board and ensures that the Directors are kept updated and informed of the Group’s business through Management reports.

PRINCIPLE 4: BOARD MEMBERSHIP

PRINCIPLE 5: BOARD PERFORMANCE

The Nominating Committee comprises the following members, all of whom are independent:

Mr Ho Sheng	(Chairman; Independent and Non-Executive Director)
Mrs Chen Chou Mei Mei Vivien	(Independent and Non-Executive Director)
Mr Pao Kiew Tee	(Independent and Non-Executive Director)

The Nominating Committee has written Terms of Reference that describe the responsibilities of its members. The duties are as follows:

- a) To recommend all Board appointments, including making recommendations on the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board;
- b) To recommend to the Board re-nomination of Directors for re-election at the Company’s AGM, having considered the Directors’ contribution and performance. All Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years;
- c) To determine the independence of Directors;
- d) To ensure that Directors who have multiple board representations give sufficient time and attention to the Company’s affairs;
- e) To assess the contribution of each individual Board member to the effectiveness of the Board;
- f) To determine and implement the process of assessing the effectiveness of the Board as a whole; and
- g) To ensure complete disclosure of information of Directors as required under the Code.

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The Nominating Committee evaluates the contribution and performance of the Board members based on assessment parameters set out in a Director Evaluation Form. The evaluation covers a range of qualities and factors, and takes into consideration the knowledge and experience of Directors, their attendance and participation at meetings of the Board and Committees, and availability for consultation.

The Nominating Committee has assessed the independence of the non-executive Directors and is satisfied that there are no relationships which would deem any of the non-executive Directors not to be independent.

The Nominating Committee has formulated internal guidelines to address the conflict of competing time commitments that are faced by Directors with multiple board representations. The Nominating Committee considers whether adequate time and attention have been devoted to the Company for Directors with multiple board representation.

Key information on Directors of the Company can be found on pages 9 and 10 of this Annual Report. The Board has set up a formal assessment process to evaluate the effectiveness of the Board as a whole based on input from the individual Board members.

The Board is of the view that the financial indicators set out in the Code as performance criteria for the evaluation of Directors' performance are more a measure of the Management's performance and hence less appropriate for non-executive Directors and the Board's performance as a whole.

In the financial year ended 30 June 2017, the Nominating Committee met once and all members of the Nominating Committee were present at the meeting, either in person or by teleconference.

The Company's Constitution provides for regular retirement of Directors by rotation. At each Annual General Meeting ("AGM"), one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third), with the exception of the Managing Director, will submit themselves for re-nomination and re-election.

PRINCIPLE 6: ACCESS TO INFORMATION

The Management provides Board members with complete, adequate and timely information prior to Board meetings. In addition, all relevant information on budgets, forecasts, monthly internal financial statements, material events and transactions complete with background and explanations are circulated to Directors as and when they arise.

The Directors have separate and independent access to the Company's senior Management and the advice and services of the Joint Company Secretaries. One Joint Company Secretary also attends meetings of the Board and Committees. The Joint Company Secretaries are responsible for ensuring that Board procedures are followed. They also ensure that the Company complies with the requirements of all applicable rules and regulations. Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs.

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATIONS

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

The Remuneration Committee comprises the following members:

Mrs Chen Chou Mei Mei Vivien	(Chairman; Independent and Non-Executive Director)
Mr Ho Sheng	(Independent and Non-Executive Director)
Mr Pao Kiew Tee	(Independent and Non-Executive Director)

All the members of the Remuneration Committee are independent, non-executive Directors. The Remuneration Committee is empowered to engage from time to time human resource professional firms to advise on executive remuneration. The Remuneration Committee will ensure that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the Remuneration Committee. The Company did not appoint any remuneration consultant during the financial year ended 30 June 2017 to provide consulting services in relation to remuneration and compensation matters.

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The Remuneration Committee's Terms of Reference provide that the Remuneration Committee's function is primarily to determine and recommend to the Board the framework of remuneration and terms of employment for the Executive Directors and Executive Management. In particular, the Remuneration Committee reviews the service agreements of key executives of the Group, administers any existing share option plan or performance share plan of the Company, and recommends to the Board, as and when appropriate, any other incentive share schemes or performance bonus schemes (whether long-term or short-term) which may be set up from time to time.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits-in-kind, are covered by the Remuneration Committee. Each member of the Remuneration Committee abstains from voting on any resolution in respect of his remuneration package.

In reviewing and recommending Directors' remuneration, the Committee adopts a framework based on the guidelines recommended by the Singapore Institute of Directors. This comprises a base fee as well as fees for chairing Board Committees, taking into consideration the amount of time and effort that each Board member may be required to devote to the role and the fees paid in comparable companies. A proportion of the remuneration is linked to performance. For the financial year ended 30 June 2017, the Group's financial strength was considered by the Remuneration Committee when they recommended Directors' remuneration.

In addition, the Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss, as they owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The Company adopts a remuneration policy for employees comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. A variable component will be the shares awarded under the New Silkroutes Performance Share Plan 2017 ("PSP"), whereby participants receive fully paid Company shares upon achieving prescribed performance targets.

The Remuneration Committee oversees the PSP and determines the eligibility of employees to participate in, and the number of options and awards to be granted to each employee.

For the financial year ended 30 June 2017, no award was made under the PSP.

The Directors are paid Director's fees, subject to approval at the Company's AGM.

In the financial year ended 30 June 2017, the Remuneration Committee met once and all members of the Remuneration Committee were present at the meeting, either in person or by teleconference.

Details of remuneration for the financial year ended 30 June 2017 paid and/or payable to the Directors are set out below:

Directors Remuneration Band	Salary & CPF %	Fee %	Bonus %	Total %
Above S\$250,000				
Dr Goh Jin Hian	100	-	-	100
Lee Soek Shen	100	-	-	100
Below S\$250,000				
Ho Sheng	-	100	-	100
Oo Cheong Kwan Kelvyn	28	72	-	100
Chen Chou Mei Mei Vivien	-	100	-	100
Pao Kiew Tee <i>(appointed on 31 October 2016)</i>	-	100	-	100
Cai Sui Xin <i>(resigned on 8 December 2016)</i>	-	-	-	-

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Directors Remuneration Band	Salary & CPF %	Fee %	Bonus %	Total %
Lau Yu <i>(resigned on 31 October 2016)</i>	100	-	-	100
Frank Yu <i>(resigned on 31 October 2016)</i>	-	100	-	100

Given the highly competitive industry conditions and the sensitivity and confidentiality of employee remuneration matters, the Company believes that the disclosure of remuneration of individual executives as recommended by the Code, would be disadvantageous to the Group's interests.

Details of remuneration for the financial year ended 30 June 2017 paid to the top four executives who are not Directors are set out below:

Key Executives Remuneration Band	Salary & CPF %	Bonus %	Total %
Above S\$250,000			
Artun Gursel	100	-	100
Below S\$250,000			
Lim Koon Hock	100	-	100
Wu Guoliang <i>(appointed on 17 October 2016)</i>	100	-	100
Teh Kok Kheng Henry <i>(resigned on 30 June 2017)</i>	100	-	100

During the year under review, the Company considers these four personnel as key management personnel who are not Directors of the Company. Wu Guoliang is a director of one of the Company's principal subsidiaries, International Energy Group Pte. Ltd..

Given the highly competitive industry conditions and sensitivity and confidentiality of employee remuneration matters, the Company believes the disclosure of the remuneration individually and/or in aggregate of the four key management personnel (who are not directors or the CEO) would be disadvantageous to the Group's interests.

During the financial year ended 30 June 2017, there were no employees who were immediate family members of the Directors and who earned in excess of S\$50,000 per year.

The Board is of the view that it is not necessary to present the remuneration policy at the AGM for shareholders' approval.

PRINCIPLE 10: ACCOUNTABILITY AND AUDIT

The Board recognises that it is accountable to shareholders and aims to provide shareholders with a balanced and understandable assessment of the Company's performance. Review of performance and prospects are provided to shareholders on a quarterly basis.

For effective monitoring of the Group's business and affairs, Management reports are provided to the Board on a regular basis.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Company carries out a risk assessment of its business and operations on an ongoing basis. The objectives of the continuous risk assessment are to identify and rank the processes most critical to the business and formulate plans to address the risks relating to these processes.

The exercise also aims to establish a proactive risk management environment. The risk assessment covers business operation risk, financial risk, legal risk and reputation risk.

Corporate Governance

The Company routinely reviews many non-financial factors, such as the quality of corporate governance; employee, vendor and customer management processes; crisis management processes; the Company's use of technology; and its deployment of best practices. Early identification of trends gives the Management time to react before the problems manifest themselves.

For a more detailed discussion of financial risk management, please refer to Note 31 in the Notes to the Financial Statements on pages 93 to 99.

Based on the internal controls established and maintained by the Company, work performed by the internal auditors, and reviews by the Management, the Board, with the concurrence of the Audit Committee, is of the opinion that there are adequate and effective internal controls and risk management systems in place within the Group addressing financial, operational, compliance and information technology control risks to meet the needs of the Group in its current business environment.

The Board has received assurance from the CEO and the CFO:

- a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- b) regarding the effectiveness of the Company's risk management and internal control systems.

The Board believes that the system of internal controls maintained by the Management and that was in place throughout the financial year and up to date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or loss, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of business risk. The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

PRINCIPLE 12: AUDIT COMMITTEE

The Audit Committee comprises the following members, all of whom are independent:

Mr Pao Kiew Tee	(Chairman; Independent and Non-Executive Director)
Mr Ho Sheng	(Independent and Non-Executive Director)
Mrs Chen Chou Mei Mei Vivien	(Independent and Non-Executive Director)

The Board is of the opinion that the members of the Audit Committee are appropriately qualified to discharge their responsibilities.

The Audit Committee has full access to the external auditors without the presence of the Management of the Company.

The Audit Committee has explicit authority to investigate any matter within its Terms of Reference, full access to and co-operation by the Management of the Company and full discretion to invite any Director or the Management of the Company to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The Audit Committee has written Terms of Reference that describe the responsibilities of its members. These responsibilities are as follows:

- a) To review with the external auditors the audit plan (including the nature and scope of the audit before the audit commences), and to pay full attention to any material weaknesses reported and the recommendations proposed by the external auditors. The Audit Committee also reviews the Management's response and ensures that the Group maintains a sound system of internal controls;
- b) To review the quarterly and annual financial statements before submission to the Board for approval;
- c) To discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss without the presence of the Management at least twice a year;
- d) To review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors annually. Where the auditors also supply a substantial volume of non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the provision of such services would not affect the independence of the auditors. The Audit Committee also reviews the independence of the external auditors annually;

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- e) To review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any Singapore law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response;
- f) To investigate any matter within its Terms of Reference, having full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- g) To review transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;
- h) To consider the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors; and
- i) To ensure that the appointment where applicable, of a different auditing firm for its subsidiary would not compromise the standard and effectiveness of the audit of the Group.

The Audit Committee has undertaken a review of all non-audit services provided by the auditors and is of the opinion that the provision of such services will not affect the independence of the auditors.

All employees have direct access to the Audit Committee Chairman.

In appointing the audit firm for the Group, the Audit Committee is satisfied that the Company has complied with Rules 712, 715 and 716 of the Listing Manual of SGX-ST.

The Audit Committee reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management annually. The Board and Audit Committee is satisfied that the internal controls are adequate.

In the financial year ended 30 June 2017, the Audit Committee met four times. In two of the Audit Committee meetings, two out of three Audit Committee members attended and in the other two, all of the Audit Committee members attended.

PRINCIPLE 13: INTERNAL AUDIT

For the financial year ended 30 June 2017, the Company has engaged Ernst & Young Advisory Pte. Ltd. as the Internal Auditors of the Group to perform internal audit work under an internal audit plan. Ernst & Young Advisory Pte. Ltd. is a suitably appointed qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Internal Auditors report directly to the Chairman of the Audit Committee on all internal audit matters.

The role of the Internal Auditors is to support the Audit Committee in ensuring that the Company maintains a sound system of internal controls and risk management by monitoring and assessing the effectiveness of the key controls and procedures, conducting in-depth audits of high-risk areas and undertaking investigation as directed by the Audit Committee. The Audit Committee approves the hiring, removal, evaluation and compensation of the Internal Auditors. The Audit Committee ensures that the Internal Auditors are adequately resourced and has appropriate standing within the Company and has unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit Committee.

The primary functions of internal audit are to:

- a) assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure control procedures are complied with;
- b) assess if operations of the business processes under review are conducted efficiently and effectively; and
- c) identify and recommend improvement to internal control procedures, where required.

The Audit Committee is satisfied with the adequacy and effectiveness of the internal audit function and will assess the same at least annually.

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PRINCIPLE 14: SHAREHOLDER RIGHTS

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

The Company is committed to keeping shareholders informed of material developments in the Group. This is done through appropriate announcements on the SGXNET in accordance with the Listing Manual as well as the Company's website at www.newsilkroutes.org where the public can access information on the Group. The Company does not practice selective disclosures.

At general meetings, shareholders are given the opportunity to communicate their views and direct questions to the Board and the Management relating to the business affairs of the Group. The external auditors are also present to assist the Directors in addressing any relevant queries by shareholders.

Resolutions to be passed at general meetings are always separate and distinct in terms of issue so that shareholders are better able to exercise their right to approve or deny the issue or motion. Shareholders can also exercise their right to vote in absentia by the use of proxies.

In compliance with Rule 730A(2) of the Listing Manual of the SGX-ST, resolutions tabled at general meetings of Shareholders will be put to vote by poll, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings. The Company prefers electronic poll voting as it gives a faster turnaround time to generate poll results.

Others

INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Goodwood Associates Pte. Ltd.	Specialised advice and services fee (value of transactions amounting to US\$0.69M)	Nil
Goodwood Associates Pte. Ltd.	Interest expenses (value of transactions amounting to US\$0.032M)	Nil

USE OF SHARE PLACEMENT PROCEEDS

Total Placement proceeds of US\$2.041M were utilised for the following as at 30 June 2017.

	Placement 23 December 2016 US\$M
Placement Proceeds	2.042
Less placement costs	(0.040)
Net Proceeds	2.002
Less utilised:	
1. A portion of the cost in the acquisition of a subsidiary	0.718
2. Investment in an associate company	0.702
3. Working capital (for a subsidiary's oil inventory purchases)	0.582
Unutilised Placement Proceeds	-

DEALINGS IN COMPANY'S SECURITIES

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, all employees of the Group are reminded to abstain from dealing in securities of the Company two weeks before the announcement of the quarterly results of the Group and one month before the announcement of the full year results of the Group. Officers of the Group are expected to observe insider trading laws at all times, and are discouraged from dealing in the Company's securities on short-term considerations.

MATERIAL CONTRACTS

Save as previously disclosed by the Company on SGXNET, there are no material contracts entered into by the Company or any of its subsidiary companies involving the interests of the Chief Executive Officer, and any Director or controlling shareholder.

Directors' Statement

For the financial year ended 30 June 2017

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 30 June 2017.

In the opinion of the directors:

- (a) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Names of directors

The directors of the Company in office at the date of this statement are:

Ho Sheng	(Independent Non-Executive Chairman)
Dr Goh Jin Hian	(Executive Director and Chief Executive Officer)
Lee Soek Shen	(Executive Director)
Oo Cheong Kwan Kelvyn	(Executive Director and Chief Corporate Officer)
Pao Kiew Tee	(Independent Director) (Appointed on 31 October 2016)
Chen Chou Mei Mei Vivien	(Independent Director)

Directors' interest in shares, debentures or warrants

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50, none of the directors who held office at the end of the financial year was interested in shares, debentures or warrants of the Company and its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.7.2016	As at 30.6.2017 #	As at 1.7.2016	As at 30.6.2017 #
The Company – New Silkroutes Group Limited			<u>Number of ordinary shares</u>	
Dr Goh Jin Hian ^(a)	–	200,000	5,096,849	5,096,849
Lee Soek Shen ^(b)	–	–	15,201,100	10,550,400
Chen Chou Mei Mei Vivien ^(c)	–	–	526,000	526,000
			<u>Number of warrants</u>	
Dr Goh Jin Hian ^(a)	–	–	1,096,849	1,096,849
Lee Soek Shen ^(b)	–	–	5,362,400	50,000
Chen Chou Mei Mei Vivien ^(c)	–	–	111,860	111,860

Directors' Statement

For the financial year ended 30 June 2017

Directors' interest in shares, debentures or warrants (cont'd)

- ^(a) Dr Goh Jin Hian is deemed to be interested in 5,096,849 shares and 1,096,849 warrants held in the name of Citibank Nominees Singapore Pte Ltd, a nominee company.
- ^(b) Lee Soek Shen is deemed to be interested in 10,550,400 shares and 50,000 warrants held by Goodwood Associates Pte. Ltd.
- ^(c) Chen Chou Mei Mei Vivien is deemed to be interested in 526,000 shares in which 46,837 shares are held by Avec Inc., 79,163 shares are held by a family trust "Chow Wen Hsien Estate" and 400,000 shares are held in the name of a nominee, and 111,860 warrants in which 12,697 warrants are held by Avec Inc., 19,163 warrants are held by a family trust "Chow Wen Hsien Estate" and 80,000 warrants are held in the name of a nominee.
- [#] There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2017, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 30.6.2017	As at 21.7.2017	As at 30.6.2017	As at 21.7.2017
The Company – <u>New Silkroutes Group Limited</u>				<u>Number of ordinary shares</u>
Lee Soek Shen	–	–	10,550,400	9,567,800

Share options

No options were granted during the financial year to take up issued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Warrants

During the financial year ended 30 June 2016, the Company undertook a renounceable non-underwritten rights shares and warrants issue on the basis of one rights share for every four existing ordinary share and one free detachable warrant for every one rights share subscribed.

25,172,385 rights shares at an issue price of S\$0.20 per share and 25,172,385 warrants with each carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.30 were allotted and issued on 1 April 2016 and 31 March 2016, respectively. The warrants expire on the date immediately preceding the third anniversary of the date of their issue.

During the financial year ended 30 June 2017, 9,713,317 warrants were exercised and converted into ordinary shares in the capital of the Company. The remaining 15,309,068 warrants will expire on 29 March 2019.

Except as mentioned above, no shares have been issued during the financial year by virtue of the exercise of warrants to take up unissued shares of the Company or its subsidiaries.

Performance Share Plan

The Digiland Performance Share Plan (the "DPSP") was approved by the shareholders during the Extraordinary General Meeting on 31 October 2006. The DPSP contemplates the awarding of fully paid-up shares, their equivalent cash value or combinations thereof, free of payment to selected employees of the Company and its subsidiaries and its associate companies, including executive directors of the Company.

Directors' Statement

For the financial year ended 30 June 2017

Performance Share Plan (cont'd)

The total number of new ordinary shares in the Company which may be issued in all awards granted under the DPSP shall not exceed 15% of the number of issued shares in the capital of the Company from time to time.

No awards have been granted to directors, controlling shareholders of the Company or their associates and no directors or employees of the Company have received 5% or more of the total awards available under the DPSP.

No awards have been granted under the DPSP since its commencement and during the financial year. At the end of the financial year, there were no outstanding awards or unissued shares of the Company or its subsidiaries under the DPSP.

The DPSP is subject to a maximum period of ten years, and expired on 30 October 2016.

The New Silkroutes Performance Share Plan 2017 (the "NSPSP") was approved by the shareholders during the Extraordinary General Meeting on 21 July 2017. The NSPSP contemplates the awarding of fully paid-up shares, free of payment, to selected employees of the Company and its subsidiaries, including executive directors of the Company.

The total number of new ordinary shares in the Company which may be issued in all awards granted under the NSPSP shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. The Company does not have any subsidiary holdings.

No awards have been granted to directors, controlling shareholders of the Company or their associates and no directors or employees of the Company have received 5% or more of the total awards available under the NSPSP.

No awards have been granted under the NSPSP since the commencement of the NSPSP and during the financial year. At the end of the financial year, there were no outstanding awards or unissued shares of the Company or its subsidiaries under the NSPSP.

The NSPSP is subject to a maximum period of ten years, and will expire on 20 July 2027.

