A NEW MILESTONE

NEW SILKROUTES
GROUP LIMITED

ANNUAL REPORT 2020

CONTENTS

CORPORATE PROFILE

New Silkroutes Group Limited ("New Silkroutes Group") is an investment holding company listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

New Silkroutes Group, together with its subsidiaries (the "Group"), operate in the Healthcare and Energy sectors.

HEALTHCARE

The Group's healthcare division focuses on the provision of healthcare and related services, and operates mainly under its subsidiary, Healthsciences International Pte. Ltd. ("HSI"). HSI owns and operates primary care medical and dental clinics in Singapore with plans to expand into Southeast Asian countries through acquisitions and partnerships. It also has a team that specializes in hospital development and management, with a focus in Southeast Asia and China.

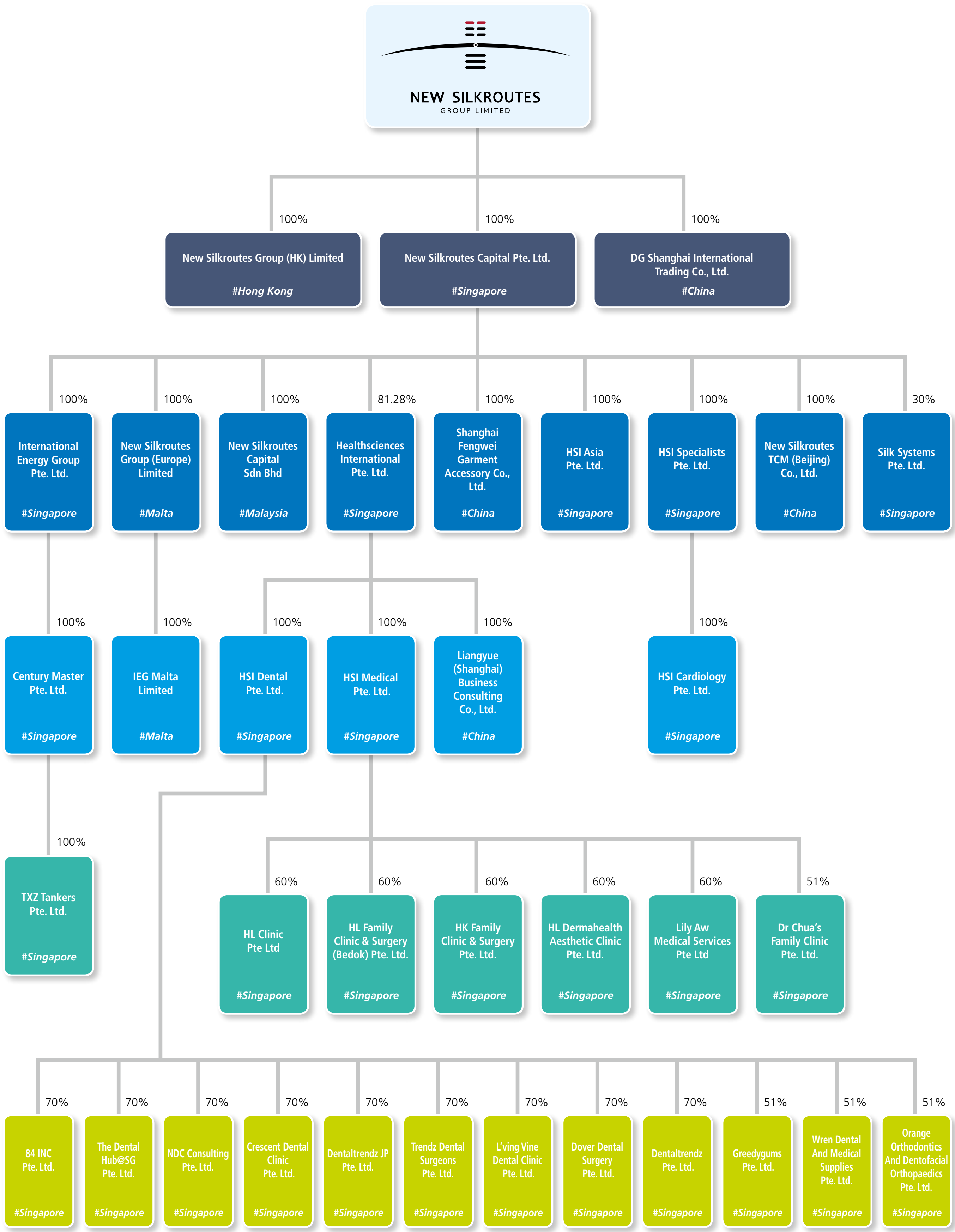
The Group has also extended its healthcare portfolio into healthcare-related supplies through its subsidiary, Shanghai Fengwei Garment Accessory Co., Ltd ("Shanghai Fengwei") in China. Shanghai Fengwei produces the non-woven material which is used to manufacture disposable medical consumables such as hospital gowns and linen, personal protective equipment and masks.

The Group now owns 16 clinics comprising one dental specialist clinic, eight dental clinics, five family medicine clinics, one aesthetic clinic and one traditional chinese medicine ("TCM") clinic as well as two dental supplies companies.

ENERGY

The Group's energy division is through its wholly-owned oil trading subsidiary, International Energy Group Pte. Ltd. ("IEG"), which counts oil majors and national oil companies among its counterparties. Incorporated in 2014, IEG focuses on physical oil trades in the key markets of Southeast Asia and North Asia. To maintain efficiency, IEG charters and operates its own fleet of vessels to support the necessary logistics.

CORPORATE STRUCTURE



OUR FLAGSHIP OF CLINICS IN SINGAPORE

DENTAL CLINICS

1. **The Dental Hub (Alexandra)**
   Tel: 6274 9682
   460 Alexandra Road
   #02-16 PSA Building
   Alexandra Retail Centre
   Singapore 119963

2. **The Dental Hub (Bedok)**
   Tel: 6241 7088
   84 Bedok North Street 4 #01-07
   Singapore 460084

3. **The Dental Hub (Boon Lay)**
   Tel: 6794 0788
   1 Jurong West Central 2
   #01-16 (A&B) Jurong Point Shopping Centre, Singapore 648886

4. **The Dental Hub (Dover)**
   Tel: 6779 0233
   28 Dover Crescent, #01-87
   Singapore 130028

5. **The Dental Hub (Jurong West)**
   Tel: 6397 0284
   762 Jurong West Street 75
   #02-254 Gek Poh Shopping Centre
   Singapore 640762

6. **The Dental Hub (Telok Blangah)**
   Tel: 6270 0732
   12 Telok Blangah Crescent
   #01-115, Singapore 090012

7. **The Dental Hub (West Coast)**
   Tel: 6775 8385
   154 West Coast Road, #01-84/85
   West Coast Plaza, Singapore 127371

8. **The Dental Hub (Yew Tee)**
   Tel: 6634 2535
   21 Choa Chu Kang North 6
   #B1-24 Yew Tee Point
   Singapore 689578

DENTAL SPECIALIST

Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd.
Tel: 6737 0544
304 Orchard Road Lucky Plaza Suite
#05-44 Orchard Medical Specialists
Singapore 238863

AESTHETIC

HL Dermahealth Aesthetic Clinic Pte. Ltd.
Tel: 6276 9007
12 Telok Blangah Crescent
#01-111, Singapore 090012

TCM CLINIC

HSI Chinese Medicine
Tel: 6836 3637
304 Orchard Road Lucky Plaza Suite
#05-33 Orchard Medical Specialists
Singapore 238863

GP CLINICS

1. **HL Clinic Pte Ltd**
   Tel: 6272 1986
   9 Telok Blangah Crescent, #01-135
   Singapore 090009

2. **HL Family Clinic & Surgery (Bedok) Pte. Ltd.**
   Tel: 6442 0494
   89 Bedok North Street 4, #01-83
   Singapore 460089

3. **HK Family Clinic & Surgery Pte. Ltd.**
   Tel: 6552 8757
   410 Ang Mo Kio Ave 10, #01-817
   Singapore 560410

4. **Dr Chua's Family Clinic Pte. Ltd.**
   Tel: 6792 8505
   Blk 638 Jurong West Street 61
   #02-04 Pioneer Mall,
   Singapore 640638

5. **Lily Aw Medical Services Pte Ltd**
   Tel: 6582 2122
   446 Pasir Ris Drive 6 #01-116
   Singapore 510446

CHAIRMAN'S AND CEO'S STATEMENT

DEAR SHAREHOLDERS,

New Silkroutes Group continued where it left off in FY2019, with continued robust year-on-year revenue growth of 132% in its healthcare operating segment, comprising its network of 16 clinics in Singapore and its non-woven material manufacturing facility in Shanghai. Meanwhile, with the uncertain outlook in the oil industry, the Group's energy division, International Energy Group, proceeded with caution, choosing to do business only with a few selected counterparties and shifting its strategy to one of ship management to complement its oil trading activities.

As a result of more prudent cash management policies, the Group generated a positive net cash flow from operating activities of US$6.59 million for the full year. However, it recorded a full year net loss after tax of US$8.19 million as it took in a one-off impairment loss of US$8.29 million on intangible assets and trade and other receivables.

IMPACT OF COVID-19 ON HEALTHSCIENCES INTERNATIONAL

2020 started with a black swan event, where a highly infectious virus spread globally at a speed that was unprecedented, resulting in governments worldwide imposing lockdown measures, with grave consequences and impact on their economies.

In the early part of the year, our network of clinics had to grapple with possible short-term closures in the event that a Covid-19 positive patient were to enter the clinic without wearing masks. Our doctors and staff had to overcome their personal fears to persevere and attend to patients in the midst of, what was then, an unknown disease. For this, I extend my gratitude and heartfelt thanks, on behalf of the Board and shareholders.

The final quarter of FY2020 hit the clinics hard, as they were only allowed to see essential cases, which meant many patients had to be turned away. This resulted in a 4th quarter-on-quarter decline in clinic revenues of more than 36%. At the same time, we decided to stop providing support for our clinic management software that had been deployed in the Parkway China clinics since 2012, as the latter had started developing their own enterprise system. The measures to restrict movement in China also meant that it was difficult to market the software to new customers. As a result, the Group took a one-off impairment loss of about US$1million on the system.

During the year, we had also planned to expand our network of clinics; specifically, to extend specialist services as a vertical integration of our primary clinic services. However, with Covid-19 causing widespread uncertainty, we decided to conserve cash for the year and to review this plan when the economy re-opens fully.

IMPACT OF COVID-19 ON SHANGHAI FENGWEI

The experience of our non-woven material manufacturing facility in Shanghai was no less unique and presented an interesting conundrum for the company. Covid-19 struck China hard and fast in early 2020. The country had insufficient supplies of PPE for its healthcare workers and citizens. Our manufacturing facility produced the material for the manufacture of the PPE and the Chinese government quickly put us into national service mode. This meant that we had to produce the material for government requirements and we were compensated at government-prescribed rates. Hence, whilst our production volume increased significantly, our profit margins were kept relatively low.

As the country's needs were progressively met, we began to tap the private sector demand for the material. However, we also realised that manufacturing facilities for non-woven material and PPE were springing up across China and other countries were also developing plants of their own. This meant that whilst operating margins may now increase, the demand for our product may come under increasing competitive pressure as the year went on.

Shanghai Fengwei's management then presented its plan to collaborate with external parties to (i) market its non-woven material to downstream factories and (ii) explore vertical integration with downstream factories to manufacture the end-products (namely, PPE) for direct sale to consumers. Shanghai Minlin was recommended and selected by the management of Shanghai Fengwei as a suitable partner for the marketing phase of this strategy.

Shanghai Fengwei then signed a management consultancy agreement with Shanghai Minlin, whereupon the management rights and the profits of Shanghai Fengwei during the period 1 January 2020 to 31 December 2021 were assigned to Shanghai Minlin for a consideration of S$4 million (the "Consideration"), which was paid upfront in May 2020. All profits and losses during the aforesaid period, whether in excess of or less than the Consideration, would be borne by Shanghai Minlin.

Under this management consultancy agreement, the operations and finances of Shanghai Fengwei would continue to be controlled by our Executive Director, Mr Shen Yuyun, and his management team.

The outcome of this plan was a tremendous surge in customer contracts, resulting in a historical high in our 4th quarter revenue of US$22.26 million in our healthcare segment, despite the drop in our clinic revenues as mentioned earlier. We now know the true capacity and full potential of our manufacturing facility in Shanghai. Of course, the demand for our products will fall as the Covid-19 pandemic slowly comes under control. However, the market and operating information we have gained from this exercise has been invaluable.

CHAIRMAN'S AND CEO'S STATEMENT

IMPACT OF THE ECONOMIC SLOWDOWN ON INTERNATIONAL ENERGY GROUP

International Energy Group experienced a reduction in trading volumes secondary to the slowdown in the global economy whilst lower oil prices also contributed to the overall drop in its trade revenues. We remain confident that we can overcome the short term challenges as we have a good track record in the industry and are committed to long term relationships with our selected trade counterparties and business partners.