Audit Committee

The Audit Committee of the Company comprises three independent and non-executive directors, and at the date of this statement, they are:

Pao Kiew Tee (Chairman)
Ho Sheng
Chen Chou Mei Mei Vivien

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act, Chapter 50, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance. In performing those functions, the Audit Committee performed the following:

- (i) reviewed overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It also met with the Company's internal auditor to discuss the results of their examination and evaluation of the Group's system of internal accounting controls;
- (ii) reviewed the audit plan of the Company's external auditor and any recommendations on the Group's internal accounting controls arising from the statutory audit;
- (iii) reviewed the quarterly financial information, the statement of financial position of the Company as at 30 June 2017 and the consolidated financial statements of the Group for the financial year ended 30 June 2017, as well as the auditor's report thereon;
- (iv) reviewed effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditor;

Directors' Statement

For the financial year ended 30 June 2017

Audit Committee (cont'd)

- (v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;
- (vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- (vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- (viii) reviewed the nature and extent of non-audit services provided by the external auditor;
- (ix) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- (x) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and
- (xi) reviewed interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

In appointing the external auditor for the Company and its Singapore-incorporated subsidiaries, the Company has complied with Rules 712, 715 and 716 of the SGX-ST Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

.....
DR GOH JIN HIAN

.....
LEE SOEK SHEN

Dated: 10 October 2017

Independent Auditor's Report

to the members of New Silkroutes Group Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of New Silkroutes Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Qualified Opinion

Prepayments to a supplier

Included in prepayments stated on the face of the consolidated statement of financial position as at 30 June 2017 are prepayments of US\$500,494 and US\$4,400,000 made by the subsidiaries, Top Post Enterprises Limited and Baling (China) Investment Limited, respectively, to a supplier for the purchase of iron ore fines (Note 10). We were unable to obtain sufficient appropriate audit evidence on the recoverability or utilisation of the prepayments to the supplier. Consequently, we were unable to satisfy ourselves as to the appropriateness of the carrying amount of the prepayments to the supplier as at 30 June 2017.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independent Auditor's Report

to the members of New Silkroutes Group Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

Our responses and work performed

Business combinations

FRS 103 *Business Combinations* requires the Group to recognise the identified assets and liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair value of recognised assets and liabilities as goodwill. Significant judgement is applied in the identification of any intangible assets acquired and contingent liabilities assumed in the transactions. Significant assumptions and estimates are also used in the determination of the fair values of the identified assets acquired and liabilities assumed in the transactions.

Management has engaged an independent valuer ("management's expert") to issue a valuation report on the fair values of the identified assets and liabilities at the respective acquisition dates. The purchase price allocation ("PPA") exercises were completed and intangible assets, including goodwill, amounting to US\$4,879,623 at the acquisition dates were recognised (Note 4).

We have evaluated the competence, capabilities and objectivity of the management's expert, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence for the relevant assertions.

We have further engaged our valuation expert ("auditor's expert") to review the PPA reports and the reasonableness of the underlying key assumptions. We have evaluated the competence, capabilities and objectivity of the auditor's expert, and the adequacy of the work performed by the auditor's expert. Based on our procedures, we noted that the PPA exercises have been performed in accordance with FRS 103. We also noted management's key assumptions applied in the PPA exercises in arriving at the fair values of the assets acquired and liabilities assumed to be within a reasonable range of our expectations. With respect to our work on the subsequent impairment testing of the resultant goodwill and intangible assets, we refer to key audit matter "Impairment of goodwill and intangible assets".

We have also assessed and corroborated the adequacy and appropriateness of the disclosures made in the financial statements.

The Group's disclosures of the business combination accounting applied to the acquisition of the subsidiaries during the financial year are included in Note 5 to the financial statements.

Independent Auditor's Report

to the members of New Silkroutes Group Limited

Key Audit Matters (Cont'd)

Key audit matter

Our responses and work performed

Impairment of goodwill and intangible assets

Under FRS 36 Impairment of Assets, a cash-generating unit ("CGU") to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU.

Goodwill and intangible assets are significant accounts in the consolidated statement of financial position, and significant judgement, assumptions and estimates are applied by management in the impairment testing of the associated CGU. Value in use involves cash flow projections and applying the growth rate and discount rate in the cash flow projections, while fair value less costs of disposal is the price that would be received in an orderly transaction between market participants at the measurement date, less the incremental costs directly attributable to the disposal of the CGU. Input inaccuracies or inappropriate bases used to determine the level of impairment, including the discount rate and growth rate used in the value in use computations, and the market comparables used in the fair value measurements, could result in material misstatement in the financial statements.

Management has engaged an independent valuer ("management's expert") to perform the impairment test as described above.

We have assessed the key assumptions used by management and the management's expert in performing the impairment test, including reference to recent transactions and market comparables. We have evaluated the competence, capabilities and objectivity of the management's expert, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence for the relevant assertions.

In addition, we have engaged our valuation expert ("auditor's expert") to assist us in evaluating the assumptions, methodologies and data used in the impairment test. The auditor's expert independently developed expectations of the assumptions used in the impairment test, including the discount rate and growth rate. We have evaluated the competence, capabilities and objectivity of the auditor's expert, and the adequacy of the work performed by the auditor's expert.

We have also performed sensitivity test to determine the available headroom of the CGU, where a reasonably possible change in assumptions could cause the recoverable amount to be less than the carrying amount. Based on our procedures, we noted the key assumptions used by management and the management's expert to be within a reasonable range of our expectations.

We have also assessed and corroborated the adequacy and appropriateness of the disclosures made by management in the financial statements.

The disclosures on goodwill and intangible assets and the impairment testing of the CGU are included in Note 4 to the financial statements.

Independent Auditor's Report

to the members of New Silkroutes Group Limited

Key Audit Matters (Cont'd)

Key audit matter

Our responses and work performed

Consideration receivable

Included in trade and other receivables as at 30 June 2017 is an outstanding amount of US\$3,475,747 arising from the disposal of the Company's wholly-owned subsidiaries, Digiland (Thailand) Ltd. and Infonet Systems and Services Pte Ltd on 30 June 2016 (Note 9). The outstanding amount was due on 30 June 2017.

The Company has made a legal claim against various defendants to seek payment of the outstanding amount, as well as additional damage, interest and legal costs. There is an inherent uncertainty relating to the probability of success of the claim and recoverability of the claimed sum from the defendants. The external legal counsel appointed by the Company has indicated that it is at present reasonably confident of success in the Company's claim. In addition, at present, there is no reason to believe that the Company would be unable to recover the outstanding amount if the Company prevails in its claim. Based on management's assessment, management is reasonably confident of recovering the entire outstanding amount from the defendants.

We have read the correspondences provided by management pertaining to the legal claim. We have discussed with the external legal counsel to understand the nature and details of the legal claim, the progress and developments of the claim to date, and the likelihood of a favourable outcome and an estimate of the amount recoverable. We have also received confirmation from the external legal counsel with regard to the aforesaid, and obtained indication from the external legal counsel that it is at present reasonably confident of success in the Company's claim, and there is no reason to believe that the Company would be unable to recover the outstanding amount if the Company prevails in its claim. In addition, we have sighted the searches performed by the external legal counsel on the two individuals who have been made defendants to the suit, which show that each holds directorships and shares in various private companies, and one of whom holds a joint tenancy in a landed property in Singapore. We noted that management has considered relevant factors in its assessment of impairment loss on the outstanding amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the carrying amount of the prepayments to a supplier as at 30 June 2017. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Independent Auditor's Report

to the members of New Silkroutes Group Limited

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

to the members of New Silkroutes Group Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiaries incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chin Sin Beng.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 10 October 2017

Statements Of Financial Position

As at 30 June 2017

	Note	The Group		The Company	
		2017 US\$	2016 US\$	2017 US\$	2016 US\$
ASSETS					
Non-Current Assets					
Plant and equipment	3	421,144	49,019	10,460	16,050
Intangible assets	4	4,790,500	–	–	–
Subsidiaries	5	–	–	29,903,973	25,763,768
Associates	6	401,835	7	–	–
Available-for-sale investment	7	14,090,000	36,242	–	–
		19,703,479	85,268	29,914,433	25,779,818
Current Assets					
Inventories	8	5,267,122	1,319,611	–	–
Trade and other receivables	9	26,517,391	35,146,135	11,200,197	9,774,404
Prepayments	10	5,475,195	4,940,965	26,637	30,606
Derivative financial instruments	11	136,425	285,313	–	–
Cash and bank balances	12	30,753,160	3,563,310	251,385	803,822
Fixed deposits	12	116,731	–	–	–
		68,266,024	45,255,334	11,478,219	10,608,832
Total assets		87,969,503	45,340,602	41,392,652	36,388,650
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	13	71,178,899	63,957,747	71,178,899	63,957,747
Treasury shares	14	(509,526)	(321,751)	(509,526)	(321,751)
Other reserves	15	1,207,332	1,548,428	734,303	1,088,245
Accumulated losses		(32,728,010)	(30,934,025)	(31,978,847)	(29,137,956)
Equity attributable to owners of the Company		39,148,695	34,250,399	39,424,829	35,586,285
Non-controlling interests		383,836	(43,320)	–	–
Total equity		39,532,531	34,207,079	39,424,829	35,586,285
Non-Current Liabilities					
Deferred tax liabilities	16	412,678	–	–	–
Borrowings	17	201,164	3,350	1,539	3,350
		613,842	3,350	1,539	3,350
Current Liabilities					
Borrowings	17	9,452,346	1,859	610,132	1,859
Trade and other payables	18	38,329,833	11,128,314	1,356,152	797,156
Current tax payable		40,951	–	–	–
		47,823,130	11,130,173	1,966,284	799,015
Total liabilities		48,436,972	11,133,523	1,967,823	802,365
Total equity and liabilities		87,969,503	45,340,602	41,392,652	36,388,650

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

For the financial year ended 30 June 2017

	Note	2017 US\$	2016 US\$
Continuing operations			
Revenue	19	433,036,227	54,295,826
Other income	20	920,866	1,546,903
Purchases of finished goods		(433,184,473)	(54,999,749)
Changes in inventories of finished goods		3,892,593	1,319,611
Employee benefits expense	21	(2,728,069)	(2,303,590)
Amortisation of intangible assets		(89,123)	–
Depreciation of plant and equipment		(63,601)	(22,862)
Net fair value gain/(loss) on derivative financial instruments		439,152	(233,535)
Other operating expenses	22	(2,393,266)	(2,889,646)
Finance costs	23	(1,216,327)	(15,752)
Share of results of associates, net of tax		(457,098)	–
Loss before taxation from continuing operations		(1,843,119)	(3,302,794)
Taxation	24	(144,812)	–
Loss after taxation from continuing operations		(1,987,931)	(3,302,794)
Loss from discontinued operations, net of tax	25	–	(212,679)
Loss for the year		(1,987,931)	(3,515,473)
Other comprehensive income after tax:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation gain on consolidation		(4,214)	104,388
Foreign currency translation gain reclassified to profit or loss on disposal of subsidiaries		9,036	(350,575)
Other comprehensive income/(loss) for the year, net of tax of nil		4,822	(246,187)
Total comprehensive loss for the year		(1,983,109)	(3,761,660)
Loss attributable to:			
Owners of the Company			
- loss from continuing operations, net of tax		(1,793,985)	(3,148,655)
- loss from discontinued operations, net of tax	25	–	(212,679)
		(1,793,985)	(3,361,334)
Non-controlling interests			
- loss from continuing operations, net of tax		(193,946)	(154,139)
		(1,987,931)	(3,515,473)
Total comprehensive loss attributable to:			
Owners of the Company			
- total comprehensive loss from continuing operations, net of tax		(1,781,139)	(3,451,963)
- total comprehensive loss from discontinued operations, net of tax		–	(155,558)
		(1,781,139)	(3,607,521)
Non-controlling interests			
- total comprehensive loss from continuing operations, net of tax		(201,970)	(154,139)
		(1,983,109)	(3,761,660)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

For the financial year ended 30 June 2017

	Note	2017 US cent	2016 US cent
Loss per share attributable to owners of the Company			
From continuing and discontinued operations - basic and diluted	26	(1.3816)	(3.1432)
From continuing operations - basic and diluted	26	(1.3816)	(2.9443)
From discontinued operations - basic and diluted	26	-	(0.1989)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement Of Changes In Equity

For the financial year ended 30 June 2017

	Attributable to owners of the Company							
	Treasury shares	Warrant reserve	Foreign currency translation reserve	Capital reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 July 2016	63,957,747	1,088,245	460,183	-	(30,934,025)	34,250,399	(43,320)	34,207,079
Loss for the year	-	-	-	-	(1,793,985)	(1,793,985)	(193,946)	(1,987,931)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	12,846	-	-	12,846	(8,024)	4,822
Total comprehensive income/ (loss) for the year	-	-	12,846	-	(1,793,985)	(1,781,139)	(201,970)	(1,983,109)
Contributions by and distributions to owners	2,042,105	-	-	-	-	2,042,105	-	2,042,105
- Issue of shares (Note 13)	2,509,712	(422,438)	-	-	-	2,087,274	-	2,087,274
- Exercise of warrants	-	-	-	-	-	(577,239)	-	(577,239)
- Purchase of treasury shares	-	-	-	-	-	457,960	-	457,960
- Disposal of treasury shares	-	-	-	68,496	-	-	-	-
Changes in ownership interests in subsidiaries	2,619,139	-	-	-	-	2,619,139	637,150	3,256,289
- Acquisition of subsidiaries through shares (Note 5)	50,196	-	-	-	-	50,196	-	50,196
- Consultancy fees paid through shares	-	-	-	-	-	-	(8,067)	(8,067)
- Disposal of subsidiaries	-	-	-	-	-	-	-	-
- Incorporation of subsidiaries with non-controlling interests	-	-	-	-	-	-	43	43
Transactions with owners in their capacity as owners	7,221,152	(422,438)	-	68,496	-	6,679,435	629,126	7,308,561
Balance at 30 June 2017	71,178,899	665,807	473,029	68,496	(32,728,010)	39,148,695	383,836	39,532,531

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement Of Changes In Equity

For the financial year ended 30 June 2017

←----- Attributable to owners of the Company-----→

	Share capital US\$	Treasury shares US\$	Warrant reserve US\$	Foreign currency translation reserve US\$	Other reserve US\$	Accumulated losses US\$	Total US\$	Non-controlling interests US\$	Total equity US\$
Balance at 1 July 2015	61,438,332	-	-	412,916	293,454	(27,572,691)	34,572,011	9,671	34,581,682
Loss for the year	-	-	-	-	-	(3,361,334)	(3,361,334)	(154,139)	(3,515,473)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	-	47,267	57,121	-	104,388	-	104,388
- Realisation of reserve upon disposal of subsidiaries	-	-	-	-	(350,575)	-	(350,575)	-	(350,575)
Total comprehensive income/ (loss) for the year	-	-	-	47,267	(293,454)	(3,361,334)	(3,607,521)	(154,139)	(3,761,660)
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
- Issue of shares and warrants (Note 13)	2,479,585	-	1,094,769	-	-	-	3,574,354	-	3,574,354
- Exercise of warrants	39,830	-	(6,524)	-	-	-	33,306	-	33,306
- Purchase of treasury shares	-	(321,751)	-	-	-	-	(321,751)	-	(321,751)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-
- Incorporation of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	101,148	101,148
Transactions with owners in their capacity as owners	2,519,415	(321,751)	1,088,245	-	-	-	3,285,909	101,148	3,387,057
Balance at 30 June 2016	63,957,747	(321,751)	1,088,245	460,183	-	(30,934,025)	34,250,399	(43,320)	34,207,079

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement Of Cash Flows

For the financial year ended 30 June 2017

	Note	2017 US\$	2016 US\$
Cash Flows from Operating Activities			
Loss before taxation from continuing operations		(1,843,119)	(3,302,794)
Loss before taxation from discontinued operations		–	(212,679)
Total loss before taxation		(1,843,119)	(3,515,473)
Adjustments for:			
Amortisation of intangible assets	4	89,123	–
Consultancy fees paid by issue of shares		50,196	–
Depreciation of plant and equipment	3	63,601	22,862
Impairment losses on trade and other receivables	22	–	669,784
Interest expense	23	1,216,327	199,429
Interest income	20	(568,085)	(1,363,924)
Inventories written off	22	–	4,498
Loss/(Gain) on disposal of subsidiaries	22/25	9,552	(1,059,032)
Net fair value (gain)/loss on derivative financial instruments		(439,152)	233,535
Share of results of associates		457,098	42,165
Trade receivables written off	22	–	17,279
Unrealised foreign exchange differences		9,202	187,513
Operating loss before working capital changes		(955,257)	(4,561,364)
Changes in inventories		(3,892,593)	(1,108,289)
Changes in trade and other receivables		(4,229,194)	(6,303,847)
Changes in prepayments		(855)	(4,775,163)
Changes in trade and other payables		26,240,607	7,408,551
Cash generated from/(used in) operating activities		17,162,708	(9,340,112)
Income taxes paid		(607)	–
Net cash generated from/(used in) operating activities		17,162,101	(9,340,112)
Cash Flows from Investing Activities			
Acquisition of subsidiaries, net of cash acquired	5	(974,700)	–
Acquisition of available-for-sale investment	7	–	(36,242)
Disposal of subsidiaries, net of cash disposed of	A	(24,694)	24,945
Incorporation of associates	6	(858,926)	–
Interest received		1,604	25,627
Proceeds from disposal of available-for-sale investment		36,242	–
Purchase of plant and equipment		(7,085)	(27,026)
Net cash used in investing activities		(1,827,559)	(12,696)
Cash Flows from Financing Activities			
Capital contributions from non-controlling interests of subsidiaries		43	101,148
Cash restricted in use		(23,793,508)	–
Fixed deposits pledged		(3,409)	(405,765)
Interest paid		(1,198,983)	(199,429)
Proceeds from disposal of treasury shares		457,960	–
Proceeds from issue of shares and warrants		2,042,105	3,574,354
Proceeds from issue of shares pursuant to exercise of warrants		2,087,274	33,306
Proceeds from short-term loans		34,273,637	6,020,026
Purchase of treasury shares		(577,239)	(321,751)
Repayment of short-term loans		(25,602,221)	(6,230,545)
Repayment of finance leases		(2,429)	(12,534)
Net cash (used in)/generated from financing activities		(12,316,770)	2,558,810
Net increase/(decrease) in cash and cash equivalents		3,017,772	(6,793,998)
Cash and cash equivalents at beginning of year		3,563,310	10,378,086
Exchange differences on translation of cash and cash equivalents		(325)	(20,778)
Cash and cash equivalents at end of year	12	6,580,757	3,563,310

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement Of Cash Flows

For the financial year ended 30 June 2017

A. Disposal of subsidiaries

On 30 June 2017, the Company's wholly-owned subsidiary, Digiland Pte. Ltd., transferred 26,000 ordinary shares representing its entire 65% shareholding interest in the capital of IBase Technology International Pte. Ltd. to the non-controlling interest, IBase Technology Pte Ltd, for a cash consideration of S\$20,000 (US\$14,444), and the Company transferred its entire shareholding in Digiland Pte. Ltd. to a third party, Globalports Pte. Ltd., for a cash consideration of S\$1. The effects of the disposals on the cash flows of the Group were as follows:

	2017 US\$
The Group	
Cash and bank balances	24,694
Other payables and accruals	(1,667)
Net assets	23,027
Foreign currency translation reserve	9,036
Non-controlling interest	(8,067)
Loss on disposal of subsidiaries (Note 22)	(9,552)
Consideration receivable (Note 9)	14,444
Analysis of net flow of cash and bank balances arising on disposal:	
Cash and bank balances disposed of	(24,694)
Net cash outflow on disposal	(24,694)

On 30 June 2016, the Company completed the disposal of its entire interest in the wholly-owned subsidiaries, Digiland (Thailand) Ltd. and Infonet Systems and Services Pte Ltd, for a total cash consideration of US\$3,620,717 (Note 25). The effects of the disposal on the cash flows of the Group were as follows:

	2016 US\$
The Group	
Plant and equipment	77,886
Inventories	1,368,215
Trade and other receivables	3,389,615
Prepayments	85,366
Cash and bank balances	120,025
Fixed deposits	3,519,089
Borrowings	(2,727,876)
Trade and other payables	(2,920,060)
Net assets	2,912,260
Foreign currency translation reserve	(350,575)
Gain on disposal of subsidiaries (Note 25)	1,059,032
Total consideration, to be satisfied in cash	3,620,717
Satisfied by:	
Cash	144,970
Consideration receivable (Note 9)	3,475,747
	3,620,717
Analysis of net flow of cash and bank balances arising on disposal:	
Cash consideration received	144,970
Cash and bank balances disposed of	(120,025)
Net cash inflow on disposal	24,945

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes To The Financial Statements

For the financial year ended 30 June 2017

1 General information

The financial statements of New Silkroutes Group Limited (the “Company”) and its subsidiaries (the “Group”) for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors’ Statement.

The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore. The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office and principal place of business of the Company was located at 21 Serangoon North Avenue 5, Ban Teck Han Building #05-02, Singapore 554864. On 9 December 2016, the registered office and principal place of business of the Company was changed to 460 Alexandra Road, #24-06 PSA Building, Singapore 119963.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (“FRS”) including related Interpretations promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in United States dollar which is the Company’s functional currency. All financial information is presented in United States dollar, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Critical judgements in applying accounting policies

Going concern

The Group had incurred a net loss of US\$1,987,931 (2016: US\$3,515,473) for the financial year ended 30 June 2017. Notwithstanding this, the directors are of the view that the going concern assumption is appropriate for the preparation of these financial statements, due to the following:

- (i) For the financial year ended 30 June 2017, the Group had generated net operating cash inflows of US\$17,162,101 (2016: net operating cash outflows of US\$9,340,112). Having regard to measures to tighten controls over expenses and to better manage the Group’s working capital, the directors believe that the Group is able to continue to generate sufficient cash flows from operations.
- (ii) The Group’s losses were partly attributed to consultancy, management and professional fees and travelling expenses incurred amounting to US\$829,355 (2016: US\$1,421,994), mainly arising from the addition of new subsidiaries and various corporate exercise undertaken in the Group during the financial year.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(a) Basis of preparation (cont'd)

Critical judgements in applying accounting policies (cont'd)

Going concern (cont'd)

- (iii) As disclosed in Note 30 to the financial statements, the oil and gas operating segment had generated significant profit for the financial year ended 30 June 2017. Notwithstanding that the healthcare segment had incurred a net loss for the financial year ended 30 June 2017, the directors expect the segment to be profitable for the financial year ended 30 June 2018, particularly with the acquisition of the dental companies as at 30 June 2017. The net loss incurred by the Group was mainly due to the corporate segment, as a result of various corporate expenses incurred which included consultancy, management and professional fees and travelling expenses as described in the preceding paragraph.
- (iv) The Group had net current assets and net assets of US\$20,442,894 (2016: US\$34,125,161) and US\$39,532,531 (2016: US\$34,207,079), respectively, as at 30 June 2017. In addition, the Company had net current assets and net assets of US\$9,511,935 (2016: US\$9,809,817) and US\$39,424,829 (2016: US\$35,586,285), respectively, as at 30 June 2017.
- (v) As disclosed in Note 12 to the financial statements, the Group had cash and bank balances and fixed deposits amounting to US\$30,869,891 (2016: US\$3,563,310). Including bank overdrafts and excluding cash restricted for trade financing purposes and fixed deposits pledged, the Group had cash and bank balances of US\$6,580,757 (2016: US\$3,563,310) as at 30 June 2017.

Based on the above, the directors believe that the Group and the Company will have sufficient working capital and financial resources to meet their obligations as and when they fall due for the next twelve months from the end of the reporting period. Consequently, the directors consider that there is no material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concern.

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate and the respective entities' process of determining sales prices.

Impairment of investments in subsidiaries and associates

The Company assesses at the end of each reporting period whether there is any indication that the investments in subsidiaries and associates may be impaired. If any indication exists, the investment in subsidiary or associate is tested for impairment. The determination of the recoverable amount requires an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash-generating units, a suitable growth rate to extrapolate the future cash flows, and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amounts of the Company's investments in subsidiaries and associates at the end of the reporting period are disclosed in Note 5 and Note 6 to the financial statements, respectively.

Revenue - gross presentation

For the sale of gas oil and fuel oil, the Group assesses its sales arrangements to determine if it acts as a principal or an agent. In determining whether the Group acts as a principal, the Group considers factors such as if the Group has primary responsibility for providing the goods or services to the customer, bears inventory risks before or after the customer order during shipping or on return, has latitude in establishing prices either directly or indirectly, and bears the customer's credit risks for the amount receivable from the customer.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(a) Basis of preparation (cont'd)

Critical judgements in applying accounting policies (cont'd)

Revenue - gross presentation (cont'd)

The Group has determined, based on an evaluation of the terms and conditions of the sales arrangements, that the Group acts as a principal and so accounts the revenue as gross presentation in the consolidated statement of profit or loss and other comprehensive income. The Group's revenue from the sale of oil products is disclosed in Note 19 to the financial statements.

Income taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement and estimates are involved in determining group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made. The Group's taxation is disclosed in Note 24 to the financial statements.

Critical assumptions used and accounting estimates in applying accounting policies

Impairment test for cash-generating unit containing goodwill

A cash-generating unit ("CGU") to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs of disposal and its value in use. Where the recoverable amount of the CGU is less than its carrying amount, such impairment loss is recognised in profit or loss.

Significant judgement and estimates by management are required in assessing: (i) whether the carrying amount of the CGU can be supported by its market value based on comparable assets or the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (ii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are extrapolated using a suitable growth rate and then discounted using an appropriate discount rate. Changing the assumptions selected by management to determine the level of impairment, including the growth rate and discount rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amounts of the Group's intangible assets, including goodwill, at the end of the reporting period, and the basis and assumptions used to determine the recoverable amount of the CGU, are disclosed in Note 4 to the financial statements.

Fair value of available-for-sale financial asset

Unquoted available-for-sale financial asset is stated at fair value. If the market for a financial asset is not active or not available, the fair value is established by using valuation techniques, such as the expected selling price involving identical or similar assets and transactions, or present value based on discounted cash flows reflecting the investee's specific circumstances. Considerable subjective judgement is required in selecting the suitable valuation techniques and methodologies, choosing the appropriate comparables, and estimating the expected future cash flows, growth rate and discount rate.

When valuing unquoted available-for-sale financial asset, the cost or latest financing price of the investment may be taken into consideration, which may be a good indication of fair value upon purchase or the latest financing round. Nonetheless, after some period of time, the cost or latest financing price becomes less reliable as an approximation of fair value. Therefore, management will assess whether the fair value has changed, taking into account changes in circumstances such as the current performance of the investee company, and whether market, economic or company-specific conditions have significantly improved or deteriorated since the time of the original investment. These estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and the differences could be material to the financial statements.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(a) Basis of preparation (cont'd)

Critical assumptions used and accounting estimates in applying accounting policies (cont'd)

Fair value of available-for-sale financial asset (cont'd)

The fair value of available-for-sale financial asset at the end of the reporting period is disclosed in Note 7 to the financial statements. If the fair value decreases/increases by 10% from management's estimates, the Group's results will decrease/increase by US\$1,409,000 (2016: US\$4,000).

Impairment of loans and receivables

The Group and the Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows for collective assessment are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's and the Company's loans and receivables at the end of the reporting period are disclosed in Note 9 to the financial statements. If the present value of estimated future cash flows decreases/increases by 10% from management's estimates, the Group's and the Company's allowance for impairment of loans and receivables will increase/decrease by US\$2,651,739 (2016: US\$3,514,614) and US\$1,120,020 (2016: US\$977,440), respectively.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2(b) Interpretations and amendments to published standards effective in 2017

On 1 July 2016, the Group adopted the following FRS that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

Reference	Description
Amendments to FRS 1	Presentation of Financial Statements: Disclosure Initiative
Amendments to FRS 27	Equity Method in Separate Financial Statements
Amendments to FRS 16 and FRS 38	Classification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 16 and FRS 41	Agriculture: Bearer Plants
Amendments to FRS 28 and FRS 110	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 110, FRS 112 and FRS 28	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations
FRS 114	Regulatory Deferral Accounts
Improvements to FRSs (November 2014):	
- Amendment to FRS 19	Employee Benefits
- Amendment to FRS 34	Interim Financial Reporting
- Amendment to FRS 105	Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 107	Financial Instruments: Disclosures

The adoption of these new and amended FRS did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements except for the following:

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(b) Interpretations and amendments to published standards effective in 2017 (cont'd)

Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments to FRS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing FRS 1 requirements. The amendments clarify:

- The materiality requirements in FRS 1;
- That specific line items in the statement(s) of profit or loss and other comprehensive income ("OCI") and the statement of financial position may be disaggregated;
- That entities should adopt a systemic order in which they present the notes to financial statements; and
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. The amendments to FRS 1 are effective for annual periods beginning on or after 1 January 2016. As this is a disclosure standard, it has no impact to the financial position and performance of the Group when applied.

2(c) FRS not yet effective

The Accounting Standards Council announced on 29 May 2014 that Singapore-incorporated companies listed on the SGX-ST will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on the SGX-ST will have to assess the impact of IFRS 1: First-time adoption of IFRS when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

The following are the new or amended FRS and INT FRS issued that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 7	Statement of Cash Flows: Disclosure Initiative	1 January 2017
Amendments to FRS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 40	Transfers of Investment Property	1 January 2018
Amendments to FRS 102	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 104	Applying FRS 109: Financial Instruments with FRS 104: Insurance Contracts	1 January 2018
Amendments to FRS 115	Clarifications to FRS 115: Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019
INT FRS 121	Levies	1 January 2017
INT FRS 122	Foreign Currency Transactions and Advance Consideration	1 January 2018

Improvements to FRSs (December 2016):

- Amendment to FRS 28	Investments in Associates and Joint Ventures	1 January 2017
- Amendment to FRS 101	First-time Adoption of Financial Reporting Standards	1 January 2017
- Amendment to FRS 112	Disclosure of Interests in Other Entities	1 January 2017

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(c) FRS not yet effective (cont'd)

Management does not anticipate that the adoption of the above FRS in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except for the following:

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

Under Amendments to FRS 7, an entity would need to reconcile cash flows arising from financing activities as reported in the statement of cash flows, excluding contributed equity, to the corresponding liabilities in the opening and closing statements of financial position. Additional disclosures are also required about information that is relevant to an understanding of the liquidity of an entity. This includes any restrictions over the decisions of an entity to use cash and cash equivalent balances, e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances. The Group is currently assessing the impact and plans to adopt the amendments on the required effective date.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

Under FRS 109, an investment in an equity instrument that does not have a quoted price in an active market for an identical instrument shall be measured at fair value at the date of initial application. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group applies FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(c) FRS not yet effective (cont'd)

Clarifications to FRS 115 Revenue Contracts with Customers

The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as FRS 115, i.e. on 1 January 2018.

FRS 116 Leases

FRS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases.

For a lessee, FRS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying FRS 7 *Statement of Cash Flows*.

For a lessor, FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

FRS 116 is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted for entities that apply FRS 115 at or before the date of initial application of FRS 116.

INT FRS 122 Foreign Currency Transactions and Advance Consideration

The interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. It is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

INT FRS 122 is effective for annual periods beginning on or after 1 January 2018.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interests even if that results in a deficit balance.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if and only if the Group has all of the following:

- (i) power over the investee;
- (ii) exposure, or rights or variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Medical and other equipment	2 to 5 years
Computers	2 to 5 years
Furniture, fittings and renovations	3 to 10 years
Office equipment	2 to 5 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Plant and equipment (cont'd)

For acquisitions and disposals during the financial year, depreciation is recognised in profit or loss from the month that the plant and equipment are installed and are available for use, and to the month of disposal, respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less accumulated amortisation and impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the indefinite useful life assessment continues to be supportable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Goodwill

Goodwill on acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses, if any.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Intangible assets (cont'd)

Development costs

Development costs which relates to the design and testing of new or improved materials, products or processes are recognised as an asset to the extent that it is expected that such assets will generate future economic benefits.

Development costs are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful life of ten years.

Costs that are directly attributable to the development phase are recognised as intangible asset provided that they meet the following recognition requirements:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) the intention to complete the intangible asset and use or sell it;
- (iii) the ability to use or sell the intangible asset;
- (iv) how the intangible asset will generate probable future economic benefits; among other things, demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Directly attributable costs include direct employee costs incurred on product development with an appropriate portion of relevant overheads. Amortisation commences upon the launch of the sales of the products or from the date the processes are put into use.

Subsidiaries

In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which they become an associate.

Under the equity method, the investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investments. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associates are eliminated to the extent of the interests in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Associates (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise additional impairment losses on the Group's investments in associates. The Group determines at the end of each reporting period whether there is any indication that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying amount, and recognises the amount in profit or loss.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the end of the reporting period with the exception that a financial asset shall not be reclassified into or out of the fair value through profit or loss category while it is held or issued.

All financial assets are recognised on their trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not hold any held-to-maturity investments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Loans and receivables (cont'd)

Loans and receivables include trade and other receivables and cash and cash equivalents. They are subsequently measured at amortised cost using the effective interest method, less allowance for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in profit or loss.

Available-for-sale financial asset

Available-for-sale financial asset includes non-derivative financial asset that does not qualify for inclusion in any of the other categories of financial assets. It is included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the profit or loss for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its oil commodity price exposures.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into, and is subsequently measured at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Attributable transaction costs are recognised in profit or loss as incurred.

The Group's derivative financial instruments do not qualify for hedge accounting. Subsequent to initial recognition, changes in the fair value of such derivative financial instruments are recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes all costs in bringing the inventories to their present location and condition. Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventories of oil products held for trading are stated at fair value less costs to sell and any changes in fair value less costs to sell are recognised in profit or loss in the period of change.

Inventories of oil products held for sale to customers and are subjected to value-added processing are measured at the lower of cost and net realisable value.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and fixed deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of fixed deposits pledged as collateral, cash restricted in use, and bank overdrafts which are repayable on demand and which form an integral part of cash management.

Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and:

- (i) represents a separate major line of business or geographical area of operations;
- (ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (iii) is a subsidiary acquired exclusively with a view to resale.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Treasury shares

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold, the cost of treasury shares is reversed from the treasury shares account, and the realised gain or loss on sale, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Warrant reserve

The fair value ascribed to warrants less issue expenses is credited as a reserve in equity under warrant reserve and the related balance is transferred to the share capital account as and when the warrants are exercised.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because of the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Financial liabilities

The Group's financial liabilities comprise borrowings and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as an expense in "finance cost" in profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial liabilities and financial assets are offset and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled more than 12 months after the end of the reporting period are included in current borrowings in the statement of financial position, if the loan facility agreements include an overriding repayment on demand clause, which gives the lender the right to demand repayment at any time, at its sole discretion and irrespective of whether a default event has occurred, or when the Group has defaulted or breached a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the borrowings become payable on demand, even if the lender agreed, after the reporting period and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. These borrowings are classified as current because, at the end of the reporting period, the Group does not have an unconditional right to defer its settlement for at least twelve months after that date.

However, those borrowings with breaches or defaults of loan agreement terms are classified as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the Group can rectify the breach and/or during which the lender cannot demand immediate repayment. Other borrowings due to be settled more than 12 months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Finance lease liabilities

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see policy on finance leases).

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Financial guarantee

The Company has issued corporate guarantee to a financial institutions for the borrowings of a subsidiary. The guarantees are financial guarantee contracts as they require the Company to reimburse the financial institutions if the subsidiary fails to make principal or interest payments when due in accordance with the terms of its borrowings.

Financial guarantee contracts, if assessed to be material, are initially recognised at their fair value plus transaction costs in the statement of financial position.

Financial guarantee contracts are subsequently amortised to profit or loss over the period of the subsidiary's borrowings, unless the Group has incurred an obligation to reimburse the financial institutions for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the financial institutions.

Leases

Where the Group and the Company are the lessees,

Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Plant and equipment".

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in profit or loss when incurred.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Income taxes (cont'd)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

Employee benefits

Pension obligations

The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. Pension contributions are provided at rates stipulated by the regulations and are contributed to pension funds managed by government agencies, which are responsible for administering these amounts for the subsidiaries' employees. The Company and its Singapore incorporated subsidiaries make contributions to the Central Provident Fund, a defined contribution pension scheme regulated and managed by the Government of Singapore.

A defined contribution national pension scheme is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to national pension schemes are charged to profit or loss in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Related parties

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.
- b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Related parties (cont'd)

- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management executives are considered key management personnel.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Impairment of non-financial assets (cont'd)

Any impairment loss is charged to profit or loss.

With the exception of goodwill,

- (i) An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- (ii) An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For local sale of goods, transfer usually occurs when the product is received at the customer's warehouse; however, for some international shipments, transfer occurs upon loading the goods onto the relevant carrier at the port.

The Group assesses its sales arrangements to determine if it is acting as a principal or an agent. The Group has concluded that it is acting as a principal in all of its sales arrangements.

Revenue from the physical sale of oil products is recognised when the oil is transferred upon loading at the named port of shipment or destination.

Revenue from the sale of healthcare products is recognised upon delivery of goods and acceptance by customers.

Revenue from the sale of IT products is recognised when the goods are delivered at customers' premises for local sales, or upon loading the goods onto the relevant carrier at the port of shipment or when the goods arrive at the port of destination for international shipments.

Revenue from the rendering of consultancy services is recognised which the services are rendered.

Revenue from the rendering of IT maintenance services is recognised on a straight-line basis over the period of the contract.

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Government grants

Government grants are recognised at its fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in United States dollar, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

Group entities

The results and financial positions of all the entities (none of which has the currency of a hyperinflationary economy) within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;
- (ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and
- (iii) All resulting currency translation differences are recognised as other comprehensive income in the consolidated statement of profit or loss and other comprehensive income, and accumulated in the currency translation reserve in the consolidated statement of changes in equity.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's executive directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 30 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the executive directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire plant and equipment.

Notes To The Financial Statements

For the financial year ended 30 June 2017

2(d) Summary of significant accounting policies (cont'd)

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise share awards granted to employees.

3 Plant and equipment

The Group	Medical and other equipment US\$	Computers US\$	Furniture, fittings and renovations US\$	Office equipment US\$	Total US\$
<u>Cost</u>					
At 1 July 2015	1,967	135,589	20,461	48,052	206,069
Additions	–	8,040	–	3,174	11,214
At 30 June 2016	1,967	143,629	20,461	51,226	217,283
Additions	–	7,085	–	–	7,085
Write-offs	(1,967)	–	–	–	(1,967)
Acquisition of subsidiaries	840,279	185,996	452,347	117,080	1,595,702
Exchange difference on translation	1,312	3,460	5,504	1,990	12,266
At 30 June 2017	841,591	340,170	478,312	170,296	1,830,369
<u>Accumulated depreciation</u>					
At 1 July 2015	1,967	103,397	15,186	24,852	145,402
Depreciation	–	15,575	1,449	5,838	22,862
At 30 June 2016	1,967	118,972	16,635	30,690	168,264
Depreciation	1,538	23,660	28,784	9,619	63,601
Write-offs	(1,967)	–	–	–	(1,967)
Acquisition of subsidiaries	551,970	157,327	366,097	92,319	1,167,713
Exchange difference on translation	1,268	3,271	5,242	1,833	11,614
At 30 June 2017	554,776	303,230	416,758	134,461	1,409,225
<u>Carrying amount</u>					
At 30 June 2017	286,815	36,940	61,554	35,835	421,144
At 30 June 2016	–	24,657	3,826	20,536	49,019

Notes To The Financial Statements

For the financial year ended 30 June 2017

3 Plant and equipment (cont'd)

The Company	Medical and other equipment US\$	Computers US\$	Furniture, fittings and renovations US\$	Office equipment US\$	Total US\$
<u>Cost</u>					
At 1 July 2015	1,967	94,386	14,543	33,139	144,035
Additions	-	6,474	-	3,174	9,648
At 30 June 2016	1,967	100,860	14,543	36,313	153,683
Additions	-	1,681	-	-	1,681
Write-offs	(1,967)	-	-	-	(1,967)
At 30 June 2017	-	102,541	14,543	36,313	153,397
<u>Accumulated depreciation</u>					
At 1 July 2015	1,967	94,225	14,332	22,632	133,156
Depreciation	-	1,409	211	2,857	4,477
At 30 June 2016	1,967	95,634	14,543	25,489	137,633
Depreciation	-	3,939	-	3,332	7,271
Write-offs	(1,967)	-	-	-	(1,967)
At 30 June 2017	-	99,573	14,543	28,821	142,937
<u>Carrying amount</u>					
At 30 June 2017	-	2,968	-	7,492	10,460
At 30 June 2016	-	5,226	-	10,824	16,050

At the end of the reporting period, the carrying amount of the Group's and the Company's plant and equipment held under finance leases comprised office equipment of US\$6,486 (2016: US\$4,563), respectively (Note 17).