BOARD AND MANAGEMENT CHANGES

After four years with the company, Mr Pao Kiew Tee retired as our Board Chairman and Independent Director in August this year to spend more time with his grandchildren. In order to provide continuity at the Board level, I therefore assumed the role of Chairman upon Mr Pao's retirement. We are grateful to Mr Pao for his wisdom and leadership during his service as Chairman and head of our Audit and Risk Committee. In addition, the Board and I would like to extend our thanks to Mr Kelvyn Oo, our Chief Corporate Officer and Executive Director for his contributions and dedication to the company. We wish him all the best in his new personal and professional pursuits.

As part of this succession planning and for good corporate governance, I am now passing on the mantle of CEO of New Silkroutes Group Limited to Dr VicPearly Wong, who has the unanimous support of the other directors and our management team.

This year, we also welcome two new independent directors, namely, Darrell Lim and Alex Chua, to our Board. With a refreshed Board and management team, the Group is now well poised to execute its healthcare strategy, which will be more technology-focused in view of our experience during the Covid-19 pandemic.

THE FUTURE ROAD MAP AND CEO STATEMENT

Taking over the reigns as CEO of a healthcare company in a pandemic crisis presents both challenges and opportunities. The world has been radically reshaped by the pandemic and its consequences continue to adversely impact the economy of Singapore and the rest of the world. We are living in a time where fundamental transformational changes must take place so that we may rise above the tidal waves to stay relevant, be disruptive, be purposeful and do our part to help re-shape and improve the healthcare industry. We will take this opportunity to sharpen our focus and redefine our strategic vision.

Our strategic vision for the Group in the next decade will be leveraging on innovation and technology to develop our artificial intelligence (AI) driven capabilities in healthcare. AI has the capacity to empower patients and clinicians towards more accurate clinical diagnoses and better prognoses in cancer; precision in pharmaceutical therapeutics and improve reliabilities in diseases predictability. Innovation in this deeply violative era of business demands a collaborative approach. We will build partnerships with leading healthcare institutions and technology companies to create real potential possibilities to fulfil and embody our vision. Our physicians will continue to play a pivotal role in ensuring that the best possible medical and dental care, synonymous with our high level of clinical standards, is efficiently delivered to our patients. Our business in China continues to fight the pandemic by providing the battle gear for the front-liners. Whilst the battle against the pandemic is not yet over, I am confident that we are now better equipped than ever by the experience to face and overcome the challenges.

I would like to extend my thanks to our Chairman and Board for their unwavering support and look forward to leading NSG through this exciting new transformational journey: To become an innovative and valuable health tech leader that betters all our tomorrows.

Dr Goh Jin Hian
Chairman of the Board of Directors

Dr VicPearly Wong
Chief Executive Officer

BOARD OF DIRECTORS

DR GOH JIN HIAN

Chairman and Non-Independent Non-Executive Director

Prior to being appointed as Chairman of the Group on 1st August 2020, Dr Goh was the Chief Executive Officer of the Group, a position he has held since 2015. During this time, he transformed the company from a technology wholesaler (Digiland) to a healthcare-focused organisation and he retired as CEO on 1st October 2020.

Dr Goh was a healthcare practitioner and held C-suite responsibilities in ParkwayHealth (now IHH) from 1999 to 2011. He is currently also the independent director of SGX-listed Cordlife Group Limited.

He had also served on the Council of the Singapore Human Resources Institute from 2007 to 2017 and the Council of the Singapore Medical Association from 1996 to 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 and is now pursuing a Belt and Road EMBA with Tsinghua-PBCSF.

SHEN YUYUN

Executive Director
Executive Chairman, Shanghai Fengwei Garment Accessory Co., Ltd.

Mr Shen was appointed as an Executive Director of the company on 7 April 2020.

He is the Executive Chairman of Shanghai Fengwei since 2000 when he decided to start his own business. Prior to that, he was the general manager of Shanghai Jinshan Fengyu Town Industrial Co., Ltd. and Shanghai Fengyu Industrial Zone. He was also the deputy mayor of Fengyu Town People's Government of Jinshan City, Shanghai.

Currently, he also participates in the management of Suqian Real Estate Development Co., Ltd. and Shanghai Jinshan Limin Micro Loan Co., Ltd, which involve real estate development, financing and investment.

Mr Shen graduated from Donghua University in 1997.

DR CHUA SOON KIAN ANDREW

Non-Independent Non-Executive Director

Dr Chua was appointed as Non-Independent Non-Executive Director on 17 June 2019.

Dr Chua is currently the principal and chairman of the management council of the East Asia Institute of Management ("EAIM"), formerly known as the East Asia School of Business (EASB), which he founded in 2001. He is also the immediate past president of the Association of Private Schools and Colleges (APSC) in Singapore and a former advisor to the Institute of Management Consultants, Singapore.

Dr Chua holds a Master of Business Administration (MBA) from Leicester University, UK and was conferred an Honorary Doctorate degree of Education (D.Edu.) by the Queen Margaret University, Edinburgh. He is also an Honorary Fellow of the Cardiff Metropolitan University, a Fellow of the Chartered Institute of Marketing, UK, and a Fellow of the Royal Society of Arts, UK. He is a senior member of the Singapore Computer Society and the Singapore Institute of Management.

Prior to founding EAIM, Dr Chua was the founding managing director of Dell Computer Corporation – South Asia and PRC from 1995 to 2001. Before Dell, he was the General Manager – Asia Pacific Operations of a subsidiary of the public-listed Wearnes Technology Group in Singapore. Prior to that, he was a senior management consultant at Coopers & Lybrand Associates.

Dr Chua is also a patron of the Yew Tee Citizens' Consultative Committee (CCC), the Community Club Management Committee (CCMC), and the Constituency Sports Club. He also served as the chairman of the Yew Tee CCC Community Development Welfare Fund Committee.

He was conferred the Public Service Medal (PBM) in the 2013 National Day Awards by the President of the Republic of Singapore.

BOARD OF DIRECTORS

MR DARRELL LIM CHEE LEK

Independent Non-Executive Director and Lead Independent Director

Darrell was appointed Independent Director to the NSG board on 1 August 2020.

Darrell has more than 16 years of professional experience, starting his career as an Australian-based management consultant in 2003. He is currently an executive director of SGX-listed BRC Asia Limited, and director of Bright Point Capital, a subsidiary of HKEx-listed Theme International. He also sits on the board of privately-held XM Studios as a non-executive director.

From 2009-2019, Darrell spent 10 years with the Singapore Exchange in a number of management roles including corporate strategy, product development, investor relations and corporate coverage.

Darrell holds graduate and post-graduate degrees from Oxford University (UK), Sydney University (Australia) and the National University of Singapore.

MRS CHEN CHOU MEI MEI VIVIEN

Independent Non-Executive Director

Mrs Chen was appointed as Independent Non-Executive Director on 24 June 2015.

She graduated with a Bachelor of Arts degree from the University of Colorado in Boulder, Colorado, USA and has over 30 years of experience in investments, in particular, property investments, garment manufacturing, aircraft maintenance businesses and ship management. She is also currently a non-executive director of SEHK-listed Wing Tai Properties Limited and an executive director of Winsor Industrial Corporation Ltd., HK.

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 Securities and Futures Ordinance of Hong Kong. She was also a director of Lian Thai Apparel Co. Ltd., Bangkok, Thailand till 2019, and a director or advisory member of various non-profit organisations. She was the president of the Modernized Chinese Medicine International Association till 2020 and is the vice-president of The Hong Kong Health Food Association Ltd. She is also a Gold member of the Young President Organization (YPO), HK Chapter.

MR CHUA SIONG KIAT

Independent Non-Executive Director

Mr Chua was appointed as Independent Non-Executive Director on 1 August 2020.

He has over 25 years of international broad-based financial and management experiences, mainly in real estate investment and development, building construction and materials, healthcare and medical assurance; and having been based in London, Beijing, Ho Chi Minh City and Singapore. He is currently a director of a boutique corporate advisory practise and chief financial officer of an infrastructure civil engineering company. He was former executive director and c-suite officers of two SGX listed companies, and former independent non-executive director of another three SGX listed companies.

Mr Chua is a Fellow of Chartered Certified Accountant (FCCA, UK), Certified Internal Auditor (CIA, USA), Chartered Accountant of Singapore (CA Singapore), Chartered Valuer and Appraiser (CVA) and member of the Singapore Institute of Director (SID). He holds a Master of Business Administration and Diploma of the Imperial College in Management (MBA, DIC) from Imperial College London Business School.

EXECUTIVE MANAGEMENT

DR VICPEARLY WONG HWEI PINK

Chief Executive Officer

Dr VicPearly Wong was appointed Chief Executive Officer on 1 Oct 2020.

A specialist orthodontist by profession, Dr Wong obtained her Bachelor in Dental Surgery from the National University of Singapore and embarked on her specialist orthodontic training under the sponsorship of the National Dental Centre, Singapore. She obtained her Masters in Orthodontics and earned her Fellowship in Orthodontics from the Royal Australasian College, Australia and the Royal College of Surgeons, Edinburgh UK. She was subsequently inducted into the Academy of Medicine Singapore.

Dr Wong is the Director and Founder of Orange Orthodontics & Dentofacial Orthopaedics Pte Ltd, Wren Dental and Medical Supplies Pte Ltd and Greedygums Pte Ltd. They were acquired by the Group in 2017 and she was subsequently appointed as Clinical Director (Dental) of the Group's subsidiary Healthsciences International Pte Ltd.

Dr Wong was the Past President of the Association of Orthodontists, Singapore and currently serves as the chairman of their Internal Audit Committee. She is a member of the College of Dental Surgeons, Orthodontics Chapter and a medical expert at the Faculty of Medical Experts, Academy of Medicine Singapore.

She is a member of the Old Rafflesians' Association and serves on the fundraising committee in the Metropolitan YMCA Singapore.

Dr Wong obtained her Masters in Business Administration from the University of Manchester in 2015 and is pursuing a professional program on Artificial Intelligence in Healthcare from the Stanford School of Medicine.

MR TEO THIAM CHUAN WILLIAM

Finance Director

Mr Teo was appointed as the Finance Director on 30 April 2018.

He has more than 18 years of experience in the banking and finance industry with extensive exposure to the treasury, capital market and corporate advisory function.

He then moved on to join a mainboard-listed company where he was the senior manager of business development and the chief operating officer.

He graduated with a Bachelor of Commerce from the University of Toronto and holds a Master of Applied Finance from Macquarie University.

MR WU GUOLIANG

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

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

Mr Wu has more than 15 years of corporate experience in the energy and investment industries, namely energy logistics, medical, wellness and real estate. He graduated from the University of Heriot-Watt with a Bachelor in Construction Management, and from Reading University with a Master in Real Estate Finance and Economics. He attended the Senior Management Programme on Internationalisation by the Lee Kuan Yew School of Public Policy and is currently pursuing a Finance EMBA with TsingHua University focusing on Belt & Road Initiatives.

MR ARTUN GURSEL

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

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

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

Following that, from 2007 to 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.

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

MS LEE LUNA

Chief Executive Officer, Healthsciences International Pte. Ltd. ("HSI")

Ms Lee was appointed as Chief Executive Officer of HSI on 9 April 2018.

Ms Lee has more than 20 years of extensive experience in the private and public healthcare sectors. Prior to her current portfolio, she was a C-suite executive in the local hospitals, namely Mount Alvernia Hospital, Mount Elizabeth Novena Hospital and SingHealth Polyclinics. Ms Lee had held leadership appointments in National University Hospital and the Parkway group at hospitals, with responsibilities in operation, quality and service excellence.

Ms Lee graduated from National University of Singapore with a Bachelor of Science degree and majored in Mathematics.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr Shen Yuyun *(Executive Director)*

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr Goh Jin Hian *(Chairman of the Board)*

Dr Chua Soon Kian Andrew

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Darrell Lim Chee Lek *(Lead Independent Director)*

Mrs Chen Chou Mei Mei Vivien

Mr Chua Siong Kiat

AUDIT AND RISK COMMITTEE

Mr Chua Siong Kiat *(Chairman)*

Mr Darrell Lim Chee Lek

Dr Chua Soon Kian Andrew

NOMINATING COMMITTEE

Mrs Chen Chou Mei Mei Vivien *(Chairman)*

Mr Darrell Lim Chee Lek

Dr Chua Soon Kian Andrew

REMUNERATION COMMITTEE

Mr Darrell Lim Chee Lek *(Chairman)*

Mrs Chen Chou Mei Mei Vivien

Mr Chua Siong Kiat

COMPANY SECRETARY

Ms Ong Beng Hong

REGISTERED OFFICE

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

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809
Audit Partner-in-charge: Mr Lee Boon Teck
Date of Appointment: 31 October 2018

PRINCIPAL BANKERS

CIMB Bank Berhad

DBS Bank Limited

United Overseas Bank Limited

EXECUTIVE MANAGEMENT

Dr VicPearly Wong
Chief Executive Officer

Mr Shen Yuyun
Executive Director

Mr Teo Thiam Chuan William
Finance Director

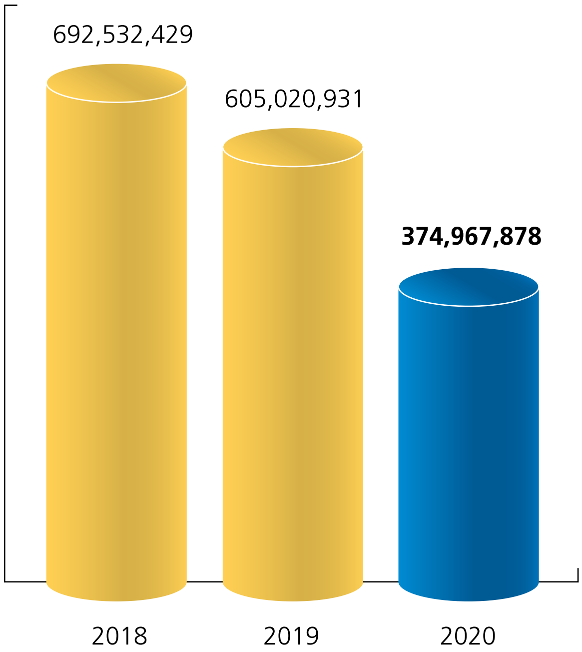
Mr Wu Guoliang
Executive Director of International Energy Group Pte. Ltd.

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

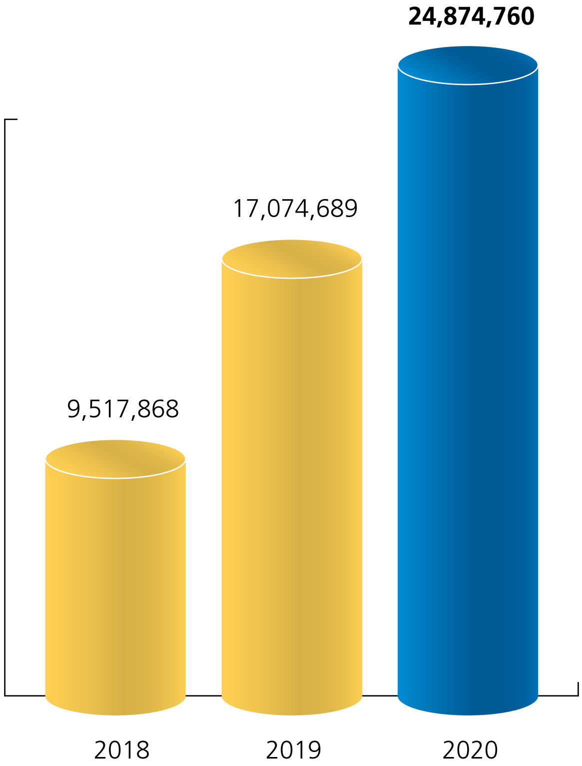
Ms Lee Luna
Chief Executive Officer of Healthsciences International Pte. Ltd.

FINANCIAL HIGHLIGHTS

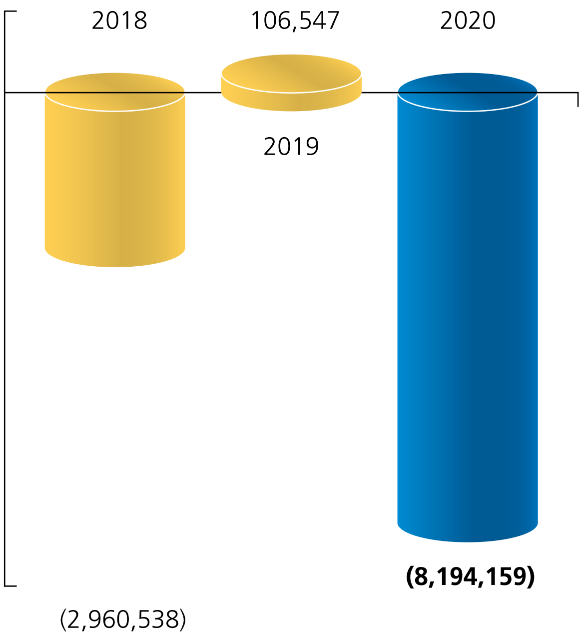
REVENUE



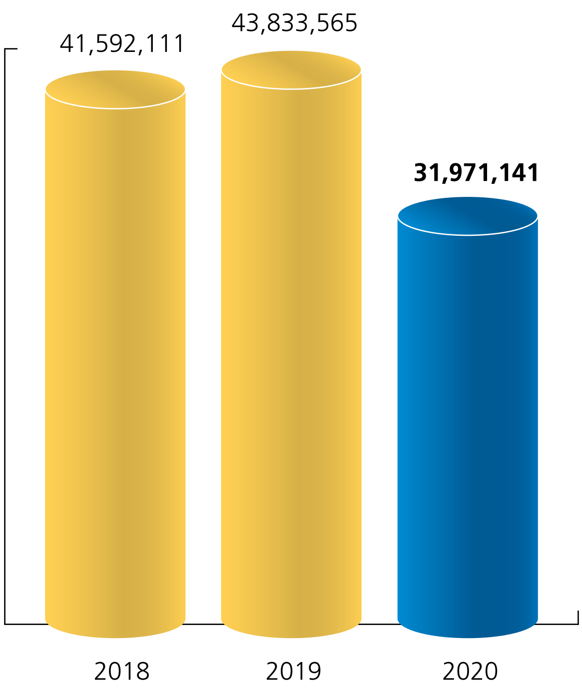
GROSS PROFIT



PROFIT/(LOSS) AFTER TAX



SHAREHOLDERS' EQUITY



OPERATIONS REVIEW

TOGETHER AS ONE

FY2020 will be remembered as a momentous year, not just for New Silkroutes and its subsidiaries, but for Singapore and the world. We stand together with the nation to fight against the scourge of COVID-19 pandemic, led by our frontline medical and dental teams.

HEALTHCARE

When the COVID-19 pandemic began, Healthsciences International Pte. Ltd.'s ("HSI") first priority was getting our clinics ready and making sure that we had what we needed to keep our staff and patients safe. Our clinicians have learnt much about the specific clinical management of COVID-19 and how to prepare the team to manage surges in cases while maintaining essential services.

All hands were on deck. Clinicians and staff, including our administration staff, worked tirelessly, adapted and reacted swiftly to put in place strict protocols to manage and successfully navigate the pandemic adequately for both patients with COVID-19 and for patients with other diseases. Careful planning was required to evaluate the COVID-19 pandemic situation and gauge our resources and manpower, especially in operating capacity, supply availability, staff readiness and clinical-operations processes.

The challenges of COVID-19 presented opportunities for HSI to drive digital and quality initiatives such as medication home delivery to protect our vulnerable patients, especially those under the Chinese Medicine and Medical clinics' care. Video and telephone consultations were introduced so that patients could continue to receive medical attention. As Singapore moves towards normalization of daily activities, we will continue to integrate new initiatives into our operating procedures to increase the resilience of the Group.

Over the past year, we have continued to align our clinic practices, leveraging the latest clinic management system to streamline work processes. IT enhancements started with the Dental clinics and will progressively be rolled out to our Chinese Medicine and Medical clinics. Work redesign and job simplification enabled by IT improvements allows the care team to focus on service delivery to enhance patient experience.

Corporate partnerships with medical benefits providers were forged to extend our brand and strengthen the Group's strategic positioning to be the healthcare provider of choice in Singapore.

The Group intensified growth efforts through physician engagement activities and welcomed new dental professionals to our Dental clinics. With the focus to drive organic growth through new clinics and establishing specialist verticals, we continue to strengthen our core base of general practice to promote cross-referrals across the Group.

Since the onset of the COVID-19 crisis in China in January 2020, our China-based factory, Shanghai Fengwei, has also risen to the challenge to ramp up their effort in handling the pandemic. The Chinese government quickly put the factory into national service mode and the factory was asked to produce the material for government utilisation and at government-prescribed rates. Hence, whilst our production volume increased significantly, our profit margins were kept relatively low.

As the pandemic in China was mostly under control, the Chinese government then released its utilisation of the factory. That resulted in an intensive competition for private sector demand as many manufacturing facilities for non-woven material and personal protective equipment (PPE) were springing up across China. At the same time, many countries were also developing their own manufacturing capabilities and facilities so as to be less reliance on the import of these materials as the pandemic worsened globally.

Shanghai Fengwei then collaborated with Shanghai Minlin via a management agreement in April 2020 to (i) market its non-woven material to downstream factories and (ii) explore vertical integration with downstream factories to manufacture the end-products (namely, PPE) for domestic as well as overseas demand. Although the management rights of the factory were assigned to Shanghai Minlin for the next 2 years starting from 1 January 2020 to 31 December 2021 for

OPERATIONS AND FINANCIAL REVIEW

a paid consideration of S$4,000,000, the operations and finances of Shanghai Fengwei continue to be controlled by our management team in Shanghai Fengwei. During the aforesaid period, all profits and losses whether in excess of or less than the paid consideration, would be borne by Shanghai Minlin.

ENERGY

International Energy Group Pte. Ltd. ("IEG") has been pivoting from its established base in commodity trading to an emerging role as an energy market service provider. In this financial year, partly due to Covid-19 pandemic effects and reduction in oil consumption, service fee earnings from freight and pricing solutions caught up with bulk cargo earnings for the first time.

Transformation of the business has reduced energy division's reliance on major trade finance facilities while service focus and group strategy around investment in and running shipping assets became a pillar activity.

In line with the Group's commitment to generate sustainable and responsible businesses, and with particular interest on meeting climate change related objectives, IEG and its subsidiaries are seeking partnerships in LNG as well as in renewable space. IEG's experience in North Asian markets and its core strength in managing break bulk deliveries in Pacific is expected to position the Group as a strong player to service fuel needs of off-shore wind farm construction projects in the near future.

Six years since its inception, energy division shall continue to grow as a mature player as it adapts post pandemic world eyeing an emission neutral energy market.

FINANCIAL REVIEW

GROUP FINANCIAL PERFORMANCE

The Group recorded a revenue of US$375 million in FY2020, a decrease of 38.0% from US$605 million in FY2019 mainly attributable to the lower trading activities from the energy segment. On the brighter note, the healthcare segment achieved a significant growth in revenue largely due to the increased orders for the non-woven products.

Overall, the Group registered a net loss of US$8.2 million for FY2020 as it recorded a one-off US$8.3 million impairment loss on intangible assets and trade and other receivables.

SEGMENTAL FINANCIAL PERFORMANCE

The Group's healthcare segment continued to make good progress as it registered a 132% year-on-year revenue growth. The revenue rose to US$49.5m in FY2020 as compared to US$21.3m in FY2019 largely contributed by Shanghai Fengwei through the production of non-woven materials use for PPE.

When fulfilling the increased orders which significantly boosted the revenue, a corresponding increase in expenditure of US$8.2 million relating to the refurbishment of the production lines, marketing and partnership expenses were incurred. The Group also took an impairment loss of US$1.0 million on its clinic management system after deciding to stop providing such services to our existing client and assessing the competitiveness in the Chinese market.

The Group's healthcare segment recorded a net profit of US$1.8 million in FY2020 which represented an increase of 3% as compared to US$1.7 million in FY2019.

The Group's energy segment recorded a 44% year-on-year decline in revenue as oil trading activities slowed amid the global economic slowdown and a slump in oil prices. The revenue declined to US$325.4 million in FY2020 as compared to US$583.7 million the year before.

FINANCIAL POSITION

As at 30 June 2020, the Group had total assets of US$94 million and total liabilities of US$60.9 million. Net assets stood at US$33.1 million at the end of FY2020 and this translated into a net asset value per share of 15.3 US cents.

Current assets decreased 35.8% to US$44.6 million as at 30 June 2020 mainly due to a decrease in trade and other receivables of US$13.4 million and contract assets of US$14.4 million, though the decline was mitigated by an increase in cash and bank balances of US$1.4 million.

Current liabilities decreased 43.8% to US$40.5 million as at 30 June 2020. This was mainly due to a decrease in trade and other payables of US$18.8 million and borrowings of US$14.1 million. This decrease of borrowings was mainly due to the repayment of a convertible loan of USD3.7 million and the reclassification of term loan from current to non-current liabilities due to refinancing.

Non-current assets decreased 7.5% to US$ 49.4 million as at 30 June 2020. The decline of US$1.6 million in intangible assets and US$2.5 million in financial asset at fair value through other comprehensive income were mainly due to a one-off impairment loss of US$1.0 million taken on the clinic management system and a decrease of US$2.5 million in fair value on calculated basis for the equity investment in Thai GNCC. Arising from contractual leases, a US$3.0 million was recorded as right-of-use assets due to SFRS(I) 16.

Non-current liabilities increased 253.1% to US$20.5 million as at 30 June 2020. This was mainly due to an increase of US$14.8 million in borrowings arising from vessel financing of US$5.3 million and refinancing of term loans of US$8.8 million.

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 2018 (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.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

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 Board holds the Management accountable for performance and puts in place a code of conduct and ethics, sets appropriate tone from the top and desired organisational culture, and ensures proper accountability within the Company.

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 risk management and control systems to manage the Group's business and financial risks;

e) considering and approving the nominations and re-nominations to the Board as well as the appointment of key personnel;

f) setting the values and standards, including ethical standards, of the Group and ensuring that obligations to shareholders and other stakeholders are understood and met;

g) assuming responsibility for the corporate governance of the Group; and

h) considering sustainability issues as part of its strategic formulation.