4 Intangible assets

The Group	Goodwill US\$	Customer relationship US\$	Development costs US\$	Total US\$
<u>Cost</u>				
At 1 July 2015 and 30 June 2016	-	-	-	-
Acquisition of subsidiaries (Note 5)	3,323,831	11,930	1,543,862	4,879,623
At 30 June 2017	3,323,831	11,930	1,543,862	4,879,623
<u>Accumulated amortisation</u>				
At 1 July 2015 and 30 June 2016	-	-	-	-
Amortisation	-	11,930	77,193	89,123
At 30 June 2017	-	11,930	77,193	89,123
<u>Carrying amount</u>				
At 30 June 2017	3,323,831	-	1,466,669	4,790,500
At 30 June 2016	-	-	-	-

Notes To The Financial Statements

For the financial year ended 30 June 2017

4 Intangible assets (cont'd)

Impairment testing for a cash-generating unit containing goodwill

At the end of the reporting period, goodwill is attributable to the Group's cash-generating units ("CGUs") comprising (i) Healthsciences International Pte. Ltd. ("HSI"), (ii) Crescent Dental Clinic Pte. Ltd., Dentaltrendz JP Pte. Ltd., Trendz Dental Surgeons Pte. Ltd., L'ving Vine Dental Clinic Pte. Ltd., Dover Dental Surgery Pte. Ltd. and Dentaltrendz Pte. Ltd. (collectively, the "Trendz" companies), and (iii) Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd., Greedygums Pte. Ltd. and Wren Dental and Medical Supplies Pte. Ltd. (collectively, the "Orange" companies), as follows:

	2017 US\$	2016 US\$
The Group		
HSI	1,051,957	–
Trendz	1,752,028	–
Orange	519,846	–
	3,323,831	–

The acquisition of the Trendz companies and Orange companies was completed on 30 June 2017.

The acquisition of HSI was completed on 7 December 2016, and the CGU was tested for impairment as at 30 June 2017. The recoverable amount of the CGU was determined from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period. The cash flows for the subsequent years are extrapolated from the fifth year cash flow using 1.9% growth rate, and discounted using a pre-tax discount rate of 22.0%.

The discount rate reflects current market assessment of the time value of money and the risks specific to the CGU. The growth rate used was based on historical growth and past experience and did not exceed the long-term average growth rate for the business in which the CGU operates.

The recoverable amount has been determined to be higher than the carrying amount of the CGU, and thus no impairment is required.

There are no impairment losses to be recognised for the financial year ended 30 June 2017 arising from a nil% growth rate, or up to a 5 percentage point increase in discount rate.

5 Subsidiaries

	2017 US\$	2016 US\$
The Company		
<u>Unquoted equity investments, at cost</u>		
At beginning of year	44,001,132	23,637,176
Acquisition of a subsidiary	1,521,054	–
Disposal of a subsidiary	(573,641)	–
Incorporation of subsidiaries	50	1
Increase in capital of subsidiaries	2,619,139	19,363,955
Striking off of a subsidiary	(38)	–
Transfer of equity interest from a subsidiary	–	1,000,000
At end of year	47,567,696	44,001,132
<u>Allowance for impairment losses</u>		
At beginning of year	18,237,364	18,237,364
Allowance utilised	(573,641)	–
At end of year	17,663,723	18,237,364
Carrying amount	29,903,973	25,763,768

Notes To The Financial Statements

For the financial year ended 30 June 2017

5 Subsidiaries (cont'd)

For the financial year ended 30 June 2017

Acquisition of subsidiaries (HSI)

On 15 September 2016, the Company entered into a sale and purchase agreement with the existing shareholders of Healthsciences International Pte. Ltd. ("HSI") to acquire 510,000 ordinary shares in the capital of HSI, comprising 51% of the issued and paid-up share capital of HSI, for an aggregate cash consideration of S\$2,167,500 (US\$1,521,054). HSI owns the entire issued and paid-up share capital of each of Silk Systems Pte. Ltd. and Liangyue (Shanghai) Business Consulting Co., Ltd. The acquisition was completed on 7 December 2016.

The following summarises the consideration transferred, the recognised amounts of assets acquired and liabilities assumed at the acquisition date, the effect on cash flows of the Group, the non-controlling interests in the subsidiary, the acquisition-related costs, and the revenue and profit or loss contribution by the subsidiaries:

a) Fair value of identifiable assets acquired and liabilities assumed at acquisition date

	2017 US\$
The Group	
Plant and equipment	57,277
Development costs	1,543,862
Customer relationship	11,930
Inventories	24,831
Trade and other receivables	82,588
Prepayments	5,686
Cash and bank balances	116,533
Fixed deposits	113,322
Deferred tax liabilities	(268,898)
Borrowings	(534,856)
Trade and other payables	(232,478)
Total net identifiable assets	919,797
Non-controlling interests	(450,700)
Goodwill arising from acquisition	1,051,957
Total consideration transferred	1,521,054

b) Effect on cash flows of the Group

	2017 US\$
The Group	
Consideration transferred	1,521,054
Consideration payable	(529,365)
Cash paid	991,689
Less: Cash and bank balances and fixed deposits in subsidiaries acquired	(116,533)
Add: Bank overdrafts in subsidiaries acquired	272,253
Net cash outflow from the acquisition	1,147,409

c) Non-controlling interests

The Group has elected to measure the non-controlling interests at the non-controlling interests' proportionate share of the subsidiaries' net identifiable assets.

d) Acquisition-related costs

The Group incurred acquisition-related costs of US\$37,300 relating to external legal and valuation fees. These costs have been included in other operating expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

Notes To The Financial Statements

For the financial year ended 30 June 2017

5 Subsidiaries (cont'd)

For the financial year ended 30 June 2017 (cont'd)

Acquisition of subsidiaries (HSI) (cont'd)

e) Revenue and profit or loss contribution

The subsidiaries acquired during the financial year contributed revenue and net loss of US\$661,951 and US\$291,222 to the Group's revenue and loss for the year, respectively. If acquisition had occurred on 1 July 2016, the contribution to the Group would have been US\$1,134,773 and US\$499,238 in revenue and net loss, respectively.

Acquisition of subsidiaries (Trendz and Orange)

On 26 May 2017, the Company and its 51% owned subsidiary, HSI, entered into separate share sale and purchase agreements with Dr Keith Alan Liew and Dr Kee Keng Hsiung, to acquire an aggregate of 70% of the shares in each of Crescent Dental Clinic Pte. Ltd., Dentaltrendz JP Pte. Ltd., Trendz Dental Surgeons Pte. Ltd., L'ving Vine Dental Clinic Pte. Ltd., Dover Dental Surgery Pte. Ltd., and Dentaltrendz Pte. Ltd. (collectively, the "Trendz" companies). In addition, the Company and its 51% owned subsidiary, HSI, on 26 May 2017, entered into a share sale and purchase agreement with Dr VicPearly Wong to acquire 51% of the shares in each of Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd., Greedygums Pte. Ltd. and Wren Dental and Medical Supplies Pte. Ltd. (collectively, the "Orange" companies).

On 30 June 2017, the Group completed the acquisition via the wholly-owned subsidiary of HSI, HSI Nominees A Pte. Ltd. The aggregate consideration paid to the vendors is S\$3,626,613 (US\$2,619,139) in the Company's shares, based on 7,181,411 shares at the Company's closing bid share price of S\$0.505 on 29 June 2017. Shares in the Company and cash of S\$69,504 (US\$50,196) and S\$74,200 (US\$53,404), respectively, were also paid in consideration of the consultancy services provided by the consultants. Shares in HSI were in turn issued to the Company pursuant to the acquisition. Accordingly, the Company's shareholding in HSI was increased from 51% to 69.35%.

The following summarises the consideration transferred, the recognised amounts of assets acquired and liabilities assumed at the acquisition date, the effect on cash flows of the Group, the non-controlling interests in the subsidiaries, the acquisition-related costs, and the revenue and profit or loss contribution by the subsidiaries:

a) Fair value of identifiable assets acquired and liabilities assumed at acquisition date

	2017 US\$
The Group	
Plant and equipment	370,712
Inventories	30,086
Trade and other receivables	505,893
Prepayments	689
Cash and bank balances	177,495
Borrowings	(309,894)
Trade and other payables	(200,740)
Current tax payables	(40,526)
Total net identifiable assets	533,715
Non-controlling interests	(186,450)
Goodwill arising from acquisition	2,271,874
Total consideration transferred	2,619,139

Notes To The Financial Statements

For the financial year ended 30 June 2017

5 Subsidiaries (cont'd)

For the financial year ended 30 June 2017 (cont'd)

Acquisition of subsidiaries (Trendz and Orange) (cont'd)

b) Effect on cash flows of the Group

	2017 US\$
The Group	
Consideration transferred	2,619,139
Consideration satisfied by issuance of shares	<u>(2,619,139)</u>
Cash paid	-
Less: Cash and bank balances in subsidiaries acquired	(177,495)
Add: Bank overdrafts in subsidiaries acquired	4,786
Net cash inflow from the acquisition	<u><u>(172,709)</u></u>

c) Non-controlling interests

The Group has elected to measure the non-controlling interests at the non-controlling interests' proportionate share of the subsidiaries' net identifiable assets.

d) Acquisition-related costs

The Group incurred acquisition-related costs of US\$218,801 relating to external legal, consultancy and valuation fees. These costs have been included in other operating expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

e) Revenue and profit or loss contribution

If acquisition had occurred on 1 July 2016, the contribution to the Group would have been US\$3,551,705 and US\$312,389 in revenue and net profit, respectively.

Incorporation of subsidiaries

On 10 August 2016, the Company incorporated a 51% owned subsidiary, Rubeus Silk Pte. Ltd. ("RSPL"), comprising 51 ordinary shares of S\$1 each, amounting to S\$51 (US\$38).

In March 2017, the Company incorporated a wholly-owned subsidiary, New Silkroutes Group (HK) Limited, comprising 100 ordinary shares of HK\$1 each, amounting to HK\$100 (US\$12).

Striking off of a subsidiary

On 30 June 2017, the striking off of RSPL was approved. Accordingly, the investment of US\$38 was written off.

Disposal of a subsidiary

On 30 June 2017, the Company transferred its entire shareholding in Digiland Pte. Ltd. to a third party, Globalports Pte. Ltd., for a consideration of S\$1. Accordingly, the allowance for impairment of US\$573,641 was utilised against the cost of investment in DPL of US\$573,641.

Notes To The Financial Statements

For the financial year ended 30 June 2017

5 Subsidiaries (cont'd)

For the financial year ended 30 June 2016

Incorporation of a subsidiary

On 1 October 2015, the Company incorporated a wholly-owned subsidiary, New Silkroutes Capital Pte. Ltd. ("NSCPL"), in Singapore. NSCPL has an initial issued and paid-up capital of S\$1 comprising one ordinary share, and is principally engaged in investment activities.

Increase in capital of subsidiaries

In October 2015 and March 2016, the Company increased its investment in International Energy Group Pte. Ltd. ("IEGPL") by contributing additional capital of S\$2,619,000 (US\$1,837,508) and S\$24,686,000 (US\$17,526,447), comprising 2,619,000 and 24,686,000 ordinary shares of S\$1 each, respectively.

In July 2015, IEGPL increased its investment in New Silkroutes Group (Europe) Limited ("NSGEL") by contributing additional capital of US\$998,000, comprising 998,000 ordinary shares of US\$1 each. Consequently, the issued share capital of NSGEL was US\$1,000,000. In November 2015, the Group undertook a corporate restructuring exercise pursuant to which the entire equity interest in NSGEL held by IEGPL amounting to US\$1,000,000 was transferred to the Company.

In November 2015, the issued share capital of IEG Malta Limited ("IEG Malta") was increased from US\$2,000 to US\$1,000,000, with each of NSGEL and Malta's Ministry of Energy and Health contributing proportional amounts of capital to maintain their respective percentage shareholdings in IEG Malta.

Subscription of shares in newly incorporated subsidiaries

On 3 February 2016, the Company's wholly-owned subsidiary, NSCPL, acquired the entire equity interest, comprising one share of US\$1, in Grand Wood Group Limited, a company incorporated in the British Virgin Islands.

On 3 February 2016, Grand Wood Group Limited entered into a subscription agreement with CG Capital Partners, LLC and New Silkroutes Capital, LLC ("NSCLLC") to subscribe for 700 Class A Units representing 70% membership interest in NSCLLC, a Delaware limited liability company.

On 19 February 2016, the Company's wholly-owned subsidiary, Top Post Enterprises Limited entered into a subscription agreement with Baling (China) Investment Limited ("BCI"), a company incorporated in Hong Kong, to subscribe for new ordinary shares in BCI that shall represent approximately 99.97% of the enlarged share capital of BCI. BCI is principally engaged in international trading of natural resources, including iron ore, coal, coke and precious metal.

Impairment losses

At the end of the reporting period, the indications of impairment for the Company's investments in certain subsidiaries which have been incurring persistent losses and operating cash outflows continue to exist. Accordingly, the impairment losses are not reversed.

Summarised financial information of subsidiaries with material non-controlling interests

Summarised financial information in respect of the subsidiaries, mainly IEG Malta, NSCLLC, HSI, Trendz companies and Orange companies, which have material non-controlling interests, is set out below. The summarised financial information below represents amounts before inter-company eliminations, and for profit or loss, the amounts included in the Group's results after acquisition.

Notes To The Financial Statements

For the financial year ended 30 June 2017

5 Subsidiaries (cont'd)

Summarised financial information of subsidiaries with material non-controlling interests (cont'd)

Summarised statement of financial position

	IEG Malta US\$	NSCLLC US\$	HSI US\$	Trendz US\$	Orange US\$	Total US\$
2017						
Current assets	1,002,931	3,100	377,222	441,781	522,719	2,347,753
Non-current assets	-	-	1,545,232	136,351	234,361	1,915,944
Current liabilities	(15,269)	(15,000)	(1,159,195)	(183,025)	(618,472)	(1,990,961)
Non-current liabilities	-	-	(251,280)	-	-	(251,280)
Equity attributable to owners of the Company	888,896	141,670	261,109	276,575	70,690	1,638,940
Non-controlling interests	98,766	(153,570)	250,870	118,532	67,918	382,516
2016						
Current assets	1,007,690	38,297	-	-	-	1,045,987
Current liabilities	(6,477)	(50,000)	-	-	-	(56,477)
Equity attributable to owners of the Company	901,092	141,808	-	-	-	1,042,900
Non-controlling interests	100,121	(153,511)	-	-	-	(53,390)

Summarised statement of profit or loss and other comprehensive income

	IEG Malta US\$	NSCLLC US\$	HSI US\$	Total US\$
2017				
Revenue	-	-	661,951	661,951
Expenses	(13,552)	(197)	(1,053,393)	(1,067,142)
Loss for the year	(13,552)	(197)	(391,442)	(405,191)
Foreign currency translation loss	-	-	(16,375)	(16,375)
Total comprehensive loss for the year	(13,552)	(197)	(407,817)	(421,566)
Attributable to:				
- owners of the Company	(12,197)	(138)	(207,987)	(220,322)
- non-controlling interests	(1,355)	(59)	(199,830)	(201,244)
	(13,552)	(197)	(407,817)	(421,566)
2016				
Revenue	2,065,787	-	-	2,065,787
Expenses	(2,064,573)	(511,073)	-	(2,575,646)
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year	1,214	(511,073)	-	(509,859)
Attributable to:				
- owners of the Company	1,093	(358,192)	-	(357,099)
- non-controlling interests	121	(153,511)	-	(153,390)
	1,214	(511,703)	-	(510,489)

Notes To The Financial Statements

For the financial year ended 30 June 2017

5 Subsidiaries (cont'd)

Summarised financial information of subsidiaries with material non-controlling interests (cont'd)

Other summarised financial information

	IEG Malta US\$	NSCLLC US\$	HSI US\$	Total US\$
2017				
Net cash outflow from operating activities	(4,759)	(35,197)	(346,731)	(386,687)
Net cash inflow from financing activities	-	-	207,840	207,840
Net cash outflow for the year	(4,759)	(35,197)	(138,891)	(178,847)
2016				
Net cash outflow from operating activities	(788,344)	(461,703)	-	(1,250,047)
Net cash inflow from financing activities	998,000	500,000	-	1,498,000
Net cash inflow for the year	209,656	38,297	-	247,953

Details of the subsidiaries are as follows:

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held	
			2017 %	2016 %
<u>Held by the Company</u>				
International Energy Group Pte. Ltd. ⁽¹⁾	Trading of petrochemical products and investment holding	Singapore	100	100
New Silkroutes Group (Europe) Limited ⁽²⁾	Investment holding	Malta	100	100
Healthsciences International Pte. Ltd. ⁽¹⁾	Distributors of health supplements and Chinese proprietary medicine, providers of clinical management services, and healthsciences consultants	Singapore	69.35	-
New Silkroutes Capital Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
New Silkroutes Capital Sdn. Bhd. ⁽²⁾	Investment holding	Malaysia	100	100
New Silkroutes Group (HK) Limited ⁽³⁾	Dormant	Hong Kong	100	-
Digiland Pty Ltd ⁽³⁾	Dormant	Australia	100	100
DG Shanghai International Trading Co., Ltd ⁽³⁾	Dormant	People's Republic of China	100	100
Digiland (Hong Kong) Limited ⁽³⁾	Dormant	Hong Kong	99.9	99.9
Top Post Enterprises Limited ⁽²⁾	Investment holding (inactive)	British Virgin Islands	100	100
Digiland Pte. Ltd. ⁽²⁾	Investment holding	Singapore	-	100

Notes To The Financial Statements

For the financial year ended 30 June 2017

5 Subsidiaries (cont'd)

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held	
			2017 %	2016 %
<u>Held by New Silkroutes Capital Sdn. Bhd.</u>				
Infonet Systems and Services (M) Sdn Bhd ⁽³⁾	Liquidated	Malaysia	-	100
<u>Held by Digiland Pte. Ltd.</u>				
Ibase Technology International Pte. Ltd. ⁽²⁾	Developing and marketing enterprise solutions to support e-Government initiatives (inactive)	Singapore	-	65
<u>Held by New Silkroutes Group (Europe) Limited</u>				
IEG Malta Limited ⁽²⁾	Wholesale and retail trading of crude oil, intermediate fuel oil and other distillates	Malta	90	90
<u>Held by Top Post Enterprises Limited</u>				
Baling (China) Investment Limited ⁽²⁾	International trading of natural resources, including iron ore, coal, coke and precious metal (inactive)	Hong Kong	99.97	99.97
<u>Held by New Silkroutes Capital Pte. Ltd.</u>				
Grand Wood Group Limited ⁽³⁾	Investment holding (dormant)	British Virgin Islands	100	100
<u>Held by Grand Wood Group Limited</u>				
New Silkroutes Capital, LLC ⁽²⁾	Asset management services (inactive)	United States of America	70	70
<u>Held by Healthsciences International Pte. Ltd.</u>				
Silk Systems Pte. Ltd. ⁽³⁾	Computer systems integration and management consultancy services for healthcare organisations (dormant)	Singapore	100	-
Liangyue (Shanghai) Business Consulting Co., Ltd. ⁽²⁾	Business, management and investment consultancy	People's Republic of China	100	-
HSI Nominees A Pte. Ltd. ⁽³⁾	Investment holding (dormant)	Singapore	100	-

Notes To The Financial Statements

For the financial year ended 30 June 2017

5 Subsidiaries (cont'd)

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held	
			2017 %	2016 %
<u>Held by HSI Nominees A Pte. Ltd.</u>				
Crescent Dental Clinic Pte. Ltd. ⁽¹⁾	Dental services	Singapore	70	–
Dentaltrendz JP Pte. Ltd. ⁽¹⁾	Dental services	Singapore	70	–
Trendz Dental Surgeons Pte. Ltd. ⁽¹⁾	Dental services	Singapore	70	–
L'ving Vine Dental Clinic Pte. Ltd. ⁽¹⁾	Dental services	Singapore	70	–
Dover Dental Surgery Pte. Ltd. ⁽¹⁾	Dental services	Singapore	70	–
Dentaltrendz Pte. Ltd. ⁽¹⁾	Management services	Singapore	70	–
Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd. ⁽¹⁾	Dental services	Singapore	51	–
Greedygums Pte. Ltd. ⁽¹⁾	Medical and dental supplies	Singapore	51	–
Wren Dental and Medical Supplies Pte. Ltd. ⁽¹⁾	Medical and dental supplies	Singapore	51	–

⁽¹⁾ Audited by Foo Kon Tan LLP, principal member firm of HLB International

⁽²⁾ Audited by Foo Kon Tan LLP for the purpose of the consolidated financial statements

⁽³⁾ Not required to be audited

6 Associates

	2017 US\$	2016 US\$
The Group		
Unquoted equity investments, at cost	858,933	7
Share of post-acquisition results	(457,098)	–
Carrying amount	401,835	7

New Silkroutes Asset Management Pte. Ltd. was incorporated pursuant to a shareholders' agreement entered into on 7 October 2016, with the Company's wholly-owned subsidiary, New Silkroutes Capital Pte. Ltd. ("NSCPL"), subscribing for 30% of the shares for S\$1,150,001 (US\$809,064).

SilkrouteAsia Asset Management Pte. Ltd. was incorporated on 28 February 2017, with the Company's wholly-owned subsidiary, NSCPL, subscribing for 35% of the shares for S\$70,000 (US\$49,862).