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

Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict. The Company's Constitution provides that a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly, and that a Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. In the event that a Director is interested in any transaction of the Group, he informs the Board accordingly and abstains from making any recommendation or decision with regard to the transaction.

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 and Risk Committee, the Nominating Committee and the 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. Matters which are reserved for the Board's decision include but are not limited to the following:

a) approval of the annual budget and financial results;

b) approval of 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;

e) material acquisitions, disposals, investments, joint ventures and other transactions;

f) corporate or financial restructuring;

g) share issuances and other fundraising initiatives;

h) declaration of dividends and other returns to shareholders;

i) appointment of new Directors or key personnel.

The Board holds at least four (4) regular scheduled meetings throughout the year to coincide with the Company's results announcements and convenes ad-hoc meetings as and when required. The Constitution of the Company allows the Directors to participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. In addition to holding meetings, important matters concerning the Company are also put to the Board for its decision by way of written resolutions.

During the financial year ended 30 June 2020 ("FY2020"), the Board convened nine (9) meetings. Board members were present at the meetings, either in person or via teleconferencing. The table below shows the attendance of the Directors at the Board and respective Board Committee meetings during FY2020[1]:

	Board		Audit and Risk Committee		Nominating Committee		Remuneration Committee	
	Number of Meetings		Number of Meetings		Number of Meetings		Number of Meetings	
Name of Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Pao Kiew Tee[2]	9	9	4	4	4	4	1	1
Goh Jin Hian	9	9	4	4*	4	4*	1	1*
Oo Cheong Kwan Kelvyn[3]	9	9	4	4*	4	2*	1	0*
Chen Chou Mei Mei Vivien	9	6	4	3	4	4	1	1
Chua Soon Kian Andrew	9	8	4	3	4	3	1	1
Shen Yuyun[4]	2	2	1	1*	2	0*	1	0*
Chua Siong Kiat[5]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Darrell Lim Chee Lek[6]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Refers to the number of meetings held/attended while each Director was in office.

(2) Mr Pao Kiew Tee retired as an Independent Non-Executive Director and the Chairman of the Company with effect from 1 August 2020.

(3) Mr Oo Cheong Kwan Kelvyn resigned as an Executive Director and the Chief Corporate Officer of the Company with effect from 1 August 2020.

(4) Mr Shen Yuyun was appointed as an Executive Director of the Company with effect from 7 April 2020.

(5) Mr Chua Siong Kiat was appointed as an Independent Non-Executive Director of the Company with effect from 1 August 2020. As such, he did not attend any meeting during FY2020.

(6) Mr Darrell Lim Chee Lek was appointed as an Independent Non-Executive Director of the Company with effect from 1 August 2020. As such, he did not attend any meeting during FY2020.

** By invitation*

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 and ensures that Directors with multiple board representations give sufficient time and attention to the affairs of the Group.

Generally, a newly-appointed Director will be given briefings by the Management on the history and business operations of the Group. The Company will also provide the newly-appointed Director with a formal letter setting out his/her duties and obligations. In addition, in line with Rule 210(5)(a) of the SGX-ST Listing Manual, the Company will arrange for newly-appointed directors who have no prior experience as a director of a company listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST, unless the Nominating Committee otherwise at its discretion waives the need for the newly-appointed Director to attend the prescribed training.

Existing Directors are provided with information on and encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as Directors to the Company. The Directors may also attend appropriate courses and seminars to develop and maintain their skills and knowledge at the Company's expense. 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 Directors are kept abreast of the risks faced by the Company through briefings by the Management at Board meetings and of the latest changes to the Companies Act (Cap. 50), the Listing Manual, the Code and the accounting standards by the relevant professionals at quarterly Board meetings.

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. For good practice, each business unit head or the key management (or who have submitted proposal to the Board meeting for approval) will be invited to attend and brief the Board on business development and exposure for their respective business units including any material issue, at each Board meeting held quarterly, at the relevant time during the Board meeting.

The Directors have separate and independent access to the Management, the advice and services of the Company Secretary as well as those of the Company's external advisers (where necessary) at the Company's expense. The Company Secretary and/or representatives from the Company Secretary's office attends meetings of the Board and the Board Committees. The Company Secretary will assist to ensure that Board procedures are followed and that the Company complies with the requirements of the relevant regulations, including the requirements of the Companies Act (Cap. 50) and the Listing Manual of the SGX-ST. The appointment and removal of the Company Secretary is a decision of the Board as a whole. Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Annual Report, the Board comprises six members, of whom three are Independent Non-Executive Directors, two are Non-Independent Non-Executive Directors and one is an Executive Director. The current number of Independent Directors complies with Rule 210(5)(c) of the SGX-ST Listing Manual, which requires the Board to have at least two non-executive directors who are independent and free of any material business or financial connection with the Company. Non-executive directors make up a majority of the Board, in line with Provision 2.3 of the Code. All the members of each specialty Board Committee are independent and/or non-executive Directors. The current list of Directors is as follows:

Dr Goh Jin Hian	(Non-Independent Non-Executive Chairman)
Mr Darrell Lim Chee Lek	(Lead Independent Director)
Mr Shen Yuyun	(Executive Director)
Dr Chua Soon Kian Andrew	(Non-Independent Non-Executive Director)
Mrs Chen Chou Mei Mei Vivien	(Independent Non-Executive Director)
Mr Chua Siong Kiat	(Independent Non-Executive Director)

Under the Code, an independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Under Rule 210(5) of the Listing Manual of the SGX-ST, a Director will not be independent if he is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Remuneration Committee.

The Independent Directors help develop proposals on strategy, review the performance of Management in meeting agreed goals and objectives and participate in decisions on the appointment, assessment and remuneration of the Executive Directors and key management personnel. The Independent Directors do not participate in the day-to-day management of the Group.

A Director who is not an employee of the Group and who is not the immediate family member of an employee of the Group and who has no relationship with the Group or its officers or its substantial shareholders which 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 Non-Executive Directors to be independent, after determining, taking into account the views of the Nominating Committee, whether the Director is independent in conduct, 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 Non-Executive Directors has served on the Board for an aggregate period of more than nine (9) years. In the event that any Independent Non-Executive Director has served on the Board for nine (9) years or more, the Nominating Committee 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. In addition, the Company will seek the approval of (i) shareholders excluding shareholders who are also the Directors, the CEO and the associates of the Directors and CEO and (ii) all shareholders in separate resolutions for the continued appointment of such Independent Non-Executive Directors.

Provision 2.2 of the Code requires independent Directors to make up a majority of the Board where the chairman of the Board is not independent. The current Chairman is Dr Goh Jin Hian, who was an Executive Director and the CEO of the Company for the past 5 years and is hence not independent. Even though independent Directors do not make up a majority of the Board, the Nominating Committee and the Board are of the view that there is a satisfactory independent element on the Board as at least half of the Board comprises independent Directors and there is a Lead Independent Director. The Board is able to exercise independent judgment on corporate affairs, as all Directors debate vigorously on subject matters tabled at the Board meetings, regardless of whether they were independent or not. All decisions of the Board are based on collective decision without any individual or small group of individuals influencing or dominating the decision-making process. In addition, the Nominating Committee and the Board believes that Dr Goh, as the Executive Director and CEO of the Company since 2015 and with his extensive experience in the healthcare industry, is in the best position to lead the Board as Chairman, despite the fact that he is not an independent 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 age or gender. The Board is of the view that the current Board members comprise persons whose diverse skills, experience, knowledge, expertise, attributes and gender (with one female Director on the Board) provide for effective direction of the Group. To maintain or enhance the Board's balance and diversity, the Board's structure, size and composition are reviewed annually by the Nominating Committee to ensure that the Board has the appropriate mix of skills, knowledge, expertise, experience, diversity and gender and collectively possesses 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/or non-executive members of the Board comprise experienced 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/or non-executive Directors constructively challenge and help develop proposals on strategy, assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. The independent and/or non-executive Directors meet regularly without the presence of the Executive Directors and the Management, and the chairman of such meetings provides feedback to the Board as appropriate.

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.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

There is a distinct separation of responsibilities between the Chairman and the Chief Executive Officer ("CEO") to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The positions of the Chairman and the CEO are kept separate and are held by Dr Goh Jin Hian and Dr VicPearly Wong Hwei Pink respectively. Dr Goh was the Executive Director and CEO of the Company from 24 June 2015 to 1 August 2020. He was re-designated as the Executive Chairman and CEO following the retirement of Mr Pao Kiew Tee as Independent Chairman with effect from 1 August 2020. He retired as CEO with effect from 1 October 2020 and was re-designated as Non-Independent Non-Executive Chairman thereafter. Dr VicPearly Wong Hwei Pink was appointed as CEO on 1 October 2020.

As the Chairman, Dr Goh bears the following responsibilities:

a) leading the Board to ensure its effectiveness on all aspects of its role, stimulating and engendering a robust yet collegiate setting and setting the right ethical and behavioral tone;

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 by encouraging full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views around the boardroom table;

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, in particular, between the Board and the CEO;

g) facilitating the effective contribution of independent and/or non-executive 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. She 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. Major decisions made by the CEO are reviewed by the Audit and Risk Committee and approved by the Board.

In line with Provision 3.3 of the Code, the Board has appointed Mr Darrell Lim Chee Lek as the Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. Mr Lim would be available to shareholders where they have concerns and for which contact through the normal channels of communications with the Chairman or the Management are inappropriate or inadequate. Mr Lim may be contacted via email at darrell.lim@newsilkroutes.org or by letter (attention to Mr Darrell Lim) to 456 Alexandra Road, #19-02 Fragrance Empire Building, Singapore 119962.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Nominating Committee comprises the following members, the majority of whom (including the chairman of the Nominating Committee) are independent. The Lead Independent Director is a member of the Nominating Committee:

Mrs Chen Chou Mei Mei Vivien	(Independent Non-Executive Director; chairman of the Nominating Committee)
Mr Darrell Lim Chee Lek	(Independent Non-Executive Director)
Dr Chua Soon Kian Andrew	(Non-Independent 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 annual general meeting ("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 (3) years;

c) to review the independence of the Independent Non-Executive Directors;

d) to ensure that Directors who have multiple board representations give sufficient time and attention to the Company's affairs;

e) to recommend to the Board the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

f) to assess the contribution of each individual Board member to the effectiveness of the Board;

g) to assess the effectiveness of the Board as a whole and the Board Committees;

h) to recommend to the Board succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

i) to review and recommend to the Board training and professional development programmes for the Board and its Directors; and

j) to ensure complete disclosure of information of Directors as required under the Code.

For appointment of new Directors to the Board, the Nominating Committee would, in consultation with the Board, evaluate and determine the selection criteria (which includes skills, knowledge, expertise, experience and character) with due consideration given to the size and composition and the mix of skills, knowledge and experience of the existing Board. New Directors are appointed by way of a Board resolution after the Nominating Committee has approved their nomination. These new Directors must submit themselves for re-election at the next AGM of the Company in accordance with Article 97 of the Company's Constitution. The Nominating Committee would through various avenues, source for suitable candidates as new Director(s) and appraise the candidates to ensure that they have the relevant experience and calibre to contribute effectively to the Group. These avenues include the Directors' personal contacts, search companies or internal assessments conducted on any suitable candidates within the Group. The Company would undertake background checks and invite the shortlisted candidates to an interview cum discussion that may include a briefing of the business of the Group and its expectation of its Directors' role and duties. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he holds a significant number of other listed company directorships and principal commitments.

If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director, the Nominating Committee, in consultation with the Board, will determine the selection criteria (which includes skills, knowledge, expertise, experience and character) and select the appropriate candidate for the position.

The Company's Constitution provides for regular retirement of Directors by rotation. At each 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) will submit themselves for re-nomination and re-election.

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

All Directors are required to declare their board representations in other companies to the Board and the Management. As a guide, Directors should not have more than six (6) listed company board representations. After conducting reviews, the Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group and that the Directors have been adequately carrying out their duties as Directors of the Company.

Details of the appointment of the current Directors including date of initial appointment, date of last re-election and directorships in other listed companies are set out below:

Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present Directorships in Other Listed Companies
Goh Jin Hian(1)	51	24 June 2015	31 October 2018	Cordlife Group Limited(3)
Shen Yuyun(2)	54	7 April 2020	-	-
Chua Soon Kian Andrew	69	17 June 2019	31 October 2019	-
Chen Chou Mei Mei Vivien	71	24 June 2015	31 October 2019	Wing Tai Properties Limited(4)
Chua Siong Kiat(2)	49	1 August 2020	-	-
Darrell Lim Chee Lek(2)	43	1 August 2020	-	BRC Asia Limited(5)

Notes:

(1) Dr Goh Jin Hian will retire at the forthcoming AGM pursuant to Article 91 of the Company's Constitution and will be eligible for re-election.

(2) Mr Shen Yuyun, Mr Chua Siong Kiat and Mr Darrell Lim Chee Lek will retire at the forthcoming AGM pursuant to Article 97 of the Company's Constitution and will be eligible for re-election.

(3) Dr Goh Jin Hian is an independent director of Cordlife Group Limited, a Singapore-incorporated company listed on the Main Board of the SGX-ST.

(4) Mrs Chen Chou Mei Mei Vivien is a non-executive director of Wing Tai Properties Limited, a Bermuda-incorporated company listed on the Hong Kong Stock Exchange.

(5) Mr Darrell Lim Chee Lek is an executive director of BRC Asia Limited.

The Company recognises that its Executive Directors may be invited to become non-executive directors of other companies and that exposure to such appointments can broaden the experience and knowledge of its Executive Directors which will benefit the Company. Executive Directors are therefore allowed, with the Board's consent, to accept non-executive appointments, as long as these are non-competing companies and are not likely to lead to conflicts of interests.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board has set up a formal assessment process with the use of evaluation forms to evaluate the effectiveness of the Board as a whole and the effectiveness of each Board Committee and individual directors (including the Chairman). The Nominating Committee recommends for the Board's approval the objective performance criteria and process for such evaluation.

The evaluation of the Board's performance as a whole deals with matters on Board composition, information flow to the Board, Board procedures and Board accountability. Factors such as the structure, size and processes of the Board and the Board's access to information, Management and the effectiveness of the Board's oversight of the Company's performance are applied to evaluate the performance of the Board as a whole. The evaluation of the performance of the individual Board Committees deals with matters such as the Board Committee's composition, quality of recommendations, expertise of members and timely communication to the Board. The evaluation of the performance of an individual Director deals with matters on an individual Director's attendance at meetings, observance of the individual Director's duties towards the Company and the individual Director's know-how and interaction with fellow Directors.

As part of the evaluation process, each Director completes an evaluation form, which is then returned to the Company Secretary for compilation of average scores. The compiled results are then tabulated and presented to the Nominating Committee and the Board for discussion. The evaluation of Board performance is conducted annually to identify areas of improvement. The Board may, in consultation with the Nominating Committee, propose, where appropriate, new members be appointed to the Board or seek the resignation of Directors. The Company did not engage any external consultant or facilitator to assist with the performance evaluation of the Board, Board Committees and any individual Directors for FY2020.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Remuneration Committee comprises the following members:

Mr Darrell Lim Chee Lek	(Independent Non-Executive Director, chairman of the Remuneration Committee)
Mrs Chen Chou Mei Mei Vivien	(Independent Non-Executive Director)
Mr Chua Siong Kiat	(Independent Non-Executive Director)

All the members of the Remuneration Committee are Independent Non-Executive Directors (including the chairman of the Remuneration Committee). 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 FY2020 to provide consulting services in relation to remuneration and compensation matters.

The Remuneration Committee's Terms of Reference provide that the Remuneration Committee's function is primarily to review and make recommendations to the Board on the framework of remuneration for the Board and the key management personnel, as well as the specific remuneration packages for each Director and key management personnel. In particular, the Remuneration Committee reviews the service agreements of the CEO, the Finance Director and other key executives of the Group. The Remuneration Committee also 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, options, share-based incentives, share awards and benefits-in-kind, are considered by the Remuneration Committee when reviewing and recommending the remuneration package of the Directors and key management personnel. The Remuneration Committee and the Board takes into account the remuneration and employment conditions within the same industry and of comparable companies when setting remuneration packages. The Remuneration Committee will also review the Company's obligations arising in the event of termination of the service agreements of the Executive Directors and the key management personnel, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

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 the Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of any such breach of fiduciary duties.

Each member of the Board and the Remuneration Committee abstains from voting on any resolution in respect of his/her remuneration package.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

In reviewing and recommending the remuneration of the independent and/or non-executive Directors, the Remuneration Committee adopts a framework based on the guidelines recommended by the Singapore Institute of Directors. The remuneration of the independent and/or non-executive Directors comprises a base fee as well as fees for chairing Board Committees, taking into consideration the effort, time spent and responsibilities of the independent or non-executive Director and the fees paid in comparable companies. Directors' fees, which are only payable and paid to the independent and/or non-executive Directors of the Company, are subject to shareholders' approval at the AGM. The Executive Directors are remunerated in accordance with their service agreements and are not entitled to additional remuneration in the form of Directors' fees.

In reviewing and recommending the remuneration of the Executive Directors and key management personnel (including the key management personnel of the Company's subsidiaries), the Company adopts a remuneration policy comprising a fixed component and a performance-related variable component. The fixed component is in the form of a base salary while the variable component is in the form of a variable bonus that is linked to the performance of the Company (or that of the relevant subsidiary(/ies) within the Group in the case of key management personnel of the Company's subsidiaries) and the individual. In addition, long-term incentives, such as the New Silkroutes Performance Share Plan 2017 ("**PSP**") whereby eligible Directors and employees may be entitled to receive fully paid shares in the Company upon the achievement of prescribed performance targets, are in place to strengthen the pay-for-performance policy by rewarding and recognising the contributions of employees to the growth of the Company.

The Remuneration Committee and the Board are of the view that the current remuneration packages are appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting the remuneration, and the relationship between remuneration, performance and value creation.

Details of the remuneration for FY2020 paid and/or payable to the Directors are set out below:

Directors Remuneration	**Salary & CPF %**	**Directors' Fees %**	**Bonus %**	**Other Benefits %**	**Total %**
S$250,001 to S$500,000					
Goh Jin Hian	92.69	-	7.31	-	100
Oo Cheong Kwan Kelvyn *(resigned on 1 August 2020)*	92.69	-	7.31	-	100
Below S$250,000					
Pao Kiew Tee *(retired on 1 August 2020)*	-	100	-	-	100
Chen Chou Mei Mei Vivien	-	100	-	-	100
Chua Soon Kian Andrew	-	-	-	-	-
Shen Yuyun *(appointed on 7 April 2020)*	85.71	-	14.29	-	100
Chua Siong Kiat* *(appointed on 1 August 2020)*	-	-	-	-	-
Darrell Lim Chee Lek* *(appointed on 1 August 2020)*	-	-	-	-	-

**Mr Chua Siong Kiat and Mr Darrell Lim Chee Lek were only appointed on 1 August 2020 and therefore, no directors' fees are payable to them for FY2020.*

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

The Company had four (4) key management personnel for FY2020 (who are also not Directors or the CEO). Details of the remuneration for FY2020 paid and/or payable to the key management personnel (who are not Directors or the CEO) are set out below:

Key Executives Remuneration Band	Salary & CPF %	Bonus %	Other Benefits %	Total %
S$250,001 to S$500,000				
Artun Gursel	92.58	7.42	-	100
Lee Luna	92.62	7.38	-	100
Below S$250,000				
Teo Thiam Chuan William	92.82	7.18	-	100
Wu Guoliang	93.43	6.57	-	100

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 key management personnel (who are not Directors or the CEO) would be disadvantageous to the Group's interests.

During FY2020, there were no employees who were substantial shareholders of the Company or who were immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year.

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 under the PSP. No award has been granted under the PSP for FY2020. Please refer to the Circular of the Company dated 5 July 2017 for more information on the PSP.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board recognises that it is responsible for the overall governance of risk by ensuring that the Group maintains sound systems of risk management and internal controls. The Audit and Risk Committee reviews and makes recommendations to the Board on the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

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.

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 4 in the Notes to the Financial Statements on pages 80 to 86.

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 and Risk Committee, is of the opinion that there are adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place within the Group to meet the needs of the Group in its current business environment.

The Board has received assurance from:

(i) the CEO and the Finance Director 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

(ii) the CEO and other key management personnel who are responsible, regarding the adequacy and 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.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The Audit Committee was renamed as the "Audit and Risk Committee" in September 2018 to better reflect the scope and responsibilities of the committee. The Audit and Risk Committee comprises the following members:

Mr Chua Siong Kiat	(Independent Non-Executive Director; chairman of the Audit and Risk Committee)
Mr Darrell Lim Chee Lek	(Independent Non-Executive Director)
Dr Chua Soon Kian Andrew	(Non-Independent Non-Executive Director)

All the members of the Audit and Risk Committee are non-executive Directors, the majority of whom (including the chairman of the Audit and Risk Committee) are independent. The Board is of the opinion that the members of the Audit and Risk Committee are appropriately qualified to discharge their responsibilities. The Audit and Risk Committee does not comprise former partners or directors of the Company's existing audit firm.

The Audit and Risk Committee has full access to the external auditors and internal auditors without the presence of the Management of the Company. The Audit and Risk 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 and Risk Committee has written Terms of Reference that describe the responsibilities of its members. These responsibilities are as follows:

a) to review with the external and internal auditors the audit plan (including the nature and scope of the audit before the audit commences) and audit report, and to pay full attention to any material weaknesses reported and the recommendations proposed by the external and internal auditors;

b) to review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and the quarterly and annual financial statements;

c) to review the assurance from the CEO and the Finance Director on the financial records and financial statements;

d) to review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems and review and approve the statements to be included in the annual report concerning the effectiveness of the Company's internal controls and risk management systems;

e) to discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external or internal auditors may wish to discuss without the presence of the Management at least twice a year;

f) 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;

g) to review the policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Audit and Risk Committee also discusses with the external auditors, any suspected impropriety in financial reporting, 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;

h) 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;

i) to review transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

j) to consider and make recommendations to the Board on the proposals to the shareholders on the appointment/re-appointment and termination of the external and internal auditors, as well as the audit fee and terms of engagement of the external and internal auditors;

k) 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;

l) to advise the Board on the Company's overall risk tolerance and strategy;

m) to oversee and advise the Board on the current risk exposures and future risk strategy of the Company;

n) in relation to risk assessment:

   (i) keep under review the Company's overall risk assessment processes that inform the Board's decision making;

   (ii) review regularly and approve the parameters used in these measures and the methodology adopted;

   (iii) set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;

   (iv) review the Company's capability to identify and manage new risk types;

   (v) before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available;

   (vi) review reports on any material breaches of risk limits and the adequacy of proposed actions; and

   (vii) monitor the independence of risk management functions throughout the organisation.

The Audit and Risk 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 chairman of the Audit and Risk Committee.

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

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

The Audit and Risk Committee met with the external auditor without the presence of the Management at least once in FY2020.

The Company usually appoints an external accounting firm as the Internal Auditors of the Group to perform internal audit work under an internal audit plan. The external accounting firm must be a suitable and 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 and Risk Committee on all internal audit matters. However, for FY2020, the Company did not engage any Internal Auditor due to COVID-19 and most key entities have already been subject to an internal audit in the past two years.

The role of the Internal Auditors is to support the Audit and Risk 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 and Risk Committee. The Audit and Risk Committee approves the hiring, removal, evaluation and compensation of the Internal Auditors. The Audit and Risk 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 and Risk 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 and Risk Committee will assess the adequacy and effectiveness of the internal audit function annually.

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. 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.

Shareholder meetings are the principal forum for communication with Shareholders. 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. Annual Reports and notices of the AGMs or any other Shareholder meetings (as the case may be) are sent to all Shareholders at least 14 days before the scheduled date of such meeting. All Directors attend general meetings of shareholders, and the external auditors are also present to assist the Directors in addressing any relevant queries raised by the Shareholders. Appropriate management personnel are also present at general meetings to respond, if necessary, to operational questions from Shareholders. All the Directors of the Company at the relevant time attended the AGM of the Company held during FY2020 on 31 October 2019.

A Shareholder who is entitled to attend and vote may either vote in person or in absentia through the appointment of one or more proxies. The Constitution of the Company allows Shareholders to attend and vote at general meetings of the Company by proxies. A Shareholder of the Company may appoint up to two proxies to attend and vote on behalf of the Shareholder at shareholder meetings, save that no limit shall be imposed on the number of proxies for nominee companies.

Relevant intermediaries, as defined in Section 181 of the Companies Act (Cap. 50), such as banks, capital market services licence holders which provide custodial services for securities and the Central Provident Fund Board are allowed to appoint more than two (2) proxies to attend, speak and vote at the shareholders' meeting.

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.

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, unless the issues are interdependent and linked so as to form one significant proposal. Shareholders can also exercise their right to vote in absentia by the use of proxies.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and the Management, and such minutes will be published on the Company's corporate website as soon as practicable. Results of the general meeting are also released as an announcement via SGXNET.

The Group does not have a formal dividend policy. The form, frequency and amount of any proposed dividend will take into consideration the Group's operating results, financial position, working capital requirements and any other relevant considerations the Board deem appropriate. Notwithstanding the foregoing, any pay-out of dividends would be clearly communicated to shareholders via announcements released on SGXNET.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Board places great emphasis on investor relations with the Company to maintain a high standard of transparency so as to promote better investor communications. The Board is mindful of the obligations to provide timely disclosure of material information in accordance with the Corporate Disclosure Policy of the SGX-ST. All material information and financial results are released through SGXNET and where appropriate, through media releases.

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Results and annual reports are announced or issued within the mandatory period. All press releases to explain the Group's strategy, performance and major developments are also made available on SGXNET.

In presenting the annual and quarterly financial statements to Shareholders, it is the aim of the Board to provide a detailed analysis and a balanced and understandable assessment of the Group's performance, financial position and prospects. In addition, the Company will also release timely announcements and news releases of significant corporate developments and activities so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

The Company is committed to regular and proactive communication with its shareholders in line with continuous disclosure obligations of the Company under the Rules of SGX-ST. Pertinent information will be disclosed to Shareholders in a timely, fair and equitable manner. The Company does not practise selective disclosure. Price and/or trade sensitive information is first publicly released before the Company meets with any group of investors or analysts.