On 17 May 2016, the Company's wholly-owned subsidiary, New Silkroutes Capital Sdn. Bhd., subscribed for 30 new ordinary shares representing 30% of the issued and paid-up capital of Smartnation Sdn. Bhd. ("Smartnation"), at a consideration of RM 30 (US\$7). Smartnation is principally engaged in the provision of information technology services.

Notes To The Financial Statements

For the financial year ended 30 June 2017

6 Associates (cont'd)

Details of the associates are as follows:

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held	
			2017 %	2016 %
<u>Held by New Silkroutes Capital Pte. Ltd.</u>				
New Silkroutes Asset Management Pte. Ltd. ⁽¹⁾	Asset and portfolio management (inactive)	Singapore	30	–
SilkrouteAsia Asset Management Pte. Ltd. ⁽²⁾	Investment advisory and asset management (dormant)	Singapore	35	–
<u>Held by New Silkroutes Capital Sdn. Bhd.</u>				
Smartnation Sdn. Bhd. ⁽²⁾	Provision of information technology services (dormant)	Malaysia	30	30

⁽¹⁾ Audited by Foo Kon Tan LLP, principal member firm of HLB International

⁽²⁾ Not required to be audited

The financial information of New Silkroutes Asset Management Pte. Ltd. is summarised below. There have been no dividends received from the associate.

Statement of financial position

	2017 US\$
Current assets	326,656
Non-current assets	169,223
Current liabilities	(212,273)
Non-current liabilities	(27,132)
Net assets	<u>256,474</u>

Statement of profit or loss and other comprehensive income

	2017 US\$
Revenue	–
Expenses	(1,523,636)
Taxation	–
Loss for the year, representing total comprehensive loss for the year	<u>(1,523,636)</u>
The Group's share of associate's loss for the year	<u>(457,091)</u>

Notes To The Financial Statements

For the financial year ended 30 June 2017

6 Associates (cont'd)

Reconciliation of summarised financial information to the carrying amount of interest in associate

	2017 US\$
The Group's interest in net assets of associate at beginning of year	-
The Group's contribution during the year	809,064
The Group's share of the associate's loss for the year	(457,091)
Carrying amount of the Group's associate at end of year	351,973

7 Available-for-sale investment

	2017 US\$	2016 US\$
The Group		
Unquoted equity securities, at fair value	14,090,000	36,242

On 22 July 2015, Digiland Pte. Ltd., a then wholly-owned subsidiary of the Company, subscribed for 11,111 new ordinary shares representing 10% of the enlarged issued and paid-up capital of MB9 Pte Ltd, a company involved in analytics and applications, for a consideration of S\$50,000 (US\$36,242). On 30 August 2016, MB9 Pte Ltd effected a share buy-back of the 11,111 ordinary shares held by Digiland Pte. Ltd. for S\$50,000. Consequently, the Group's available-for-sale investment was disposed of.

Pursuant to the supplemental agreement dated 17 February 2017, the Group acquired 2.82% of the equity interest in Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC") for a purchase consideration of US\$14,090,000 (based on a valuation of approximately US\$500 million), which had been satisfied by the payment of the refundable deposits amounting to US\$13,757,384, and by part of the accrued interest of US\$4,002,612 (Note 9).

On 27 September 2017, the major shareholder of Thai GNCC, Tianjin General Nice Coke & Chemicals Co., Ltd, entered into a share transfer agreement, pursuant to which 2,500,000 shares, representing a 5% equity interest in Thai GNCC, were transferred to a third party, Techno Elite International Holdings Limited, for a consideration of US\$25,000,000 (based on a valuation of US\$500 million).

8 Inventories

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
IT products, at cost	23,392	23,392	23,392	23,392
Less: Allowance for inventories obsolescence	(23,392)	(23,392)	(23,392)	(23,392)
	-	-	-	-
Medical products and supplies	60,028	-	-	-
Trading stocks of oil products	5,207,094	1,319,611	-	-
	5,267,122	1,319,611	-	-

The cost of inventories recognised as expense and included in purchases of finished goods and changes in inventories of finished goods amounted to US\$429,291,880 (2016: US\$77,170,673).

Notes To The Financial Statements

For the financial year ended 30 June 2017

9 Trade and other receivables

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Trade receivables				
- third parties	15,116,471	10,515,979	206,509	473,796
- a related party	10,037	10,073	10,037	10,073
- subsidiaries	-	-	4,027,170	4,031,897
	15,126,508	10,526,052	4,243,716	4,515,766
Less: Allowance for impairment losses				
- third parties	(197,159)	(197,159)	(197,159)	(197,159)
- subsidiaries	-	-	(4,027,170)	(4,030,582)
	(197,159)	(197,159)	(4,224,329)	(4,227,741)
Trade receivables, net	14,929,349	10,328,893	19,387	288,025
Amount due from a related party (non-trade)	2,616,801	2,614,119	-	-
Amounts due from subsidiaries (non-trade)	-	-	8,822,728	7,107,614
Loans to subsidiaries	-	-	2,231,342	2,233,453
Refundable deposits and accrued interest	3,669,996	17,193,516	-	-
Other deposits	492,802	436,785	294,456	289,799
Consideration receivables	3,490,191	3,475,747	3,490,191	3,475,747
Other receivables	1,611,268	1,390,091	-	674
	11,881,058	25,110,258	14,838,717	13,107,287
Less: Allowance for impairment losses				
- third parties	(293,016)	(293,016)	(260,040)	(260,040)
- subsidiaries	-	-	(3,397,867)	(3,360,868)
	(293,016)	(293,016)	(3,657,907)	(3,620,908)
Other receivables and deposits, net	11,588,042	24,817,242	11,180,810	9,486,379
Trade and other receivables	26,517,391	35,146,135	11,200,197	9,774,404

The related party is Goodwood Associates Pte. Ltd., which is wholly-owned by a director of the Company. The trade receivable amount, which relates to a fee due from the related party by the Company as a procurement agent of fuel oil, is on 29 days' credit term, and is unsecured and interest-free. The non-trade amount due from the related party relates to payments on behalf of the related party in respect of purchases of fuel oil, and is unsecured, interest-free and repayable on demand.

Trade and other receivables that have been determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties or have defaulted on payments.

The Group and the Company generally extend 29 to 60 days' credit to customers, depending on the length of business relationship, payment history, background and financial strength of the customers. The Group and the Company actively review the trade receivable balances and follow up on outstanding debts with the customers.

Notes To The Financial Statements

For the financial year ended 30 June 2017

9 Trade and other receivables (cont'd)

The credit risk for trade receivables based on the information provided to key management is as follows:

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
<u>By geographical areas</u>				
Singapore	3,878,164	4,680,233	19,387	40,168
Cambodia	2,232,527	-	-	-
South Korea	3,933,864	5,400,803	-	-
United Kingdom	4,884,794	-	-	-
Vietnam	-	247,857	-	247,857
	14,929,349	10,328,893	19,387	288,025

The ageing analysis of trade receivables is as follows:

	2017		2016	
	Gross US\$	Impairment US\$	Gross US\$	Impairment US\$
The Group				
Not past due	2,126,909	-	7,904,449	-
Past due 1 to 30 days	11,571,221	-	36,224	-
Past due 31 to 60 days	294,256	-	2,377,646	-
Past due 61 to 90 days	145,307	-	253	-
Past due 91 to 120 days	73,036	-	-	-
Past due 121 to 365 days	708,581	-	10,073	-
Past due more than 365 days	207,198	(197,159)	197,407	(197,159)
	15,126,508	(197,159)	10,526,052	(197,159)
The Company				
Not past due	9,350	-	260,062	-
Past due 1 to 30 days	-	-	16,327	-
Past due more than 365 days	4,234,366	(4,224,329)	4,239,377	(4,227,741)
	4,243,716	(4,224,329)	4,515,766	(4,227,741)

The impairment losses mainly relate to customers which have indicated that they are not expecting to be able to pay the outstanding balances mainly due to financial difficulties, or trade receivables which are under disputes with customers.

The Group and the Company believe that the unimpaired amounts which are past due within one year are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk. For those unimpaired amounts which are past due more than one year, the Group and the Company believe that no further impairment allowance is necessary as they mainly arise from customers that have a good credit record with the Group and the Company.

There are no other receivables and deposits which are past due but not impaired.

Consideration receivables comprise the outstanding amounts of US\$3,475,747 arising from the disposal of the Company's wholly-owned subsidiaries, Digiland (Thailand) Ltd. and Infonet Systems and Services Pte Ltd on 30 June 2016, and US\$14,444 for the disposals of Digiland Pte. Ltd. and IBase Technology International Pte. Ltd. on 30 June 2017.

The non-trade amounts due from subsidiaries, which represent advances to and payments on behalf of the subsidiaries, are unsecured, interest-free and repayable on demand.

Notes To The Financial Statements

For the financial year ended 30 June 2017

9 Trade and other receivables (cont'd)

The movement in allowance for impairment losses in respect of amounts due from subsidiaries is as follows:

	2017 US\$	2016 US\$
The Company		
At beginning of year	7,391,450	6,481,771
Allowance made	81,307	921,956
Allowance utilised	(42,276)	–
Exchange difference on translation	(5,444)	(12,277)
At end of year	<u>7,425,037</u>	<u>7,391,450</u>

The allowance for impairment losses relates to amounts due from subsidiaries which have been incurring persistent losses and operating cash outflows. Accordingly, an additional allowance of US\$81,307 (2016: US\$921,956) was made by the Company during the financial year to impair the amounts due from these subsidiaries as at 30 June 2017. In addition, due to the disposal of a subsidiary, the allowance for impairment of US\$42,276 previously made was utilised during the financial year.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
United States dollar	25,669,514	33,221,775	8,347,540	7,677,406
Singapore dollar	847,877	1,924,360	2,852,657	2,096,998
	<u>26,517,391</u>	<u>35,146,135</u>	<u>11,200,197</u>	<u>9,774,404</u>

Refundable deposits and accrued interest

On 13 May 2011, the Company entered into a Sale and Purchase Agreement (“SPA”) with Tianjin General Nice Coke & Chemicals Co., Ltd (“TGNCC”) to acquire a 15% equity interest held by TGNCC in Thai General Nice Coal and Coke Co., Ltd (“Thai GNCC”), whose main asset is a coke plant project in Thailand. In addition to the SPA, TGNCC granted the Company an option to purchase up to an additional 15% equity interest in Thai GNCC. A refundable deposit of S\$5,000,000 was paid to TGNCC. Pursuant to the terms of the SPA, the refundable deposit (including interest thereon at 4% per annum effective from 13 May 2011 to the date of termination) shall be refunded to the Company in the event of the termination of the acquisition. Based on the SPA dated 13 May 2011, the completion date (“Long Stop Date”) of the proposed acquisition of the 15% equity interest in Thai GNCC was 30 June 2012. On 30 June 2012, a supplementary letter was signed by both parties to extend the Long Stop Date of the agreement to 31 March 2013. On 18 June 2013, a new supplementary letter was signed by both parties to extend the Long Stop Date of the agreement to 14 December 2014.

On 18 June 2013, an additional deposit of S\$12,000,000 was paid to TGNCC pursuant to the terms of the SPA and an addendum to the SPA was signed. The additional deposit (including interest therein at 10% per annum effective from 18 June 2013) shall be refunded to the Company in the event of the termination or completion of the acquisition from that date onwards. Further, through the same addendum, the initial deposit paid on 13 May 2011 including the interest of 4% per annum thereon shall be refunded to the Company in the event of the termination or completion of the acquisition with effect from 18 June 2013.

On 22 January 2014, both parties agreed to denominate the refundable deposits including the accrued interest in United States dollar at the closing exchange rate on 25 October 2013 in Bloomberg. Hence, the balance refundable deposits of S\$17,000,000 was re-denominated as US\$13,757,384.

On 16 December 2014, the Company announced that the long stop date of the SPA had been extended to 31 December 2015, to provide time for Thai GNCC to obtain the relevant approvals to operate the coking plant in greater entirety.

Notes To The Financial Statements

For the financial year ended 30 June 2017

9 Trade and other receivables (cont'd)

Refundable deposits and accrued interest (cont'd)

On 25 August 2015, the Company entered into a supplemental agreement with TGNCC to the SPA, pursuant to which, instead of acquiring a 15% equity interest, the Company shall acquire a 6% equity interest, comprising 3,000,000 shares in Thai GNCC. Accordingly, based on the valuation report that has been obtained, the purchase consideration for the proposed acquisition shall be US\$30,000,000. In addition, the number of option shares that may be further acquired by the Company shall be amended from 15% to 14% of the issued and paid-up capital, comprising 7,000,000 shares in Thai GNCC. The option period has also been extended to 36 months from the completion of the SPA, and the price for the option shares shall be an amount equivalent to 14% of the fair market value of Thai GNCC based on a valuation report to be obtained from an independent valuer during the three months' period before the exercise of the option. Accordingly, the Company also entered into a supplemental agreement in relation to the option agreement dated 13 May 2011 that the Company entered into with TGNCC pursuant to the SPA.

On 30 December 2015 and 14 July 2016, the Company announced that it had entered into addendums to the SPA, pursuant to which the long stop date of the SPA was further extended to 30 June 2016 and 31 December 2016, respectively.

The Company entered into a supplemental agreement dated 17 February 2017 to the SPA, pursuant to which key amendments include the following:

- (i) instead of acquiring a 6% stake in Thai GNCC, the Company shall acquire a 2.82% stake, comprising 1,410,000 shares in Thai GNCC;
- (ii) accordingly, the purchase consideration shall be US\$14,090,000, which has been fully satisfied by the payment of the refundable deposits amounting to US\$13,757,384 by the Company to TGNCC in 2011 and 2013, and by part of the interest of US\$4,002,612 due from TGNCC having accrued from 18 June 2013 to 31 December 2016; and
- (iii) no further interest shall be payable in respect of the refundable deposits with effect from 1 January 2017.

Accordingly, there is a remaining outstanding amount of US\$3,669,996 due from TGNCC as at 30 June 2017.

10 Prepayments

Prepayments comprised US\$500,494 and US\$4,400,000 made by the subsidiaries, Top Post Enterprises Limited and Baling (China) Investment Limited, respectively, for the purchase of iron ore fines, and US\$527,000 made by the subsidiary, International Energy Group Pte. Ltd., for the chartering of vessels.

11 Derivative financial instruments

The Group	2017 US\$	2016 US\$
Derivative financial assets at fair value through profit or loss (held for trading):		
- oil commodity futures	136,425	285,313

Notes To The Financial Statements

For the financial year ended 30 June 2017

12 Cash and bank balances and fixed deposits

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Cash on hand	16,294	3,082	8,864	281
Cash at banks	30,736,866	3,560,228	242,521	803,541
	30,753,160	3,563,310	251,385	803,822
Fixed deposits	116,731	–	–	–
	30,869,891	3,563,310	251,385	803,822

As at 30 June 2017, the fixed deposits of US\$116,731 for the Group were pledged to a bank to secure bank loans and bank overdrafts (Note 17).

The fixed deposits had a weighted average maturity of 6 months from the end of the reporting period with a weighted average effective interest rate of 0.15% per annum at the end of the reporting period.

Cash and bank balances and fixed deposits are denominated in the following currencies:

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
United States dollar	30,171,229	2,963,417	22,400	430,705
Malaysian ringgit	10,938	6,743	284	–
Singapore dollar	593,139	570,290	222,224	373,117
Others	94,585	22,860	6,477	–
	30,869,891	3,563,310	251,385	803,822

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	2017 US\$	2016 US\$
Cash and bank balances and fixed deposits	30,869,891	3,563,310
Less: Bank overdrafts (Note 17)	(378,895)	–
Less: Cash restricted in use	(23,793,508)	–
Less: Fixed deposits pledged	(116,731)	–
	6,580,757	3,563,310

Cash restricted in use relates to funds held in designated bank accounts which are earmarked and can be used only for the purposes of letters of credit.

13 Share capital

The Group and the Company	2017 Number of ordinary shares	2016 Number of ordinary shares	2017 US\$	2016 US\$
<u>Issued and fully paid with no par value</u>				
At beginning of year	126,011,927	50,345,118,640	63,957,747	61,438,332
Share consolidation	–	(50,244,429,098)	–	–
Issue of shares				
- Rights issue	–	25,172,385	–	2,479,585
- Placement	3,000,000	–	2,042,105	–
- Acquisition of subsidiaries	7,181,411	–	2,619,139	–
- Consultancy fees	137,632	–	50,196	–
- Exercise of warrants	9,713,317	150,000	2,509,712	39,830
At end of year	146,044,287	126,011,927	71,178,899	63,957,747

Notes To The Financial Statements

For the financial year ended 30 June 2017

13 Share capital (cont'd)

During the financial year ended 30 June 2016, the Company undertook a share consolidation exercise, pursuant to which every 500 existing ordinary shares in the capital of the Company were consolidated into one ordinary share, so as to comply with the Minimum Trading Price requirement as implemented by the SGX-ST as an additional continuing listing requirement. The share consolidation exercise was completed on 21 December 2015.

During the financial year ended 30 June 2016, the Company undertook a renounceable non-underwritten rights cum warrant issue of 25,172,385 new ordinary shares in the issued and paid-up capital of the Company at an issue price of S\$0.20 per share, with 25,172,385 free detachable warrants, each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.30 per share, on the basis of one rights share with one free detachable warrant for every four existing ordinary shares in the issued share capital of the Company, held by shareholders of the Company.

25,172,385 rights shares and 25,172,385 warrants were allotted and issued on 1 April 2016 and 31 March 2016, respectively, for a consideration of S\$5,034,477 (US\$3,574,354), of which US\$2,479,585 was credited to share capital.

During the financial year ended 30 June 2016, 150,000 warrants were exercised and converted into ordinary shares in the capital of the Company, for a consideration of S\$45,000 (US\$33,306). Accordingly, the total amount of US\$39,830 (including the related balance of US\$6,524 in warrants reserve) was transferred to share capital.

On 23 December 2016, the Company completed the placement and issue of 3,000,000 new ordinary shares in the issued and paid-up capital of the Company at an issue price of S\$0.97 per share for S\$2,910,000 (US\$2,042,105).

On 30 June 2017, the Group completed the acquisition of the Trendz companies and Orange companies for an aggregate consideration of S\$3,626,613 (US\$2,619,139), through the issue of 7,181,411 shares based on the Company's closing bid share price of S\$0.505 on 29 June 2017 (Note 5). 137,632 shares amounting to S\$69,504 (US\$50,196) were also issued in consideration of the consultancy services provided by the consultants.

During the financial year ended 30 June 2017, 9,713,317 warrants were exercised and converted into ordinary shares in the capital of the Company, for a consideration of S\$2,913,995 (US\$2,087,274). Accordingly, the total amount of US\$2,509,712 (including the related balance of US\$422,438 in warrants reserve) was transferred to share capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

14 Treasury shares

	2017	2016	2017	2016
	Number of ordinary shares		US\$	US\$
The Group and the Company				
<u>Issued and fully paid with no par value</u>				
At beginning of year	1,441,700	–	321,751	–
Acquired during the year	1,171,500	1,441,700	577,239	321,751
Sale during the year	(1,132,100)	–	(389,464)	–
At end of year	1,481,100	1,441,700	509,526	321,751

Notes To The Financial Statements

For the financial year ended 30 June 2017

14 Treasury shares (cont'd)

The Company acquired 1,171,500 (2016: 1,441,700) of its own shares through purchase on the SGX-ST during the financial year. The total amount paid to acquire the shares was S\$790,514 (US\$577,239) (2016: S\$440,593 (US\$321,751)) and has been deducted from shareholders' equity. The shares are held as "treasury shares".

During the financial year, the Company sold 1,132,100 of its own shares for an aggregate amount of S\$634,118 (US\$457,960). The cost of the treasury shares is reversed from the treasury shares account, and the realised gain on sale of US\$68,496 is recognised in the capital reserve of the Company.

15 Other reserves

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Foreign currency translation reserve	473,029	460,183	–	–
Warrant reserve	665,807	1,088,245	665,807	1,088,245
Capital reserve	68,496	–	68,496	–
	1,207,332	1,548,428	734,303	1,088,245

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the presentation currency.

Warrant reserve

Warrant reserve relates to the portion of proceeds from the rights shares issue ascribed to the attached warrants. As and when the warrants are exercised, the related balance in the warrant reserve is transferred to the share capital account. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.30. The warrants will expire on 29 March 2019. At the expiry of the warrants, the balance in the warrant reserve will be transferred to retained earnings.

Capital reserve

This represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on winding-up) may be made in respect of this reserve.