The Company does not have an investor relations policy but maintains a website (www.newsilkroutes.org) which allows the public to be aware of the Group's latest development and businesses. Shareholders can provide feedback to the Company via email to the electronic mail address or via mail to the registered office address. Calls and emails requesting information are generally attended to promptly, taking into consideration the fact that key management personnel may need to consult with the Board or any of the Company's relevant advisors before communicating or disseminating certain information.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include regulators, suppliers, employees, customers, top management and shareholders. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

Please refer to the Sustainability Report of the Company for more details on the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2020.

As mentioned above, the Company maintains a website (http://www.newsilkroutes.org/), which allows the stakeholders to communicate and engage with stakeholders.

SUMMARY OF DISCLOSURES – CORPORATE GOVERNANCE

Rule 710 of the Listing Manual requires Singapore-listed companies to describe their corporate governance practices with specific reference to principles and provisions of the Code in their annual reports for the financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the Code.

Board Matters

The Board's Conduct of Affairs

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Board Composition and Guidance

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Chairman and Chief Executive Officer

Principle 3

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Board Membership

Principle 4

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Board Performance

Principle 5

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Remuneration Matters

Procedures for Developing Remuneration Policies

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Level and Mix of Remuneration

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Disclosure on Remuneration

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Accountability and Audit

Risk Management and Internal Controls

Principle 9

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Audit Committee

Principle 10

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Shareholder Rights and Responsibilities

Shareholder Rights and Conduct of General Meetings

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Engagement with Shareholders

Principle 12

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Managing Stakeholders Relationships

Engagement with Stakeholders

Principle 13

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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 S$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 S$100,000)
	US$'000	**US$'000**
Shanghai Fengwei Nonwovens Co., Ltd.	256 (rental)	Nil

For full disclosure, please note that there is an amount of US$1.995 million owing from Shanghai Fengwei Nonwovens Co. Ltd, ("SFNW") a company majority owned by Mr Shen Yuyun (a substantial shareholder of the Company) to Shanghai Fengwei Garment Accessory Co., Ltd. ("Shanghai Fengwei"), a wholly-owned subsidiary of the Company, which amount was owing prior to the Group's acquisition of Shanghai Fengwei. SFNW and New Silkroutes Capital Pte. Ltd., a wholly-owned subsidiary of the Company, has entered into a lease agreement and the amount owing from SFNW will be used to offset against the rental payable by Shanghai Fengwei for the use of the land under the lease agreement.

The Group does not have a general mandate for interested person transactions.

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, and the Company is reminded to abstain from dealing in its own securities, two (2) weeks before the announcement of the quarterly results of the Group and one (1) 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 CEO, and any Director or controlling shareholder.

SUSTAINABILITY REPORTING

The Company is preparing a sustainability report with regard to its practices for the financial year ended 30 June 2020 and such report shall describe the Company's sustainability practices with reference to the following: (a) material environmental, social and governance factors; (b) policies, practices and performance; (c) targets; and (d) sustainability reporting framework. The Company expects to issue such report by 30 November 2020.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual, the information as set out in Appendix 7.4.1 of the Listing Manual relating to Dr Goh Jin Hian, Mr Shen Yuyun, Mr Chua Siong Kiat and Mr Darrell Lim Chee Lek, being the Directors who are seeking re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

	Dr Goh Jin Hian	Mr Shen Yuyun
Date of initial appointment	24 June 2015	7 April 2020
Dates of last re-appointment (if applicable)	31 October 2018	N/A
Age	51	54
Country of principal residence	Singapore	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has approved the appointment of Dr Goh Jin Hian after taking into account his experience and ability to contribute to the Company.	The Board has approved the appointment of Mr Shen Yuyun after taking into account his experience and ability to contribute to the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive; responsible for the operations of Shanghai Fengwei Garment Accessory Co., Ltd and exploring potential business opportunities in China; involved in chartering the strategic plans and investment strategies of the Company.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Chairman	Executive Director
Professional qualifications	Bachelor of Medicine and Bachelor of Surgery, National University of Singapore (1992) Master of Business Administration, University of Hull	Donghua University (1995 – 1997)
Working experience and occupation(s) during the past 10 years	June 2015 to October 2020: CEO of New Silkroutes Group Limited April 2011 to March 2015: Executive Consultant, Parkway Health, Singapore April 2011 to June 2015: Executive Director, IAG Healthsciences Pte Ltd February 2009 to March 2011: Senior Vice-President, Growth, Innovation & Strategy, Parkway Health, Singapore	2000 to present: Executive Chairman of Shanghai Fengwei Garment Accessory Co., Ltd. 2004 to present: Vice-chairman of Siqian Shenhuating Real Estate Development Co., Ltd 2010 to present: Executive chairman of Shanghai Jinshan Limin Micro-Lending Co., Ltd
Shareholding interest in the Company and its subsidiaries	7,107,749 shares in the capital of the Company (deemed)	29,614,035 shares in the capital of the Company (deemed)

	Dr Goh Jin Hian	Mr Shen Yuyun
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of the Company's principal subsidiaries* * "Principal subsidiary" refers to a subsidiary whose latest audited consolidated pre-tax profits (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of the Group (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) accounts for 20% or more of such pre-tax profits of the group.	Yes. Shareholder of the Company; Director of subsidiaries of the Company	Yes. Substantial shareholder of the Company; Shareholder of SYY Capital Holdings Pte. Ltd., a substantial shareholder of the Company; Executive Chairman of Shanghai Fengwei Garment Accessory Co., Ltd., a subsidiary of the Company
Conflict of interest (including any competing business) "Conflicts of interest" include situations in which interested persons:— (1) Carry on business transactions with the Company or provide services to or receive services from the Company or the Group; (2) Lend to or borrow from the Company or the Group; (3) Lease property to or from the Company or the Group; or (4) Have an interest in businesses that are competitors, suppliers or customers of the Company or the Group."	No	Yes Mr Shen is the majority shareholder of Shanghai Fengwei Nonwovens Co. Ltd, which leases property to Shanghai Fengwei Garment Accessory Co., Ltd. Please refer to page 31 of the Annual Report for more information on the transaction.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes

	Dr Goh Jin Hian	Mr Shen Yuyun
Other principal commitments* including directorships * "Principal Commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.	Past (for the last 5 years): Director, Inter-Pacific Group Pte. Ltd. Director, Inter-Pacific Petroleum Pte. Ltd. Director, Pacific Ship Management Pte. Ltd. Director, Singdome Technology Pte. Ltd. Independent Director, SEBA Crypto Ltd, Zug Director, Digiland Pte. Ltd. Director, IBase Technology International Pte. Ltd. Director, New Silkroutes Asset Management Pte. Ltd. Director, Silkrouteasia Asset Management Pte. Ltd. Present: Independent Director, Cordlife Group Limited Director, Hang Yan Investment Management Pte Ltd Director, Ralien Biotech Pte. Ltd. Director, Pacific Energy 8 Pte. Ltd. Director, Pacific Energy 28 Pte. Ltd. Director, Pacific Energy 138 Pte. Ltd. Director, Pacific Energy 168 Pte. Ltd. Director, Pacific Energy 328 Pte. Ltd. Director, Inter-Pacific Petroleum Trading Pte. Ltd. Director, New Silkroutes Capital Pte. Ltd. Director, Silk Systems Pte. Ltd. Director, International Energy Group Pte. Ltd. Director, Healthsciences International Pte. Ltd. Director, HSI Dental Pte. Ltd. Director, Crescent Dental Clinic Pte. Ltd. Director, Dentaltrendz JP Pte. Ltd. Director, Trendz Dental Surgeons Pte. Ltd. Director, L'ving Vine Dental Clinic Pte. Ltd. Director, Dover Dental Surgery Pte. Ltd. Director, Dentaltrendz Pte. Ltd. Director, Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd. Director, Wren Dental and Medical Supplies Pte. Ltd. Director, Greedygums Pte. Ltd. Director, 84 Inc Pte. Ltd. Director, NDC Consulting Pte. Ltd. Director, The Dental Hub@SG Pte. Ltd. Director, HSI Medical Pte. Ltd. Director, Lily Aw Medical Services Pte Ltd Director, HL Clinic Pte Ltd Director, HL Family Clinic & Surgery (Bedok) Pte. Ltd. Director, HL Dermahealth Aesthetic Clinic Pte. Ltd. Director, HK Family Clinic & Surgery Pte. Ltd. Director, Dr Chua's Family Clinic Pte. Ltd. Director, HSI Asia Pte. Ltd.	Past (for the last 5 years): Nil Present: Executive Chairman, Shanghai Fengwei Garment Accessory Co., Ltd. Vice-chairman, Suqian Shenhuating Real Estate Development Co., Ltd Executive chairman, Shanghai Jinshan Limin Micro-Lending Co., Ltd
Disclose the following matters concerning an appointment of Director, CEO, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		

	Dr Goh Jin Hian	Mr Shen Yuyun
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Dr Goh was a director of Inter-Pacific Group Pte. Ltd. ("IPG") from 2 July 2013 to 12 August 2019. IPG applied to the Singapore High Court for judicial management on 16 August 2019 and was placed under judicial management on 4 September 2019. The judicial managers of IPG applied to the Singapore High Court for the winding up of IPG on 2 March 2020 and was granted the winding up order on 27 March 2020. Dr Goh was a director of Inter-Pacific Petroleum Pte. Ltd. ("IPP"), the subsidiary of IPG, from 28 June 2011 to 12 August 2019. IPP applied to the Singapore High Court for judicial management on 16 August 2019 and was placed under judicial management on 4 September 2019. The judicial managers of IPP have on 5 October 2020 commenced legal action against Dr Goh for alleged breach of directors' duties. Please refer to the Company's announcement dated 6 October 2020 for more details. Dr Goh is a director of Pacific Energy 8 Pte. Ltd., Pacific Energy 168 Pte. Ltd. and Pacific Energy 328 Pte. Ltd., all of which have been placed under creditors' voluntary liquidation on 30 August 2019. Dr Goh is a director of Pacific Energy 138 Pte. Ltd. and Inter-Pacific Petroleum Trading Pte. Ltd., both of which have been placed under creditors' voluntary liquidation on 14 February 2020. Dr Goh was a director of Pacific Ship Management Pte. Ltd. ("PSM") from 16 October 2012 to 26 September 2019. PSM was placed under creditors' voluntary liquidation on 9 March 2020.	No
(c) Whether there is any unsatisfied judgment against him?	No	No

	Dr Goh Jin Hian	Mr Shen Yuyun
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

	Dr Goh Jin Hian	Mr Shen Yuyun
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Dr Goh has recently been requested to assist in investigations by the CAD into a possible offence under the Securities and Futures Act of Singapore (Cap. 289). Please refer to the Company's announcements dated 25 September 2020 and 30 September 2020 for more details.	No
Disclosure applicable to the appointment of Director only:		

	Dr Goh Jin Hian	Mr Shen Yuyun
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the Director to undergo training as prescribed by the SGX-ST (if applicable).	Dr Goh was the CEO and Executive Director of the Company in the past 5 years prior to his being re-designated as Executive Chairman and CEO with effect from 1 August 2020 and subsequently Non-Independent Non-Executive Chairman with effect from 1 October 2020. He is also an independent director of Cordlife Group Limited.	No. Mr Shen has not been able to travel to Singapore to attend the relevant courses conducted by the Singapore Institute of Directors due to COVID-19. He will attend the courses in the near future when the COVID-19 situation improves and the travel and quarantine restrictions are further eased.