16 Deferred tax liabilities

	2017 US\$	2016 US\$
The Group		
At beginning of year	–	–
Acquisition of subsidiaries (Note 5)	268,898	–
Recognised in profit or loss (Note 24)	143,780	–
At end of year	412,678	–

Notes To The Financial Statements

For the financial year ended 30 June 2017

16 Deferred tax liabilities (cont'd)

Deferred tax liabilities are attributable to the following:

The Group	Fair value adjustments on acquisition of subsidiaries US\$	Unremitted interest income US\$	Total US\$
At 1 July 2015 and 30 June 2016	–	–	–
Acquisition of subsidiaries (Note 5)	268,898	–	268,898
Recognised in profit or loss (Note 24)	(20,527)	164,307	143,780
At 30 June 2017	248,371	164,307	412,678

At the end of the reporting period, the Group and the Company have deferred tax assets/(liabilities) that are not recognised in the statements of financial position, as follows:

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Unused tax losses	52,481,000	54,331,000	34,903,000	34,903,000
Unutilised capital allowances	124,000	124,000	–	–
Unremitted interest income	(2,939,000)	(3,506,000)	(2,939,000)	(2,939,000)
	49,666,000	50,949,000	31,964,000	31,964,000
Deferred tax assets not recognised	9,352,000	9,556,000	5,434,000	5,434,000

The unused tax losses and unutilised capital allowances are allowed to be carried forward and used to offset against the future taxable profits of the Company and its subsidiaries in which the items arose, subject to agreement by the relevant tax authorities and compliance with the applicable tax regulations of the respective countries in which the Company and its subsidiaries operate. The unused tax losses and unutilised capital allowances have no expiry date. Deferred tax assets have not been recognised in respect of these items due to the uncertainty as to whether future taxable profits will be available against which the Company and its subsidiaries can utilise the benefits.

There are no temporary differences arising from undistributed profits of subsidiaries, as the subsidiaries mainly have accumulated losses.

17 Borrowings

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Non-current				
Obligations under finance leases	4,448	3,350	1,539	3,350
Loans from financial institutions	196,716	–	–	–
	201,164	3,350	1,539	3,350
Current				
Obligations under finance leases	2,707	1,859	1,967	1,859
Loans from financial institutions	8,144,811	–	–	–
Bank overdrafts	378,895	–	–	–
Loans from a related party	317,768	–	–	–
Loans from a director	608,165	–	608,165	–
	9,452,346	1,859	610,132	1,859
	9,653,510	5,209	611,671	5,209

Notes To The Financial Statements

For the financial year ended 30 June 2017

17 Borrowings (cont'd)

Obligations under finance leases

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Minimum lease payments payable:				
Due not later than one year	3,028	1,936	1,967	1,936
Due later than one year and not later than five years	4,761	3,652	1,745	3,652
	7,789	5,588	3,712	5,588
Less: Finance charges allocated to future periods	(634)	(379)	(206)	(379)
Present value of future minimum lease payments	7,155	5,209	3,506	5,209
Present value of minimum lease payments:				
Due not later than one year	2,707	1,859	1,967	1,859
Due later than one year and not later than five years	4,448	3,350	1,539	3,350
	7,155	5,209	3,506	5,209

The finance leases are on fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance leases are secured by the underlying assets, comprising office equipment with carrying amount of US\$6,486 (2016: US\$4,563) (Note 3).

Terms and debt repayment schedule

The terms and conditions of borrowings are as follows:

The Group	Currency	Nominal interest rate	Year of maturity	Face value US\$	Carrying amount US\$
2017					
Obligations under finance leases	SGD	5.1% to 5.6%	2017 to 2021	7,789	7,155
Loans from financial institutions					
- secured	SGD	3% to 11.8%	2017 to 2022	324,185	324,185
- secured	USD	5.5% to 8.3%	2017	8,000,000	8,017,342
				8,324,185	8,341,527
Bank overdrafts					
- secured	SGD	5.8% to 6%	2017	374,108	374,108
- unsecured	SGD	9%	2017	4,787	4,787
				378,895	378,895
Loans from a related party					
(unsecured)	SGD	10%	2017 to 2018	317,768	317,768
Loans from a director (unsecured)	SGD	5%	2017	608,165	608,165
				9,636,802	9,653,510
2016					
Obligations under finance leases	SGD	5.6%	2019	5,588	5,209

Notes To The Financial Statements

For the financial year ended 30 June 2017

17 Borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

The Company	Currency	Nominal interest rate	Year of maturity	Face value US\$	Carrying amount US\$
2017					
Obligations under finance leases	SGD	5.6%	2019	3,712	3,506
Loans from a director (unsecured)	SGD	5%	2017	608,165	608,165
				611,877	611,671
2016					
Obligations under finance leases	SGD	5.6%	2019	5,588	5,209

Loans from financial institutions and bank overdrafts are secured by the following:

- (i) charges over certain of the Group's inventories;
- (ii) charges over one of the Group's bank account (which is in an overdraft position);
- (iii) fixed deposits of the Group (Note 12);
- (iv) corporate guarantees by the Company; and/or
- (v) personal guarantees by two directors of a subsidiary.

The related party is Goodwood Associates Pte. Ltd., which is wholly-owned by a director of the Company. The loans from the related party are for a period of one year from the respective dates of disbursement, with a further extension of one year permissible subject to agreement by both parties in writing. The loans, which are used for the working capital of a subsidiary, are unsecured and bear interest at 10% per annum.

The loans from a director, which are used for the working capital of the Company, are unsecured and bear interest at 5% per annum.

Carrying amounts and fair values

The carrying amounts of short-term borrowings approximate their fair values. The carrying amounts and fair values of long-term borrowings at the end of the reporting period are as follows:

The Group	Carrying amount US\$	Fair value US\$
2017		
Obligations under finance leases	7,155	8,010
Loans from financial institutions	324,185	338,115
	331,340	346,125
2016		
Obligations under finance leases	5,209	6,377
The Company		
2017		
Obligations under finance leases	3,506	4,024
2016		
Obligations under finance leases	5,209	6,377

Notes To The Financial Statements

For the financial year ended 30 June 2017

17 Borrowings (cont'd)

Carrying amounts and fair values (cont'd)

The fair values are determined from the discounted cash flow analyses, using the discount rates based upon the borrowing rates which the directors expect would be available to the Group at the end of the reporting period, as follows:

	The Group		The Company	
	2017 %	2016 %	2017 %	2016 %
Obligations under finance leases	5.6	5.6	5.6	5.6
Loans from financial institutions	5.4	–	–	–

No adjustment has been made to fair values as the differences between the carrying amounts and fair values are not significant to the Group.

18 Trade and other payables

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Trade payables				
- third parties	16,721,673	9,832,741	–	87,404
- subsidiaries	–	–	89,587	89,587
	16,721,673	9,832,741	89,587	176,991
Amounts due to subsidiaries (non-trade)	–	–	175,109	175,109
Amounts due to a related party (non-trade)	31,777	–	–	–
Accrued purchases	8,961,028	157,548	–	157,548
Accrued operating expenses	487,953	179,371	278,796	145,855
Accrued personnel expenses	258,796	114,301	238,629	114,301
Advances and deposits received	11,007,359	719,663	–	–
Consideration payable	544,825	–	544,825	–
Deferred income	33,637	–	–	–
Other payables	282,785	124,690	29,206	27,352
	21,608,160	1,295,573	1,266,565	620,165
	38,329,833	11,128,314	1,356,152	797,156

Trade payables are non-interest bearing and are generally settled on 30 to 90 days' credit terms.

The non-trade amounts due to subsidiaries, which represent advances from or payments on behalf by the subsidiaries, are unsecured, interest-free and repayable on demand.

The related party is Goodwood Associates Pte. Ltd., which is wholly-owned by a director of the Company. The non-trade amount due to the related party relates to advances and payments on behalf by the related party, and is unsecured, bears interest at 10% per annum, and repayable on demand.

Advances and deposits received relate to payments made by customers in advance for the purchase of oil and hedging of oil prices.

Consideration payable relates to the outstanding amount owing to the other shareholders of Healthsciences International Pte. Ltd. arising from its acquisition by the Company on 7 December 2016 (Note 5).

Deferred income relates to revenue from maintenance services billed in advance for services to be rendered in subsequent periods. Deferred income is amortised on a straight-line basis over the maintenance period in accordance with the terms of the relevant agreements.

Notes To The Financial Statements

For the financial year ended 30 June 2017

18 Trade and other payables (cont'd)

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
United States dollar	36,736,847	10,811,155	264,695	537,000
Malaysian ringgit	1,367	1,197	-	-
Singapore dollar	1,588,427	315,962	1,091,457	260,156
Others	3,192	-	-	-
	38,329,833	11,128,314	1,356,152	797,156

19 Revenue

Significant categories of revenue, excluding inter-company transactions and applicable goods and services tax and value-added tax, are detailed as follows:

	Continuing operations		Discontinued operations (Note 25)		Total	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$	2017 US\$	2016 US\$
The Group						
Sale of goods						
- Oil products	432,296,359	51,705,500	-	-	432,296,359	51,705,500
- Healthcare products	325,949	-	-	-	325,949	-
- IT products	77,917	2,590,326	-	24,316,240	77,917	26,906,566
	432,700,225	54,295,826	-	24,316,240	432,700,225	78,612,066
Rendering of services						
- Healthcare services	336,002	-	-	-	336,002	-
- IT services	-	-	-	97,513	-	97,513
	336,002	-	-	97,513	336,002	97,513
	433,036,227	54,295,826	-	24,413,753	433,036,227	78,709,579

20 Other income

	Continuing operations		Discontinued operations (Note 25)		Total	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$	2017 US\$	2016 US\$
The Group						
Government grants	-	58,534	-	4,985	-	63,519
Interest income from						
- bank balances	1,604	471	-	-	1,604	471
- fixed deposits	-	-	-	44,774	-	44,774
- late payments by customers	-	185,718	-	-	-	185,718
- refundable deposits	566,481	1,132,961	-	-	566,481	1,132,961
	568,085	1,319,150	-	44,774	568,085	1,363,924
Miscellaneous income	117,646	174,562	-	25,021	117,646	199,583
Reversal of impairment losses						
on trade and other receivables	-	-	-	84,185	-	84,185
Reversal of trade and other payables	235,135	-	-	-	235,135	-
Vendor rebates	-	(5,343)	-	7,428	-	2,085
	920,866	1,546,903	-	166,393	920,866	1,713,296

Notes To The Financial Statements

For the financial year ended 30 June 2017

21 Employee benefits expense

	Continuing operations		Discontinued operations (Note 25)		Total	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$	2017 US\$	2016 US\$
The Group						
Salaries, wages and bonuses	2,526,347	2,147,181	–	637,104	2,526,347	2,784,285
Contributions to defined contribution plans	151,391	138,153	–	27,781	151,391	165,934
Other short-term employee benefits	50,331	18,256	–	57,527	50,331	75,783
	2,728,069	2,303,590	–	722,412	2,728,069	3,026,002
<u>Key management personnel compensation</u>						
Salaries, wages and bonuses	1,579,370	1,420,212	–	49,576	1,579,370	1,469,788
Contributions to defined contribution plans	41,490	48,246	–	873	41,490	49,119
	1,620,860	1,468,458	–	50,449	1,620,860	1,518,907
Comprising:						
Directors of the Company	990,525	1,038,442	–	–	990,525	1,038,442
Directors of the subsidiaries	114,109	40,590	–	50,449	114,109	91,039
Other key management personnel	516,226	389,426	–	–	516,226	389,426
	1,620,860	1,468,458	–	50,449	1,620,860	1,518,907

22 Other operating expenses

	Continuing operations		Discontinued operations (Note 25)		Total	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$	2017 US\$	2016 US\$
The Group						
Consultancy fees	103,600	90,000	–	63,446	103,600	153,446
Foreign exchange loss, net	48,517	431,081	–	63,490	48,517	494,571
General expenses	417,338	421,499	–	319,623	417,338	741,122
Impairment losses on trade receivables	–	–	–	669,784	–	669,784
Inventories written off	–	–	–	4,498	–	4,498
Letters of credit charges and commission	253,602	149,318	–	–	253,602	149,318
Listing expenses	94,120	188,827	–	–	94,120	188,827
Loss on disposal of subsidiaries	9,552	–	–	–	9,552	–
Management fee	–	500,000	–	–	–	500,000
Operating lease expenses	376,709	214,638	–	105,725	376,709	320,363
Professional fees	500,172	573,306	–	13,825	500,172	587,131
Sales commissions and incentives	–	76,125	–	120,333	–	196,458
Trade receivables written off	–	–	–	17,279	–	17,279
Travelling expenses	225,583	181,417	–	–	225,583	181,417
Vessel inspection fees	169,246	–	–	–	169,246	–
Audit fees paid/payable to:						
- auditor of the Company	177,826	60,804	–	3,601	177,826	64,405
- other auditors	14,748	2,631	–	13,475	14,748	16,106
Non-audit fees paid/payable to:						
- auditor of the Company	2,253	–	–	–	2,253	–
	2,393,266	2,889,646	–	1,395,079	2,393,266	4,284,725

Notes To The Financial Statements

For the financial year ended 30 June 2017

23 Finance costs

	Continuing operations		Discontinued operations (Note 25)		Total	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$	2017 US\$	2016 US\$
The Group						
Interest expenses on:						
- bank overdrafts	10,371	-	-	-	10,371	-
- finance leases	217	309	-	1,120	217	1,429
- letters of credit	955,388	10,443	-	-	955,388	10,443
- loans from financial institutions	242,168	5,000	-	-	242,168	5,000
- loans from a director	8,183	-	-	-	8,183	-
- promissory notes and short-term loans under factoring	-	-	-	182,557	-	182,557
	1,216,327	15,752	-	183,677	1,216,327	199,429

24 Taxation

	2017 US\$	2016 US\$
The Group		
Current taxation		
- current year	-	-
- under provision in respect of prior years	1,032	-
	1,032	-
Deferred taxation (Note 16)		
- origination and reversal of temporary differences	74,187	-
- under provision in respect of prior years	69,593	-
	143,780	-
	144,812	-

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the applicable rate of income tax on losses as a result of the following:

	2017 US\$	2016 US\$
The Group		
Loss before taxation from continuing operations	(1,843,119)	(3,302,794)
Loss before taxation from discontinued operations (Note 25)	-	(212,679)
Total loss before taxation	(1,843,119)	(3,515,473)
Tax at statutory rates applicable to different jurisdictions	(227,041)	(585,022)
Tax effect of expenses that are not deductible	527,606	753,000
Tax effect of income that is not taxable	(1,122)	(18,599)
Deferred tax assets on temporary differences not recognised in respect of continuing operations	48,997	89,880
Deferred tax assets on temporary differences not recognised in respect of discontinued operations	-	122,400
Utilisation of deferred tax assets on temporary differences previously not recognised in respect of continuing operations	(252,985)	(361,659)
Deferred tax liabilities relating to fair value adjustments on acquisition of subsidiaries	(20,527)	-
Under provision of current taxation in respect of prior years	1,032	-
Under provision of deferred taxation in respect of prior years	69,593	-
Others	(741)	-
	144,812	-

Notes To The Financial Statements

For the financial year ended 30 June 2017

24 Taxation (cont'd)

Singapore

The corporate income tax rate applicable to the Company and its Singapore incorporated subsidiaries is 17% (2016: 17%) for the financial year ended 30 June 2017.

Malta

The corporate income tax rate applicable to IEG Malta Limited is 35% (2016: 35%) for the financial year ended 30 June 2017.

People's Republic of China ("PRC")

In accordance with the Enterprise Income Tax ("EIT") Law of the PRC, the PRC subsidiaries are subject to the applicable EIT rate of 25% (2016: 25%) for the financial year ended 30 June 2017.

Thailand

The corporate income tax rate applicable to the discontinued operations, Digiland (Thailand) Ltd., is 20% for the financial year ended 30 June 2016.

Non-deductible expenses mainly relate to those of investment holding companies.

25 Discontinued operations

On 9 February 2015, the Company entered into a sale and purchase agreement, pursuant to which the entire issued and paid-up capital of the Company's wholly-owned subsidiaries, Digiland (Thailand) Ltd. ("DTL") and Infonet Systems and Services Pte Ltd ("ISS") will be disposed of for a total cash consideration of US\$3,620,717. DTL holds 49% equity interest in the associate, TTDG Co., Ltd.

Accordingly, the results relating to DTL and ISS, which were previously reported in the information technology segment, have been presented in the consolidated statement of profit or loss and other comprehensive income as "loss from discontinued operations, net of tax".

The disposal of DTL and ISS was completed on 30 June 2016.

Results of discontinued operations

The Group	Note	2016 US\$
Revenue	19	24,413,753
Other income	20	166,393
Changes in inventories of finished goods		(542,374)
Purchases of finished goods		(22,948,161)
Employee benefits expense	21	(722,412)
Depreciation of plant and equipment		(17,989)
Other operating expenses	22	(1,395,079)
Finance costs	23	(183,677)
Share of associate's results		(42,165)
Loss before taxation from discontinued operations		(1,271,711)
Gain on disposal of subsidiaries		1,059,032
Loss before taxation attributable to discontinued operations		(212,679)
Taxation		-
Loss from discontinued operations, net of tax		(212,679)
		US cent
Basic and diluted loss per share (United States cent)		(0.1989)

Notes To The Financial Statements

For the financial year ended 30 June 2017

25 Discontinued operations (cont'd)

Loss per share from discontinued operations

For the financial year ended 30 June 2016, the basic and diluted loss per share from discontinued operations are calculated by dividing the loss from discontinued operations, net of tax, attributable to owners of the Company of US\$212,679, by the weighted average number of ordinary shares outstanding of 106,939,537 (Note 26).

Cash flows attributable to discontinued operations

The Group	2016 US\$
Net cash generated from operating activities	162,945
Net cash used in investing activities	(15,812)
Net cash used in financing activities	(623,879)
Net cash outflows for the year	(476,746)

26 Loss per share

The calculation of basic and diluted loss per share was based on the loss attributable to the ordinary shareholders of the Company of US\$1,793,985 (2016: US\$3,361,334) and a weighted average number of ordinary shares outstanding of 129,844,580 (2016: 106,939,537), calculated as follows:

Loss attributable to ordinary shareholders

The Group	Continuing operations US\$	Discontinued operations US\$	Total US\$
2017			
Loss for the year attributable to ordinary shareholders	(1,793,985)	-	(1,793,985)
2016			
Loss for the year attributable to ordinary shareholders	(3,148,655)	(212,679)	(3,361,334)

Weighted average number of ordinary shares

	2017	2016
Issued ordinary shares at beginning of year (excluding treasury shares)	124,570,227	50,345,118,640
Effect of shares issued during the year	6,107,382	6,360,682
Share consolidation *	-	(50,244,429,098)
Effect of treasury shares acquired during the year	(867,063)	(110,687)
Effect of treasury shares sold during the year	34,034	-
Weighted average number of ordinary shares at end of year	129,844,580	106,939,537

Loss per share attributable to ordinary shareholders

The Group	Continuing operations US cent	Discontinued operations US cent	Total US cent
2017			
Loss per share attributable to ordinary shareholders	(1.3816)	-	(1.3816)
2016			
Loss per share attributable to ordinary shareholders	(2.9443)	(0.1989)	(3.1432)

Notes To The Financial Statements

For the financial year ended 30 June 2017

26 Loss per share (cont'd)

At the end of the reporting period, the 15,309,068 (2016: 25,022,385) outstanding warrants were excluded from the calculation of the diluted weighted average number of ordinary shares in issue as their effect would have been anti-dilutive.

* During the financial year ended 30 June 2016, the Company undertook a share consolidation exercise, pursuant to which every 500 existing ordinary shares in the capital of the Company were consolidated into one ordinary share, so as to comply with the Minimum Trading Price requirement as implemented by the SGX-ST as an additional continuing listing requirement.

27 Equity-settled share-based payment transactions

Performance Share Plan

The Digiland Performance Share Plan (the "DPSP") was approved by the shareholders during the Extraordinary General Meeting on 31 October 2006. The DPSP contemplates the awarding of fully paid-up shares, their equivalent cash value or combinations thereof, free of payment to selected employees of the Company and its subsidiaries and its associate companies, including executive directors of the Company.

The total number of new ordinary shares in the Company which may be issued in all awards granted under the DPSP shall not exceed 15% of the number of issued shares in the capital of the Company from time to time.

No awards have been granted to directors, controlling shareholders of the Company or their associates and no directors or employees of the Company have received 5% or more of the total awards available under the DPSP.

No awards have been granted under the DPSP since its commencement and during the financial year. At the end of the financial year, there were no outstanding awards or unissued shares of the Company or its subsidiaries under the DPSP.