	Mr Chua Siong Kiat	Mr Darrell Lim Chee Lek
Date of initial appointment	1 August 2020	1 August 2020
Dates of last re-appointment (if applicable)	N/A	N/A
Age	49	43
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has approved the appointment of Mr Chua Siong Kiat after taking into account his experience and ability to contribute to the Company.	The Board has approved the appointment of Mr Darrell Lim Chee Lek after taking into account his experience and ability to contribute to the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director; Chairman of the Audit and Risk Committee; Member of the Remuneration Committee	Lead Independent Director; Chairman of the Remuneration Committee; Member of the Audit and Risk Committee; Member of the Nominating Committee

	Mr Chua Siong Kiat	Mr Darrell Lim Chee Lek
Professional qualifications	Master of Business Administration and Diploma of the Imperial College in Management with Imperial College London Business School (MBA, DIC) Chartered Accountant, Singapore (CA Singapore) Certified Internal Auditor (CIA) Fellow Member of the Association of Chartered Certified Accountants (FCCA) Chartered Valuer and Appraiser (CVA) Associate Member of Singapore Institute of Directors (SID)	Bachelor of Mechanical Engineering, National University of Singapore (1998 – 2002) Master of International Business and Minor in International Relations, University of Sydney, Australia (2002 – 2003) Master of Business Administration, Brasenose College, University of Oxford, United Kingdom (2008 – 2009)
Working experience and occupation(s) during the past 10 years	November 2015 to present: Director, Lighthouse Business Consulting Pte. Ltd. July 2017 to January 2018: Chief Financial Officer, Global Hospitality Trust Project, Amare Investment Management Group Pte. Ltd. March 2016 to July 2017: Executive Director and Head of Non-Property Division, Pacific Star Development Limited (February 2017 – July 2017), Interim Group Chief Operating Officer (July 2016 to February 2017), Alternate Director (March 2016 – February 2017) July 2013 to December 2015: Executive Director (appointed in November 2013) and Chief Financial Officer, Libra Group Limited February 2011 to May 2013: Director, Finance & Control (Asia, ex-China Region), Imtech Marine BV (February 2011 to May 2013), Interim Co-Managing Director (November 2011 to May 2012) July 2009 to December 2010: Sub-Regional Controller (China, Sri Lanka and India), AES Corporation	January 2019 to present: Executive Director, BRC Asia Limited June 2020 to present: Non-Executive Board Director, XM Studios Pte Ltd May 2020 to present: Director, Prometheus Pte Ltd January 2020 to present: Co-founder and Non-Executive Director, Bright Point Capital January 2019 to present: Executive Board Director, BRC Asia Limited (Singapore, Malaysia, China and the Maldives) November 2017 to present: Advisor, Association of Listed Companies (Singapore) July 2016 to December 2018: Head of Corporate Coverage, Singapore Exchange Limited July 2013 to June 2016: Head of Investor Relations, Singapore Exchange Limited July 2011 to June 2013: Equities Product Manager, Singapore Exchange Limited October 2009 to June 2011: Corporate Strategist, Singapore Exchange Limited
Shareholding interest in the Company and its subsidiaries	Nil	Nil

	Mr Chua Siong Kiat	Mr Darrell Lim Chee Lek
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of the Company's principal subsidiaries* * "Principal subsidiary" refers to a subsidiary whose latest audited consolidated pre-tax profits (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of the Group (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) accounts for 20% or more of such pre-tax profits of the group.	No	No
Conflict of interest (including any competing business) "Conflicts of interest" include situations in which interested persons:— (1) Carry on business transactions with the Company or provide services to or receive services from the Company or the Group; (2) Lend to or borrow from the Company or the Group; (3) Lease property to or from the Company or the Group; or (4) Have an interest in businesses that are competitors, suppliers or customers of the Company or the Group."	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes

	Mr Chua Siong Kiat	Mr Darrell Lim Chee Lek
Other principal commitments* including directorships * "Principal Commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.	Past (for the last 5 years): Director, Omni Sharing Pte. Ltd. Director, Pacific Star Development Limited Director, Durabeau Industries Pte Ltd Director, LH Aluminium Industries Pte. Ltd. Director, Autotrax International Pte. Ltd. Director, Autovox Korea Co., Ltd Director, V Capital Investment Pte. Ltd. Director, Libra Group Limited Director, Axington Inc Director, Kitchen Culture Holdings Limited Director, China Star Food Group Limited Director, National Arthritis Foundation Present: Chief financial officer, Wai Fong Construction Pte. Ltd. Director, Lighthouse Business Consulting Pte. Ltd. Director, Starwork Vision Pte. Ltd. Director, Robotic Vision Inc. Pte. Ltd.	Past (for the last 5 years): Nil Present: Director, BRC Asia Limited Director, Bright Point Capital Director, Prometheus Pte Ltd Director, XM Studios Pte Ltd Advisor, Association of Listed Companies
Disclose the following matters concerning an appointment of Director, CEO, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

	Mr Chua Siong Kiat	Mr Darrell Lim Chee Lek
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes Mr Chua served as a director in (i) Durabeau Industries Pte Ltd ("DIPL") and (ii) LH Aluminium Industries Pte. Ltd. ("LHAI") from 15 February 2017 to 13 July 2017. In May 2019, Pacific Star Development Limited ("PSD"), the parent company of both DIPL and LHAI, announced their decision to discontinue its aluminum business division for commercial reason and placed both DIPL and LHAI under creditors' voluntary liquidation. Further details in relation to the liquidation can be found in PSD's SGXNET announcements dated 22 May 2019 and 31 May 2019.	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

	Mr Chua Siong Kiat	Mr Darrell Lim Chee Lek
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

	Mr Chua Siong Kiat	Mr Darrell Lim Chee Lek
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only:		

	Mr Chua Siong Kiat	Mr Darrell Lim Chee Lek
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the Director to undergo training as prescribed by the SGX-ST (if applicable).	Yes. Mr Chua was previously an independent director of Axington Inc, Kichen Culture Holdings Limited and China Star Food Group Limited and an executive director of Pacific Star Development Limited and Libra Group Limited, all companies listed on the SGX-ST. He is also a member of the Singapore Institute of Directors.	Yes. Mr Lim has been an executive director of BRC Asia Limited, a company listed on the SGX-ST, since 14 February 2019.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2020.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 52 to 122 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1. **DIRECTORS**

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

Dr Goh Jin Hian
Chen Chou Mei Mei Vivien
Dr Chua Soon Kian Andrew
Shen Yuyun (Appointed on 7 April 2020)
Chua Siong Kiat (Appointed on 1 August 2020)
Lim Chee Lek Darrell (Appointed on 1 August 2020)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraph 4 of the Directors' statement.

3. DIRECTORS' INTEREST IN SHARES, DEBENTURES OR WARRANTS

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in name of directors			Shareholdings in which a director is deemed to have an interest		
Name of directors and companies in which interests are held	**At beginning of year or date of appointment, if later**	**At end of year**	**At 21 July 2020**	**At beginning of year or date of appointment, if later**	**At end of year**	**At 21 July 2020**
Company						
New Silkroutes Group Limited (Ordinary shares)						
Dr Goh Jin Hian[(1)]	-	-	-	7,107,749	7,107,749	7,107,749
Chen Chou Mei Mei Vivien[(2)]	-	-	-	551,000	566,400	566,400
Dr Chua Soon Kian Andrew	11,363,636	11,363,636	11,363,636	-	-	-
Shen Yuyun[(3)]	-	-	-	-	29,614,035	29,614,035

(1) Dr Goh Jin Hian is deemed to be interested in 7,107,749 shares held in the name of DBS Nominees (Private) Limited, a nominee company.

(2) Chen Chou Mei Mei Vivien is deemed to be interested in 46,837 shares of the Company held by Avec Inc. (of which she is a shareholder) and 519,563 shares held in the name of Raffles Nominees (Pte.) Limited and HSBC (Singapore) Nominees Pte Ltd, both of which are nominee companies.

(3) Shen Yuyun is deemed to be interested in 29,614,035 shares held in the name of SYY Capital Holdings Pte Ltd.

4. SHARE OPTIONS

Performance Share Plan

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.

(a) ***Options to take up unissued shares***

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group were granted.

(b) ***Options exercised***

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) ***Unissued shares under option***

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Company, consisting all non-executive directors, is chaired by Pao Kiew Tee (Chairman), an independent director, and includes Chen Chou Mei Mei Vivien, an independent director and Dr Chua Soon Kian Andrew, a non-independent director.

The Audit and Risk 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 and Risk Committee performed the following:

(i) reviewed the 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 2020 and the consolidated financial statements of the Group and statement of changes in equity of the Company for the financial year ended 30 June 2020, as well as the auditor's report thereon;

(iv) reviewed and discussed with management and the external auditor the key audit matters communicated in the auditor's report;

(v) reviewed the 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;

(vi) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that they believe should be discussed privately with the Audit and Risk Committee;

(vii) 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;

(viii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(ix) reviewed the nature and extent of non-audit services provided by the external auditor;

(x) 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;

(xi) reported actions and minutes of the Audit and Risk Committee to the Board of Directors with such recommendations as the Audit and Risk Committee considered appropriate; and

(xii) reviewed interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST).

The Audit and Risk Committee has reviewed the independence of Deloitte & Touche LLP including the value of non-audit services supplied by Deloitte & Touche LLP and is satisfied of Deloitte & Touche LLP's position as an independent external auditor. The nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The Audit and Risk Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

6. AUDITORS

The retiring auditors, Deloitte & Touche LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE DIRECTORS

....

DR GOH JIN HIAN

....

SHEN YUYUN

14 October 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEW SILKROUTES GROUP LIMITED

Disclaimer of Opinion

We were engaged to audit 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 2020, and 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 and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 122.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

a) Management service agreement and management agreement (Note 19)

On 18 April 2020, the Company and its wholly-owned subsidiary in the People's Republic of China, Shanghai Fengwei Garment Accessory Co., Ltd. ("Shanghai Fengwei"), entered into two agreements with a company incorporated on 22 April 2020 in the People's Republic of China ("Entity").

(i) Management Service Agreement (between Shanghai Fengwei and the Entity)

Pursuant to the Management Service Agreement, Shanghai Fengwei will receive services, including human resource management, corporate image planning, production process management, marketing development and financial management during the period from 1 April 2020 to 31 December 2020 from the Entity.

The management service fees are charged to Shanghai Fengwei on a monthly basis. In accordance with the terms of the Management Service Agreement, during the service period, Shanghai Fengwei's profit after deduction of the management service fees should not be lower than the base profit. The base profit was determined based on the average monthly profit before tax (excluding non-operating income) of Shanghai Fengwei during January 2020 to March 2020. If Shanghai Fengwei's actual profit is less than the base profit, the Entity will make up the shortfall to Shanghai Fengwei.

During the period from 1 April 2020 to 30 June 2020, management service fees of US$6,415,689 (Note 29) was recorded as other operating expenses by Shanghai Fengwei. As at 30 June 2020, Shanghai Fengwei has paid out US$3,198,996 of the management service fees to the Entity and the remaining unpaid amount of US$3,216,693 is recorded as part of other payables (Note 19) in the consolidated statement of financial position. The management service fees were included as tax deductions in the calculation of income tax and the related input value added tax were deducted with the output tax in the declaration of the value added tax.

(ii) Management Agreement (between the Company, the Entity and Shanghai Fengwei)

Pursuant to the Management Agreement, the Entity will manage and expand the business of Shanghai Fengwei and the Group would receive upfront a guaranteed profit of US$2,828,400 (S$4,000,000) for the period from 1 January 2020 to 31 December 2021 (the "Consideration"). The Company has also assigned management rights and the profits of Shanghai Fengwei during the period from 1 January 2020 to 31 December 2021 to the Entity. All post-tax profits or losses during the aforesaid period, whether in excess of or less than the Consideration, shall be attributable to or borne by the Entity. The Consideration of US$2,828,400 (S$4,000,000) was received by the Company in Singapore dollars on 21 May 2020 through a Singapore incorporated company, who is also a shareholder of the Company. Management has assessed that the Group continues to have control over Shanghai Fengwei (Note 3).

The Group and Company also recorded US$1,267,708 as consultancy and marketing fees in other operating expenses in the profit or loss (Note 29).

As at 30 June 2020, the Group and Company recorded an amount of US$4,096,108 as part of other payables (Note 19) in the statement of financial position which included the Consideration received of US$2,828,400 and the fees payable of US$1,267,708 to the Entity in relation to the assignment of the profits of Shanghai Fengwei from 1 January 2020 to 30 June 2020.

We were unable to obtain sufficient appropriate audit evidence, although management provided responses and explanations relating to our inquiries for the above-mentioned agreements, on the following matters:

(a) the business rationale, commercial substance and structuring of the two above-mentioned arrangements and whether the Group continues to have control over Shanghai Fengwei, the appropriateness of the corresponding accounting treatment and related presentation of the arrangements in the financial statements, and whether these are in the normal course of business, including the arrangement for the receipt of the Consideration;

(b) in relation to the Management Service Agreement, the business rationale and commercial substance regarding the management service fees charged by the Entity during the period from April to June 2020, and whether there are any potential tax exposures and impact of any non-compliance with regulatory and/or legal requirements arising from the above transactions. If there is no commercial substance for the management service fees, according to the relevant tax regulations of the People's Republic of China, the charges and expenses without appropriate business substances are not tax deductible in the calculation of income tax and the related input value added tax are not allowed to be deductible with the output tax in the declaration of value added tax.

Consequently, we were unable to determine whether any adjustments to and/or disclosures in the accompanying financial statements may be necessary.

b) Financial asset at fair value through other comprehensive income ("FVTOCI")

As at 30 June 2020, the Group's financial asset measured at fair value through other comprehensive income ("FVTOCI") relates to 4.534% equity interest in Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC"). As at 30 June 2020, the Group has recorded a fair value loss of US$2,544,699 on the financial asset at FVTOCI, bringing its carrying amount to US$17,191,806.

As disclosed in Note 17 to the financial statements, management has engaged an independent professional valuer to carry out a valuation on the equity interest of Thai GNCC using the income approach. The income approach requires the use of key assumptions and management estimates which include forecasted revenue, growth rates, profit margins and discount rate to derive the net present value of the business enterprise. The valuation performed by the independent professional valuer is the enterprise value of Thai GNCC after other valuation adjustments have been made to determine the equity value of the 4.534% interest held by the Group.

As at the end of the financial year, Thai GNCC has yet to commence its operations and management has no visibility to the future plans and developments and access to its records. Accordingly, we were unable to determine the appropriateness of the valuation methodology, and could not obtain reliable supporting information to evaluate the reasonableness of the key assumptions underlying the forecasts.

Consequently, we were unable to obtain sufficient appropriate audit evidence on the fair value of the financial asset at FVTOCI of US$17,191,806 and fair value loss of US$2,544,699 recorded in other comprehensive income for the year ended 30 June 2020.