The DPSP is subject to a maximum period of ten years, and expired on 30 October 2016.

The New Silkroutes Performance Share Plan 2017 (the "NSPSP") was approved by the shareholders during the Extraordinary General Meeting on 21 July 2017. The NSPSP contemplates the awarding of fully paid-up shares, free of payment, to selected employees of the Company and its subsidiaries, including executive directors of the Company.

The total number of new ordinary shares in the Company which may be issued in all awards granted under the NSPSP shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. The Company does not have any subsidiary holdings.

No awards have been granted to directors, controlling shareholders of the Company or their associates and no directors or employees of the Company have received 5% or more of the total awards available under the NSPSP.

No awards have been granted under the NSPSP since the commencement of the NSPSP and during the financial year. At the end of the financial year, there were no outstanding awards or unissued shares of the Company under the NSPSP.

The NSPSP is subject to a maximum period of ten years, and will expire on 20 July 2027.

Notes To The Financial Statements

For the financial year ended 30 June 2017

28 Commitments

28.1 Operating lease commitments

At the end of the reporting period, the Group and the Company were committed to making the following payments in respect of non-cancellable operating leases of office/clinic premises and warehouse/storage facilities:

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Not later than one year	577,106	227,536	41,165	82,633
Later than one year and not later than five years	186,766	122,025	-	41,316
	763,872	349,561	41,165	123,949

The lease terms range from two to three years. The leases have no renewal option or contingent rent provision included in the contracts.

28.2 Sales and purchases commitments

At the end of the reporting period, the Group has entered into non-cancellable commitments in respect of sales and purchases of oil products based on their prevailing market prices on the date of delivery and the conditions stated in the respective executory contracts.

	2017 US\$	2016 US\$
The Group		
Sales of oil products	5,043,700	13,780,366
Purchases of oil products	(19,654,800)	(12,199,661)

28.3 Other commitment

Other contractual commitment as at 30 June 2016 but not recognised in the financial statements is as follows:

	2016 US\$
The Group	
Commitment in respect of acquisition of 6% equity interest	<u>11,906,484</u>

As disclosed in Note 9 to the financial statements, on 13 May 2011, the Company had entered into a Sale and Purchase Agreement ("SPA") with Tianjin General Nice Coke & Chemicals Co., Ltd ("TGNCC") to acquire a 15% equity interest held by TGNCC in Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC"), whose main asset is a coke plant project in Thailand.

On 25 August 2015, the Company entered into a supplemental agreement to the SPA, pursuant to which various amendments were made to the SPA, including the proposed acquisition of a 6% equity interest in Thai GNCC instead of 15%, and the removal of the condition precedent that the fair market value of Thai GNCC stated in a valuation report to be obtained shall not exceed S\$300,000,000. Based on a valuation report that had been obtained, the purchase consideration for the proposed acquisition of the 6% equity interest in Thai GNCC would be US\$30,000,000. Accordingly, considering the refundable deposits paid and accrued interest thereon of US\$17,193,516 and the other receivable amount of US\$900,000 due from TGNCC, the remaining contractual commitment in respect of the proposed acquisition of the 6% equity interest in Thai GNCC was US\$11,906,484 as at 30 June 2016.

Notes To The Financial Statements

For the financial year ended 30 June 2017

28 Commitments (cont'd)

28.3 Other commitment (cont'd)

The Company entered into a supplemental agreement dated 17 February 2017 to the SPA, pursuant to which instead of acquiring a 6% stake in Thai GNCC, the Company shall acquire 2.82% stake, comprising 1,410,000 shares in Thai GNCC. The purchase consideration of US\$14,090,000 was fully satisfied by the payment of the refundable deposits amounting to US\$13,757,384 by the Company to TGNCC in 2011 and 2013, and by part of the interest of US\$4,002,612 due from TGNCC having accrued from 18 June 2013 to 31 December 2016. Accordingly, as at 30 June 2017, the Group held 2.82% equity interest in Thai GNCC, and there was no contractual commitment.

29 Significant related party transactions

Other than as disclosed elsewhere in the financial statements, significant transactions with related parties based on terms agreed between the parties are as follows:

	2017 US\$	2016 US\$
Interest expenses on loans ^(a)	(31,777)	-
Consultancy and service fees ^(b)	(689,553)	(56,322)

^(a) Relates to loans amounting to S\$400,000 (US\$288,880) as at 30 June 2017 obtained by Healthsciences International Pte. Ltd. from Goodwood Associates Pte. Ltd., which is wholly-owned by a director of the Company. Interest is charged at 10% per annum.

^(b) Relates to the consultancy and services rendered by Goodwood Associates Pte. Ltd., which is wholly-owned by a director of the Company, to International Energy Group Pte. Ltd.

The directors are of the opinion that all the transactions above have been entered in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with third parties.

30 Operating segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- Trading of oil and gas — trading in petrochemical products, power generation, investments in strategic petrochemical assets globally, and to develop a trading hub for energy products between Europe and Asia;
- Healthcare — owns and operates clinics in Singapore providing complementary integrative therapies, runs employee healthcare benefits programmes, offers systems integration services to hospitals and healthcare facilities, owns and operates clinics in Singapore providing dental services, and distributes dental and medical supplies;
- Information Technology (“IT”) — distribution of personal computers, servers and IT consumer electronic products, and provision of IT-related repair services; and
- Others — general corporate activities and others.

The Group's executive directors monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included in the following table. Performance is measured based on segment profit/(loss) before taxation, as included in the internal management reports that are regularly reviewed by the Group's executive directors. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Notes To The Financial Statements

For the financial year ended 30 June 2017

30 Operating segments (cont'd)

	Oil and gas US\$	Healthcare US\$	IT US\$	Others US\$	Total continuing operations US\$	Discontinued operations US\$	Total US\$
2017							
Segment revenue							
Sales to external customers	432,296,359	661,951	77,917	-	433,036,227	-	433,036,227
Segment results							
Other income	3,152	10,205	261,684	645,825	920,866	-	920,866
Amortisation of intangible assets	-	(89,123)	-	-	(89,123)	-	(89,123)
Depreciation of plant and equipment	(18,626)	(37,704)	-	(7,271)	(63,601)	-	(63,601)
Share of loss of associate	-	-	-	(457,098)	(457,098)	-	(457,098)
Other non-cash expenses	441,887	-	(596)	(50,659)	390,632	-	390,632
Finance costs	(1,181,970)	(25,838)	(96)	(8,423)	(1,216,327)	-	(1,216,327)
Segment profit/(loss)	1,011,143	(391,212)	110,170	(2,718,032)	(1,987,931)	-	(1,987,931)
Segment assets and liabilities							
Segment assets	72,293,831	6,316,941	17,508	9,341,223	87,969,503	-	87,969,503
Segment liabilities	44,908,071	1,784,315	15,986	1,728,600	48,436,972	-	48,436,972
Associate	-	-	-	401,835	401,835	-	401,835
Capital expenditure	(4,039)	(1,365)	-	(1,681)	(7,085)	-	(7,085)
2016							
Segment revenue							
Sales to external customers	51,705,500	-	2,590,326	-	54,295,826	24,413,753	78,709,579
Segment results							
Other income	943,488	-	36,580	566,835	1,546,903	166,393	1,713,296
Depreciation of plant and equipment	(18,384)	-	(4,478)	-	(22,862)	-	(22,862)
Share of loss of associate	-	-	-	-	-	(42,165)	(42,165)
Other non-cash expenses	(174,375)	-	(490,210)	(31)	(664,616)	(755,762)	(1,420,378)
Finance costs	(15,443)	-	(309)	-	(15,752)	(183,677)	(199,429)
Segment profit/(loss)	234,325	-	(3,496,717)	(40,402)	(3,302,794)	(212,679)	(3,515,473)
Segment assets and liabilities							
Segment assets	35,377,153	-	5,512,541	4,450,908	45,340,602	-	45,340,602
Segment liabilities	10,290,189	-	793,334	50,000	11,133,523	-	11,133,523
Associate	-	-	7	-	7	-	7
Capital expenditure	(1,566)	-	(9,648)	-	(11,214)	(48,546)	(59,760)

Notes To The Financial Statements

For the financial year ended 30 June 2017

30 Operating segments (cont'd)

Other income mainly relates to interest income. Other non-cash expenses mainly comprise write-down on inventories, impairment losses on trade and other receivables, and foreign exchange losses.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	2017 US\$	2016 US\$
The Group		
<u>Revenue</u>		
Cambodia	94,301,224	–
Malta	–	2,065,787
Singapore	134,839,634	29,904,680
South Korea	97,856,505	19,735,033
United Kingdom	9,184,521	–
Vietnam	96,854,343	2,590,326
Total continuing operations	433,036,227	54,295,826
Discontinued operations	–	24,413,753
	433,036,227	78,709,579
<u>Non-current assets</u>		
Singapore	5,613,479	49,019

Non-current assets relate to plant and equipment, intangible assets and associates.

Information about major customers

Revenue from five major customers (2016: four major customers) in the oil and gas segment amounted to US\$380,720,226 (2016: US\$44,490,620).

31 Financial risk management objectives and policies

The Group and the Company have documented financial risk management policies. These policies set out the Group's and the Company's overall business strategies and its risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and commodity price risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Group's and the Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and the Company's activities. The Group and the Company, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risks. Market risk exposures are measured using sensitivity analysis for interest rate risk (Note 31.3), foreign currency risk (Note 31.4) and commodity price risk (Note 31.5).

Notes To The Financial Statements

For the financial year ended 30 June 2017

31 Financial risk management objectives and policies (cont'd)

31.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group and the Company adopt the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company have established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group and the Company grant credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers which do not meet the Group's and the Company's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through on-going credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

The Group's trade receivables comprise five debtors (2016: two debtors) that represented 96% (2016: 97%) of trade receivables.

The Group and the Company evaluate whether there is any objective evidence that trade and other receivables are impaired, and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group and the Company base the estimates on the ageing of the trade receivable balances, creditworthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's and the Company's assessment of their creditworthiness and in accordance with the Group's and the Company's policy.

In determining the recoverability of trade and other receivables, the Group and the Company consider any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the end of the reporting period.

The Group and the Company establish an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group and the Company are satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except for corporate guarantees issued by the Company to and on behalf of a subsidiary.

Notes To The Financial Statements

For the financial year ended 30 June 2017

31 Financial risk management objectives and policies (cont'd)

31.1 Credit risk (cont'd)

Exposure to credit risk (cont'd)

As at 30 June 2017, the Company had issued corporate guarantee to a financial institution for the borrowings undertaken by a subsidiary. These borrowings amounted to US\$8,017,342 as at 30 June 2017. The credit risk, being the principal risk to which the Company was exposed, represented the loss that would be recognised upon a default by the subsidiary.

The interest rate charged by the lender on the loans to the subsidiary was at market rate and was consistent with the borrowing costs of the subsidiary without any corporate guarantee.

As at 30 June 2017, the Company did not consider it probable that a claim would be made against it under the corporate guarantee.

To mitigate credit risk arising from corporate guarantees, management continually monitors the risk and has established processes including performing credit evaluations of the parties for which the Group provides corporate guarantees. Corporate guarantees are only for intra-group financing purposes and given by the Company on behalf of its subsidiaries.

The Group's and the Company's major classes of financial assets are bank deposits and trade receivables. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 9.

31.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Notes To The Financial Statements

For the financial year ended 30 June 2017

31 Financial risk management objectives and policies (cont'd)

31.2 Liquidity risk (cont'd)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Carrying Amount US\$	Contractual cash flows US\$	Less than 1 year US\$	Between 1 and 5 years US\$
The Group				
2017				
<u>Non-derivative financial liabilities</u>				
Trade and other payables * (Note 18)	27,288,837	27,288,837	27,288,837	–
Borrowings (Note 17)	9,653,510	9,684,360	9,457,272	227,088
	36,942,347	36,973,197	36,746,109	227,088
2016				
<u>Non-derivative financial liabilities</u>				
Trade and other payables * (Note 18)	10,408,651	10,408,651	10,408,651	–
Borrowings (Note 17)	5,209	5,588	1,936	3,652
	10,413,860	10,414,239	10,410,587	3,652
The Company				
2017				
<u>Non-derivative financial liabilities</u>				
Trade and other payables (Note 18)	1,356,152	1,356,152	1,356,152	–
Borrowings (Note 17)	611,671	611,877	610,132	1,745
Intragroup financial guarantee	8,017,342	8,023,436	8,023,436	–
	9,985,165	9,991,465	9,989,720	1,745
2016				
<u>Non-derivative financial liabilities</u>				
Trade and other payables (Note 18)	797,156	797,156	797,156	–
Borrowings (Note 17)	5,209	5,588	1,936	3,652
	802,365	802,744	799,092	3,652

* Exclude advances and deposits received and deferred income

Except for the Company's cash flows arising from its intragroup corporate guarantees (Note 31.1), it is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

At the end of the reporting period, the Company does not consider it probable that a claim will be made against it under the intragroup corporate guarantees.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

As disclosed in Note 2(a) to the financial statements, the directors are satisfied that the Group and the Company will have sufficient working capital and financial resources to meet their obligations as and when they fall due for the next twelve months from the end of the reporting period. The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient level of cash and cash equivalents and has available adequate amount of committed credit facilities from financial institutions to meet their working capital requirements.

Notes To The Financial Statements

For the financial year ended 30 June 2017

31 Financial risk management objectives and policies (cont'd)

31.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from bank balances at floating rates. Finance leases and fixed deposits bear interest at fixed rates. All other financial assets and liabilities are interest-free.

At the end of the reporting period, the carrying amount of the interest-bearing financial instruments is as follows:

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Fixed rate instruments				
Financial assets				
- fixed deposits	116,731	-	-	-
Financial liabilities				
- obligations under finance leases	(7,155)	(5,209)	(3,506)	(5,209)
- loans from financial institutions	(8,232,343)	-	-	-
- loans from a related party	(317,768)	-	-	-
- loans from a director	(608,165)	-	(608,165)	-
	(9,165,431)	(5,209)	(611,671)	(5,209)
	(9,048,700)	(5,209)	(611,671)	(5,209)
Variable rate instruments				
Financial assets				
- bank balances	30,736,866	3,560,228	242,521	803,541
Financial liabilities				
- loans from financial institutions	(109,184)	-	-	-
- bank overdrafts	(378,895)	-	-	-
	(488,079)	-	-	-
	30,248,787	3,560,228	242,521	803,541

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the end of the reporting period, if interest rates had been 100 (2016: 100) basis points higher/lower with all other variables held constant, the Group's and the Company's results net of tax and equity would have been US\$302,488 (2016: US\$35,602) higher/lower and US\$2,425 (2016: US\$8,035) higher/lower, respectively, arising as a result of higher/lower interest income from floating rate bank balances, offset by higher/lower interest expense from floating rate loans from financial institutions and bank overdrafts.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

The Group's and the Company's policy is to obtain the most favourable interest rates available without increasing its interest rate exposure.

Notes To The Financial Statements

For the financial year ended 30 June 2017

31 Financial risk management objectives and policies (cont'd)

31.4 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group and the Company have transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of group entities, primarily United States dollar and Singapore dollar. The foreign currencies in which these transactions are denominated are principally Singapore dollar for the Company and certain subsidiaries with United States dollar as the functional currency, and United States dollar for certain other subsidiaries with Singapore dollar as the functional currency. Arising from the transactions of these group entities denominated in Singapore dollar and United States dollar, respectively, the Group's and the Company's receivable and payable balances at the end of the reporting period have similar exposures.

Consequently, the Group and the Company are exposed to movements in foreign currency exchange rates.

The Group's and the Company's exposures in financial instruments to the various foreign currencies (other than the respective functional currencies of group entities) are mainly as follows:

	Singapore dollar US\$	United States dollar US\$
The Group		
2017		
Trade and other receivables	3,302,050	-
Cash and bank balances	297,868	-
Borrowings	(611,671)	-
Trade and other payables	(1,145,161)	(190,527)
Net exposure	1,843,086	(190,527)
2016		
Trade and other receivables	1,924,360	-
Cash and bank balances	570,290	-
Borrowings	(5,209)	-
Trade and other payables	(315,962)	-
Net exposure	2,173,479	-
The Company		
2017		
Trade and other receivables	2,852,657	-
Cash and bank balances	222,224	-
Borrowings	(611,671)	-
Trade and other payables	(1,091,457)	-
Net exposure	1,371,753	-
2016		
Trade and other receivables	2,096,998	-
Cash and bank balances	373,117	-
Borrowings	(5,209)	-
Trade and other payables	(260,156)	-
Net exposure	2,204,750	-

Notes To The Financial Statements

For the financial year ended 30 June 2017

31 Financial risk management objectives and policies (cont'd)

31.4 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the Singapore dollar (SGD) exchange rate (against United States dollar), with all other variables held constant, of the Group's and the Company's results net of tax and equity.

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
SGD - strengthened 10% (2016: 10%)	184,309	217,348	137,175	220,475
- weakened 10% (2016: 10%)	(184,309)	(217,348)	(137,175)	(220,475)
USD - strengthened 10% (2016: 10%)	(19,053)	-	-	-
- weakened 10% (2016: 10%)	19,053	-	-	-

31.5 Commodity price risk

Commodity price risk is the risk that the value of a financial instrument will fluctuate due to changes in commodity prices.

The Group manages the costs of purchases and sales of oil commodities using commodity paper derivative instruments. Management manages its commodity price risk using a suite of risk management tools which include marginal value at risk limits and hypothetical stress-tests of various scenarios. These risk management tools are designed by management and approved by the directors.

The Group enters into commodity paper derivative instruments, in which it agrees to exchange the difference between the fixed and floating prices, calculated by reference to an agreed-upon principal quantity, with its counterparties. The commodity paper derivative instruments entered into commit the Group to settle these instruments at various settlement dates.

The Group and the Company do not hold any quoted or marketable financial instruments.

Sensitivity analysis for commodity price risk

At the end of the reporting period, if there had been a 10% increase/decrease in oil forward prices with all other variables held constant, the Group's results net of tax and equity would increase/decrease by US\$13,643 (2016: US\$28,531), arising as a result of increase/decrease in fair value on oil commodity paper derivative instruments.

32 Capital management

The Group's and the Company's objectives when managing capital are:

- To safeguard the Group's and the Company's ability to continue as going concern;
- To support the Group's and the Company's stability and growth;
- To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
- To provide an adequate return to shareholders.

Notes To The Financial Statements

For the financial year ended 30 June 2017

32 Capital management (cont'd)

The Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises obligations under finance leases and trade and other payables, less cash and bank balances. Total capital represents equity attributable to owners of the Company.

	The Group		The Company	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Borrowings (Note 17)	9,653,510	5,209	611,671	5,209
Trade and other payables (Note 18)	38,329,833	11,128,314	1,356,152	797,156
Total debt	47,983,343	11,133,523	1,967,823	802,365
Less: Cash and bank balances and fixed deposits (Note 12)	(30,869,891)	(3,563,310)	(251,385)	(803,822)
Net debt/(cash)	17,113,452	7,570,213	1,716,438	(1,457)
Equity attributable to the owners of the Company	39,148,695	34,250,399	39,424,829	35,586,285
Total capital	39,148,695	34,250,399	39,424,829	35,586,285
Total capital and net debt	56,262,147	41,820,612	41,141,267	35,584,828
Gearing ratio	30%	18%	4%	N.A.

N.A.: Not applicable

33 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Available- for-sale (Fair value) US\$	Held for trading (Fair value) US\$	Loans and receivables (Amortised cost) US\$	Total US\$
The Group				
2017				
Financial assets				
Available-for-sale investment (Note 7)	14,090,000	-	-	14,090,000
Derivative financial instruments (Note 11)	-	136,425	-	136,425
Trade and other receivables (Note 9)	-	-	26,517,391	26,517,391
Cash and bank balances and fixed deposits (Note 12)	-	-	30,869,891	30,869,891
	14,090,000	136,425	57,387,282	71,613,707

Notes To The Financial Statements

For the financial year ended 30 June 2017

33 Financial instruments (cont'd)

Accounting classifications of financial assets and financial liabilities (cont'd)

The Group				Financial liabilities at amortised cost US\$
2017				
<u>Financial liabilities</u>				
Borrowings (Note 17)				9,653,510
Trade and other payables * (Note 18)				27,288,837
				36,942,347
	Held for trading (Fair value) US\$	Loans and receivables (Amortised cost) US\$	Total US\$	
The Group				
2016				
<u>Financial assets</u>				
Derivative financial instruments (Note 11)	285,313	–	285,313	
Trade and other receivables (Note 9)	–	35,146,135	35,146,135	
Cash and bank balances and fixed deposits (Note 12)	–	3,563,310	3,563,310	
	285,313	38,709,445	38,994,758	
				Financial liabilities at amortised cost US\$
The Group				
2016				
<u>Financial liabilities</u>				
Borrowings (Note 17)				5,209
Trade and other payables * (Note 18)				10,408,651
				10,413,860
				Loans and receivables (Amortised cost) US\$
The Company				
2017				
<u>Financial assets</u>				
Trade and other receivables (Note 9)				11,200,197
Cash and bank balances and fixed deposits (Note 12)				251,385
				11,451,582

* Exclude advances and deposits received and deferred income

Notes To The Financial Statements

For the financial year ended 30 June 2017

33 Financial instruments (cont'd)

Accounting classifications of financial assets and financial liabilities (cont'd)

	Financial liabilities at amortised cost US\$
The Company	
2017	
<u>Financial liabilities</u>	
Borrowings (Note 17)	611,671
Trade and other payables (Note 18)	1,356,152
	1,967,823
	Loans and receivables (Amortised cost) US\$
The Company	
2016	
<u>Financial assets</u>	
Trade and other receivables (Note 9)	9,774,404
Cash and bank balances and fixed deposits (Note 12)	803,822
	10,578,226
	Financial liabilities at amortised cost US\$
The Company	
2016	
<u>Financial liabilities</u>	
Borrowings (Note 17)	5,209
Trade and other payables (Note 18)	797,156
	802,365

Fair values

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.

However, the Group and the Company do not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables, cash and cash equivalents, obligations under finance leases, and trade and other payables, are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Notes To The Financial Statements

For the financial year ended 30 June 2017

33 Financial instruments (cont'd)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data.

Financial assets measured at fair value

The Group	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
2017				
Available-for-sale investment (Note 7)	-	14,090,000	-	14,090,000
Derivative financial assets				
- Oil commodity futures (Note 11)	-	136,425	-	136,425
2016				
Derivative financial assets				
- Oil commodity futures (Note 11)	-	285,313	-	285,313

The fair value of the available-for-sale financial asset was determined based on the price transacted by the major shareholder of the investee company with a third party (Note 7). This is included in level 2.

The fair values of oil paper derivative instruments were determined based on spot and futures prices of the underlying oil commodities. These instruments are included in Level 2.

34 Events after the reporting period

Subsequent to the end of the reporting period, the Company sold an aggregate of 992,300 of its treasury shares.

During the Extraordinary General Meeting on 21 July 2017, the New Silkroutes Performance Share Plan 2017 was approved by the Shareholders (Note 27).

On 25 September 2017, New Silkroutes Capital Pte. Ltd., a wholly-owned subsidiary of the Company, transferred its entire shareholding interest in the capital of New Silkroutes Asset Management Pte. Ltd. ("NSAM") to Mr Ong Sea Eng, an existing shareholder and director and the chief executive officer of NSAM, for a cash consideration of S\$805,000 (US\$581,371). Following the completion of the disposal, NSAM ceased to be an associate of the Company.

Statistics Of Shareholdings

As at 20 September 2017

Issued and fully paid-up capital	:	S\$99,091,916
No. of issued shares (excluding treasury shares)	:	145,555,487
Number/Percentage of treasury shares	:	488,800 (0.34%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Shareholders	%	No of Shares	%
1 – 99	15,659	59.36	192,909	0.13
100 – 1,000	7,281	27.60	2,992,389	2.06
1,001 – 10,000	2,710	10.27	9,564,190	6.57
10,001 – 1,000,000	712	2.70	34,634,243	23.79
1,000,001 and above	17	0.07	98,171,756	67.45
Total	26,379	100.00	145,555,487	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 20 SEPTEMBER 2017

No.	Name	No. of Shares	%
1	FORTUNE WOODS GLOBAL INVESTMENT LIMITED	18,798,433	12.92
2	RAFFLES NOMINEES (PTE) LTD	14,230,838	9.78
3	SMARTFUL GLOBAL HOLDINGS LIMITED	12,325,000	8.47
4	CIMB SECURITIES (SINGAPORE) PTE LTD	10,281,412	7.06
5	CITIBANK NOMINEES SINGAPORE PTE LTD	9,926,933	6.82
6	OCBC SECURITIES PRIVATE LTD	5,580,469	3.83
7	DBS VICKERS SECURITIES (S) PTE LTD	5,559,802	3.82
8	PHILLIP SECURITIES PTE LTD	5,203,156	3.58
9	KEE KENG HSIUNG	3,360,508	2.31
10	DBS NOMINEES PTE LTD	2,853,269	1.96
11	QUANTUM HEALTH PTE LTD	2,000,000	1.37
12	UNITED OVERSEAS BANK NOMINEES (PTE) LTD	1,889,278	1.30
13	VICPEARLY WONG HWEI PINK (VICPEARLY HUANG HUIBING)	1,619,191	1.11
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,251,503	0.86
15	SEOW KOK SIAM JOSEPH	1,225,012	0.84
16	LIM YUE HENG	1,063,600	0.73
17	UOB KAY HIAN PTE LTD	1,003,352	0.69
18	KEITH ALAN LIEW @ LIEW WOEI CHONG	950,653	0.65
19	MAYBANK KIM ENG SECURITIES PTE LTD	765,142	0.53
20	RONNIE POH TIAN PENG	701,000	0.48
		100,588,551	69.11

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. The Company has complied with this requirement. As at 20 September 2017, approximately 65.16% of its shares listed on Singapore Exchange Securities Trading Limited were held by the public.

Statistics Of Shareholdings

As at 20 September 2017

SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2017

(As recorded in the Register of Substantial Shareholders)

S/No.	Substantial shareholders	Number of shares			Total	Percentage of the issued shares
		Shareholdings registered in the name of substantial shareholders	Shareholdings held by the substantial shareholders in the name of nominees	Shareholdings in which the substantial shareholders are deemed to be interested		
1	Fortune Woods Global Investment Limited	18,798,433	1,751,608 ⁽¹⁾	–	20,550,041	14.12
2	General Nice Resources (Hong Kong) Limited	1,990,997	–	20,550,041 ⁽²⁾	22,541,038	15.49
3	General Nice Investment (China) Limited	–	–	22,541,038 ⁽³⁾	22,541,038	15.49
4	General Nice Development Ltd	–	–	22,541,038 ⁽⁴⁾	22,541,038	15.49
5	General Nice Group Holdings Limited	–	–	22,541,038 ⁽⁵⁾	22,541,038	15.49
6	Cai Sui Xin	–	–	22,541,038 ⁽⁶⁾	22,541,038	15.49
7	Smartful Global Holdings Ltd	12,325,000	–	–	12,325,000	8.47
8	Xiao De	–	–	12,325,000 ⁽⁷⁾	12,325,000	8.47
9	Goodwood Associates Pte. Ltd.	–	9,970,300 ⁽⁸⁾	–	9,970,300	6.85
10	Lee Soek Shen	–	–	9,970,300 ⁽⁹⁾	9,970,300	6.85

Notes

- Fortune Woods Global Investment Limited is deemed to be interested in the 1,751,608 shares held in the name of OCBC Securities Private Limited, a nominee company.
- General Nice Resources (Hong Kong) Limited's deemed interest in the Company arises from its deemed interest in the 20,550,041 shares held by Fortune Woods Global Investment Limited.
- General Nice Investment (China) Limited's deemed interest in the Company arises from its deemed interest in the 20,550,041 shares in respect of which General Nice Resources (Hong Kong) Limited has a deemed interest and the 1,990,997 shares held by General Nice Resources (Hong Kong) Limited.
- General Nice Development Ltd's deemed interest in the Company arises from its deemed interest in the 20,550,041 shares in respect of which General Nice Resources (Hong Kong) Limited has a deemed interest and the 1,990,997 shares held by General Nice Resources (Hong Kong) Limited.
- General Nice Group Holdings Limited's deemed interest in the Company arises from its deemed interest in the 22,541,038 shares in respect of which General Nice Development Ltd and General Nice Investment (China) Limited have a deemed interest.
- Cai Sui Xin's deemed interest in the Company arises from his deemed interest in the 22,541,038 shares 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.
- Xiao De's deemed interest in the Company arises from his deemed interest in the 12,325,000 shares held by Smartful Global Holdings Ltd.
- Goodwood Associates Pte. Ltd. is deemed to be interested in the 9,970,300 shares held in the name of DBS Vickers Securities (Singapore) Pte Ltd, CIMB Securities (Singapore) Pte Ltd and UBS Securities Pte Ltd, all of which are nominee companies.
- Lee Soek Shen's deemed interest in the Company arises from his interest in the shares held by Goodwood Associates Pte. Ltd., as Lee Soek Shen is the sole shareholder of all the ordinary shares in Goodwood Associates Pte. Ltd.

Statistics Of Warrant Holdings

As at 20 September 2017

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant holdings	No of Warrant holders	%	No of Warrants	%
1 – 99	191	11.12	9,155	0.06
100 – 1,000	937	54.54	555,888	3.63
1,001 – 10,000	501	29.16	1,401,220	9.15
10,001 – 1,000,000	85	4.95	3,096,405	20.23
1,000,001 and above	4	0.23	10,246,400	66.93
Total	1,718	100.00	15,309,068	100.00

TWENTY LARGEST WARRANT HOLDERS AS AT 20 SEPTEMBER 2017

No.	Name	No. of Warrants	%
1	FORTUNE WOODS GLOBAL INVESTMENT LTD	4,699,608	30.70
2	SMARTFUL GLOBAL HOLDINGS LIMITED	2,465,000	16.10
3	RAFFLES NOMINEES (PTE) LIMITED	1,959,847	12.80
4	CITIBANK NOMINEES SINGAPORE PTE LTD	1,121,945	7.33
5	TAN BENG WAH	540,000	3.53
6	SOO WEI CHUAN	289,900	1.89
7	TEH KAH CHAN	202,900	1.33
8	LIM YUE HENG	161,400	1.05
9	PHILLIP SECURITIES PTE LTD	149,347	0.98
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	122,612	0.80
11	CHEW PECK YEE	75,000	0.49
12	DBS NOMINEES PTE LTD	60,974	0.40
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	56,777	0.37
14	NG KIM CHOON	53,000	0.35
15	MAYBANK KIM ENG SECURITIES PTE LTD	52,040	0.34
16	LIM SIM BENG	50,000	0.33
17	OCBC SECURITIES PRIVATE LTD	49,702	0.32
18	UOB KAY HIAN PRIVATE LIMITED	49,240	0.32
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	49,152	0.32
20	CHIU CHUN KEONG (ZHOU JUNQIANG)	41,700	0.27
		12,250,144	80.02

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting of NEW SILKROUTES GROUP LIMITED (the “Company”) will be held at **Temasek Club, 131 Rifle Range Road, Singapore 588406, Seletar Room** on **Tuesday, 31 October 2017** at **10.00 a.m.** for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2017 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to Article 91 and Article 97 of the Company’s Constitution:

Mr Lee Soek Shen	(retiring under Article 91)	(Resolution 2)
Mrs Chen Chou Mei Mei Vivien	(retiring under Article 91)	(Resolution 3)
Mr Pao Kiew Tee	(retiring under Article 97)	(Resolution 4)

Mr Lee Soek Shen will, upon re-election as Director of the Company, remain as an Executive Director and will be considered non-independent.

Mrs Chen Chou Mei Mei Vivien will, upon re-election as Director of the Company, remain as an Independent and Non-Executive Director and the Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nominating Committee, and will be considered independent.

Mr Pao Kiew Tee will, upon re-election as Director of the Company, remain as an Independent and Non-Executive Director and the Chairman of the Audit Committee and a member of each of the Nominating Committee and the Remuneration Committee, and will be considered independent.
3. (a) To approve the payment of the proposed additional Directors’ fees of S\$30,000 for the financial year ended 30 June 2017. **(Resolution 5)**
- (b) To approve the payment of Directors’ fees of S\$300,000 for the financial year ending 30 June 2018 to be paid quarterly in arrears. **(Resolution 6)**
4. To re-appoint Foo Kon Tan LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications and subject to Proviso 1 below:

6. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 (“Act”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively “Instruments”) that might or would require shares to be issued, including but not limited to the creation or issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

Notice of Annual General Meeting

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall be limited as follows:
- (A) without prejudice to sub-paragraph (1)(B) below, the aggregate number of shares to be issued shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below), of which the aggregate number of shares to be issued other than on a pro rata basis to the shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below) (“**General Limit**”);
 - (B) in addition to the General Limit, the aggregate number of shares to be issued by way of renounceable rights issues on a pro rata basis (“**Renounceable Rights Issues**”) shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below (“**Additional Limit**”);
 - (C) where an issue of shares is to be issued by way of Renounceable Rights Issues, that issue shall first use the Additional Limit, and in the event that the Additional Limit has been fully used and is insufficient to satisfy that issue, that issue may use the General Limit, but only to the extent of the then remaining General Limit;
 - (D) where an issue of shares is to be issued otherwise than by way of Renounceable Rights Issue, that issue may only use the General Limit, but only to the extent of the then remaining General Limit;
 - (E) an issue of shares that is not for a financing purpose may only use the General Limit, but the number of such shares that may be issued shall be limited to the numerical number of the then remaining Additional Limit;
- (2) the General Limit and the Additional Limit shall not, in aggregate, exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);
- (3) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1)(A) and (1)(B) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (aa) new shares arising from the conversion or exercise of any convertible securities;
 - (bb) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (cc) any subsequent bonus issue, consolidation or subdivision of shares;
- (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (5) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (i)]

(Resolution 8)

Notice of Annual General Meeting

7. Authority to allot and issue shares under the New Silkroutes Performance Share Plan 2017

That the Board of Directors of the Company be and is hereby authorised to offer and grant awards (“**Awards**”) in accordance with the provisions of the New Silkroutes Performance Share Plan 2017 (the “**PSP**”) and pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the SGX-ST, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of Awards under the PSP, provided always that the total number of new shares to be allotted and issued pursuant to the Awards granted under the PSP, when added to the number of new shares issued and issuable in respect of all Awards granted under the PSP and any other share scheme, shall not exceed 15% of the issued shares (excluding treasury shares) in the capital of the Company from time to time.

[See Explanatory Note (ii)]

(Resolution 9)

8. Renewal of Share Purchase Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, (the “**Companies Act**”), the exercise by the Directors of all powers of the Company to purchase or otherwise acquire shares, not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) on-market purchase(s) (each an “**On-Market Purchase**”) transacted on the SGX-ST through the ready market through 1 or more duly licensed dealers appointed by the Company for the purpose; or
- (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) (effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the rules of the Listing Manual,

(the “**Share Purchase Mandate**”);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the share purchases are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked;

(c) in this Resolution:

“**Prescribed Limit**” means 10% of the total number of shares as at the date of passing of this Resolution (excluding any treasury shares that may be held by the Company from time to time), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of shares of the Company shall be taken to be the total number of shares of the Company as altered;

“**Relevant Period**” means the period commencing from the date on which the resolution authorising the Share Purchase Mandate is passed, and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier;

Notice of Annual General Meeting

“Maximum Price” in relation to a share to be purchased or acquired, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the shares; and
- (ii) the case of an Off-Market Purchase pursuant to an equal access scheme, 115% of the Average Closing Price of the shares;

where:

“Average Closing Price” means the average of the closing market prices of a share over the last five (5) market days on which transactions in the shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of shares from holders of shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and each of them be and are hereby authorised to deal with the shares purchased by the Company, pursuant to the Share Purchase Mandate in any manner as they think fit, which is allowable under the Companies Act and the Listing Manual.
- (e) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider necessary, desirable or expedient to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (iii)]

(Resolution 10)

By Order of the Board

Lim Koon Hock
Joint Company Secretary

Singapore, 16 October 2017

Proviso 1

Unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

Explanatory Notes:

- (i) The Ordinary Resolution 8 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding the aggregate of (i) 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders (the General Limit) and (ii) additional 50% for Renounceable Rights Issues, of the total number of issued shares (excluding treasury shares) in the capital of the Company (the Additional Limit), provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares) at the time Ordinary Resolution 8 is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time Ordinary Resolution 8 is passed and any subsequent bonus issue, consolidation or subdivision of shares.

The authority for the Additional Limit is proposed pursuant to SGX-ST Practice Note 8.3 which became effective on 13 March 2017 until 31 December 2018 by which date no further shares shall be issued pursuant to Resolution 8, if on that date the aggregate number of shares (including shares to be issued in pursuance of Instruments, made or granted pursuant to Resolution 8) exceeds 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (the **“Enhanced Rights Issue Limit”**). The Enhanced Rights Issue Limit is aimed at helping companies raise funds expediently for expansion activities or working capital. It is subject to the condition

Notice of Annual General Meeting

that the Company complies with applicable legal requirements including but not limited to provisions in the Companies Act requiring the Company to seek shareholders' approval and disclosure requirements under the Listing Manual on the use of proceeds as and when the funds are materially disbursed and a status report on the use of proceeds in the annual report; and limitations in any existing mandate from shareholders.

The Enhanced Rights Issue Limit provides the Company with additional avenues to raise funds expediently in current economic conditions. Accordingly, the Board is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders.

The Enhanced Rights Issue Limit will be exercised only if the Directors believe that to do so would be likely to promote the success of the Company for the benefit of shareholders as a whole.

- (ii) The Ordinary Resolution 9 proposed in item 7 above, if passed, will empower the Directors of the Company, to allot and issue shares in the Company pursuant to the vesting of awards granted under the PSP of up to a number which when added to the number of new shares issued and issuable in respect of all awards granted under the PSP or any other share scheme shall not exceed in total 15% of the issued shares (excluding treasury shares) in the capital of the Company from time to time. The PSP was first approved by the shareholders of the Company in the Extraordinary General Meeting held on 21 July 2017. Please refer to the Company's Circular to Shareholders dated 5 July 2017 for further details.
- (iii) The Ordinary Resolution 10 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of On-Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued shares (excluding treasury shares), at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Letter to Shareholders dated 16 October 2017.

Notes:

- (i) (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50 (the "**Companies Act**")) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the Annual General 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) is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, 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.
- (ii) A proxy need not be a Member of the Company.
- (iii) The instrument appointing a proxy or proxies must be under the hand of the appointer or of his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 460 Alexandra Road, #24-06 PSA Building, Singapore 119963 not less than forty-eight (48) hours before the time appointed for holding the Meeting.
- (v) A depositor shall not be regarded as a member of a Company entitled to attend, speak and vote at the Annual General Meeting unless his name appears on the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289) 72 hours before the time fixed for the Annual General Meeting.

Personal Data Privacy:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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**”) (as may be applicable), 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, Cap. 50) may appoint more than two (2) proxies to attend, speak, and vote at the Meeting.

PROXY FORM ANNUAL GENERAL MEETING

I/We, _____
of _____

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 the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the “**Meeting**”) of the Company to be held at **Temasek Club, 131 Rifle Range Road, Singapore 588406, Seletar Room on Tuesday, 31 October 2017** at **10.00am** 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 or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Resolutions relating to:	For*	Against*
1	Directors’ Statement and Audited Financial Statements for the financial year ended 30 June 2017		
2	Re-election of Mr Lee Soek Shen as a Director		
3	Re-election of Mrs Chen Chou Mei Mei Vivien as a Director		
4	Re-election of Mr Pao Kiew Tee as a Director		
5	Approval of additional Directors’ fees amounting to S\$30,000 for the financial year ended 30 June 2017		
6	Approval of Directors’ fees amounting to S\$300,000 for the financial year ending 30 June 2018		
7	Re-appointment of Foo Kon Tan LLP as Auditors		
8	Authority to allot and issue shares		
9	Authority to allot and issue shares under the New Silkroutes Performance Share Plan 2017		
10	Authority to renew the share purchase mandate		

* 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 _____ 2017

Total number of Shares in:	No. 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) 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) and who holds shares in that capacity; or
 - (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
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.

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5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 460 Alexandra Road, #24-06 PSA Building, Singapore 119963 not less than forty-eight (48) hours before the time appointed for 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.
8. An investor who buys Shares in the Company under the Central Provident Fund Investment Scheme ("CPF Investor") and/or under the Supplementary Retirement Scheme monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

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 seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By attending the Annual 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 Annual General Meeting.

Please fold here

AFFIX
STAMP

The Joint Company Secretary
NEW SILKROUTES GROUP LIMITED
460 Alexandra Road
#24-06 PSA Building
Singapore 119963



NEW SILKROUTES
GROUP LIMITED

NEW SILKROUTES GROUP LIMITED

460 Alexandra Road

#24-06 PSA Building

Singapore 119963

Tel: (65) 6377 0100 Fax: (65) 6377 0600

www.newsilkroutes.org

BRN: 199400571K