Our audit opinion on the financial statements for the financial year ended 30 June 2019 was modified on the same basis.

Emphasis of Matter

We draw attention to Note 6 to the financial statements, which indicates that the Commercial Affairs Department ("CAD") and the Monetary Authority of Singapore (the "MAS"), pursuant to Section 20 of the Criminal Procedure Code (Chapter 68), have commenced an investigation into a possible offence of false trading and market rigging under section 197 of the Securities and Futures Act (Chapter 289) of Singapore in relation to share buy-backs and acquisition of shares. As of the date of this report, the CAD's investigation is still ongoing.

Our opinion is not modified in respect of this matter.

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 SFRS(I)s, 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 responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors 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 Lee Boon Teck.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

14 October 2020

STATEMENTS OF FINANCIAL POSITION

30 JUNE 2020

	Note	Group		Company	
		2020	2019	2020	2019
		US$	US$	US$	US$
Assets					
Current assets					
Cash and bank balances	8	19,322,696	17,905,311	431,776	215,001
Fixed deposits	8	391,146	451,239	-	-
Trade and other receivables	9	16,993,169	30,370,013	3,686,923	6,205,099
Contract assets	10	3,932,770	18,287,931	-	-
Prepayments	11	596,622	826,291	15,189	16,554
Inventories	12	1,912,501	1,655,198	-	-
Derivative financial instruments	13	1,495,000	-	-	-
		44,643,904	69,495,983	4,133,888	6,436,654
Non-current assets					
Property, plant and equipment	15	8,738,540	9,963,874	7,089	1,398
Intangible assets	16	18,523,642	20,098,196	-	-
Right of use assets	14	3,010,332	-	-	-
Subsidiaries	5	-	-	46,436,018	46,436,018
Financial asset at fair value through other comprehensive income	17	17,191,806	19,736,505	-	-
Long-term receivables	9	1,751,769	3,414,519	-	900,000
Deferred tax assets	18	182,754	199,176	-	-
		49,398,843	53,412,270	46,443,107	47,337,416
Total assets		94,042,747	122,908,253	50,576,995	53,774,070
Liabilities and Equity					
Current liabilities					
Trade and other payables	19	26,024,861	44,795,006	6,495,365	642,449
Contract liabilities	20	157,294	154,614	-	-
Borrowings	21	12,455,039	26,516,583	-	3,626,000
Derivative financial instruments	13	350,000	5,101	-	-
Lease liabilities	22	728,486	-	-	-
Current tax payable		739,795	454,714	-	-
		40,455,475	71,926,018	6,495,365	4,268,449
Non-current liabilities					
Borrowings	21	14,905,677	96,602	-	-
Lease liabilities	22	347,230	-	-	-
Deferred tax liabilities	18	387,348	667,694	-	-
Other payables	19	4,877,000	5,046,400	-	1,450,400
		20,517,255	5,810,696	-	1,450,400
Total liabilities		60,972,730	77,736,714	6,495,365	5,718,849
Capital, reserves and non-controlling interests					
Share capital	23	88,182,730	88,182,730	88,182,730	88,182,730
Treasury shares	24	(862,540)	(862,540)	(862,540)	(862,540)
Other reserves	25	(9,517,273)	(6,622,665)	44,857	44,857
Accumulated losses		(45,831,776)	(36,863,960)	(43,283,417)	(39,309,826)
Equity attributable to owners of the Company		31,971,141	43,833,565	44,081,630	48,055,221
Non-controlling interests		1,098,876	1,337,974	-	-
Total equity		33,070,017	45,171,539	44,081,630	48,055,221
Total liabilities and equity		94,042,747	122,908,253	50,576,995	53,774,070

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		US$	US$
Revenue	26	374,967,878	605,020,931
Other income	27	3,130,146	814,252
Purchases of finished goods		(350,090,076)	(574,875,092)
Changes in inventories of finished goods		230,530	(14,362,415)
Employee benefits expense	28	(9,548,696)	(9,208,910)
Amortisation of intangible assets	16	(274,202)	(228,450)
Depreciation of property, plant and equipment	15	(811,720)	(749,508)
Depreciation of right-of-use assets	14	(1,346,402)	-
Net fair value (loss)/gain on derivative financial instruments		(232,512)	1,286,002
Other operating expenses	29	(11,448,665)	(4,549,353)
Impairment loss (recognised)/reversed on trade and other receivables	9	(7,288,872)	25,303
Impairment loss on intangible asset	16	(1,003,597)	-
Net present value change of the call and put option liability	19(i)	(1,281,000)	-
Finance costs	30	(2,768,576)	(2,815,875)
Share of results of associates, net of tax		(7,364)	-
(Loss)/Profit before taxation		(7,773,128)	356,885
Income tax expense	31	(421,031)	(250,338)
(Loss)/Profit for the year		(8,194,159)	106,547
Other comprehensive loss after tax:			
Item that will not be reclassified subsequently to profit or loss			
Fair value loss on equity investments at fair value through other comprehensive income	17	(2,544,699)	(1,936,016)
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation loss on consolidation		(405,630)	(231,778)
Other comprehensive loss for the year, net of tax		(2,950,329)	(2,167,794)
Total comprehensive loss for the year		(11,144,488)	(2,061,247)
(Loss)/Profit attributable to			
- owners of the Company		(8,999,335)	(684,625)
- non-controlling interests		805,176	791,172
		(8,194,159)	106,547
Total comprehensive loss attributable to			
- owners of the Company		(11,895,520)	(2,803,687)
- non-controlling interests		751,032	742,440
		(11,144,488)	(2,061,247)
Loss per share attributable to owners of the Company (US cent)			
- basic and diluted	32	(4.3170)	(0.3732)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Group	Share capital	Treasury shares	Warrant reserve	Foreign currency translation reserve	Capital reserve	Fair value reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	<------ Attributable to owners of the Company								------>		
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 July 2019	88,182,730	(862,540)	-	(148,030)	44,857	(2,923,492)	(3,596,000)	(36,863,960)	43,833,565	1,337,974	45,171,539
(Loss)/Profit for the year	-	-	-	-	-	-	-	(8,999,335)	(8,999,335)	805,176	(8,194,159)
Other comprehensive loss for the year											
- Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	(2,544,699)	-	-	(2,544,699)	-	(2,544,699)
- Foreign currency translation differences	-	-	-	(351,486)	-	-	-	-	(351,486)	(54,144)	(405,630)
Total comprehensive (loss)/ income for the year	-	-	-	(351,486)	-	(2,544,699)	-	(8,999,335)	(11,895,520)	751,032	(11,144,488)
Contributions by and distributions to owners											
- Effects of acquiring of non-controlling interest in a subsidiary	-	-	-	-	-	-	-	31,519	31,519	(132,520)	(101,001)
- Deregistration/disposal of subsidiaries	-	-	-	-	-	-	1,577	-	1,577	-	1,577
- Dividends	-	-	-	-	-	-	-	-	-	(857,610)	(857,610)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	1,577	31,519	33,096	(990,130)	(957,034)
Balance at 30 June 2020	88,182,730	(862,540)	-	(499,516)	44,857	(5,468,191)	(3,594,423)	(45,831,776)	31,971,141	1,098,876	33,070,017

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Group	Share capital	Treasury shares	Warrant reserve	Foreign currency translation reserve	Capital reserve	Fair value reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	<------------	Attributable to owners of the Company							------------>		
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 July 2018											
- As previously reported	78,076,108	(862,540)	665,481	508,045	44,857	(987,476)	-	(35,852,364)	41,592,111	784,193	42,376,304
- Effect of adoption of SFRS(I)s	-	-	-	(473,029)	-	-	-	(326,971)	(800,000)	-	(800,000)
As restated	78,076,108	(862,540)	665,481	35,016	44,857	(987,476)	-	(36,179,335)	40,792,111	784,193	41,576,304
(Loss)/Profit for the year	-	-	-	-	-	-	-	(684,625)	(684,625)	791,172	106,547
Other comprehensive loss for the year											
- Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	(1,936,016)	-	-	(1,936,016)	-	(1,936,016)
- Foreign currency translation differences	-	-	-	(183,046)	-	-	-	-	(183,046)	(48,732)	(231,778)
Total comprehensive (loss)/ income for the year	-	-	-	(183,046)	-	(1,936,016)	-	(684,625)	(2,803,687)	742,440	(2,061,247)
Contributions by and distributions to owners											
- Issue of shares (Note 23)	9,312,464	-	-	-	-	-	-	-	9,312,464	-	9,312,464
- Exercise of warrants	153,835	-	(25,158)	-	-	-	-	-	128,677	-	128,677
- Expiry of warrants	640,323	-	(640,323)	-	-	-	-	-	-	-	-
- Deregistration/disposal of subsidiaries	-	-	-	-	-	-	-	-	-	148,679	148,679
- Dividends	-	-	-	-	-	-	-	-	-	(510,469)	(510,469)
Changes in ownership interests in subsidiaries											
- Acquisition of subsidiaries (Note 5)	-	-	-	-	-	-	(3,596,000)	-	(3,596,000)	173,131	(3,422,869)
Transactions with owners in their capacity as owners	10,106,622	-	(665,481)	-	-	-	(3,596,000)	-	5,845,141	(188,659)	5,656,482
Balance at 30 June 2019	88,182,730	(862,540)	-	(148,030)	44,857	(2,923,492)	(3,596,000)	(36,863,960)	43,833,565	1,337,974	45,171,539

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Company

	Share capital	Treasury shares	Warrant reserve	Capital reserve	Accumulated losses	Total equity
	US$	US$	US$	US$	US$	US$
Balance at 1 July 2018	78,076,108	(862,540)	665,481	44,857	(37,328,684)	40,595,222
Transactions with owners, recognised directly in equity						
Issue of shares (Note 23)	9,312,464	-	-	-	-	9,312,464
Exercise of warrants	153,835	-	(25,158)	-	-	128,677
Expiry of warrants	640,323	-	(640,323)	-	-	-
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(1,981,142)	(1,981,142)
Balance at 30 June 2019	88,182,730	(862,540)	-	44,857	(39,309,826)	48,055,221
Transactions with owners, recognised directly in equity						
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(3,973,591)	(3,973,591)
Balance at 30 June 2020	88,182,730	(862,540)	-	44,857	(43,283,417)	44,081,630

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Group 2020 US$	Group 2019 US$
Cash Flows from Operating Activities			
(Loss)/Profit before taxation		(7,773,128)	356,885
Adjustments for:			
Amortisation of intangible assets	16	274,202	228,450
Depreciation of property, plant and equipment	15	1,300,466	817,625
Depreciation of right-of-use assets	14	1,346,402	-
Impairment loss on intangible assets	16	1,003,597	-
Interest expense	30	2,768,576	2,815,875
Interest income	27	(93,904)	(240,142)
Loss on disposal of subsidiaries	29	-	293,877
Net fair value (gain)/loss on derivative financial instruments		232,512	(1,286,002)
Reversal of allowance for inventories obsolesence	29	(254,476)	-
Impairment losses recognised/(reversed) on trade and other receivables	9	7,288,872	(25,303)
Trade and other receivables written off	29	-	333
Plant and equipment written off		-	23,060
Net present value change of the call and put option liability	19(i)	1,281,000	-
Share of results of associates		7,364	-
Unrealised foreign exchange differences		(384,941)	(176,304)
Operating profit before working capital changes		6,996,542	2,808,354
Changes in inventories		(2,827)	13,894,449
Changes in trade and other receivables		5,697,735	(6,181,621)
Changes in contract assets		14,355,161	(18,153,091)
Changes in prepayments		229,669	2,015,696
Changes in trade and other payables		(20,286,968)	7,907,018
Changes in contract liabilities		2,680	(7,595,790)
Cash from/(used in) operating activities		6,991,992	(5,304,985)
Income taxes paid		(399,874)	(209,528)
Net cash from/(used in) operating activities		6,592,118	(5,514,513)
Cash Flows from Investing Activities			
Acquisition of subsidiaries, net of cash acquired	5	-	(14,826,179)
Disposal of subsidiaries, net of cash disposed of (Note A)		-	(145,197)
Interest received		61,000	14,380
Proceeds from disposal of an associate		-	-
Purchase of property, plant and equipment	15	(149,598)	(223,726)
Net cash used in investing activities		(88,598)	(15,180,722)
Cash Flows from Financing Activities			
Cash restricted in use		8,826,622	9,425,225
Acquisition of non-controlling interests in a subsidiary		(101,001)	-
Dividends paid to the non-controlling interests of the subsidiaries		(857,610)	(510,469)
Fixed deposits pledged		49,124	(337,778)
Interest paid		(2,669,334)	(2,870,497)
Proceeds from issue of shares pursuant to exercise of warrants		-	128,677
Proceeds from loans		36,323,516	32,173,607
Proceeds from placement of shares		-	9,312,464
Proceeds from financing of vessel, net of transaction costs	21	4,614,000	-
Repayment of lease liabilities		(1,046,323)	(9,795)
Repayment of loans		(41,298,938)	(31,737,928)
Net cash from financing activities		3,840,056	15,573,506
Net increase/(decrease) in cash and cash equivalents		10,343,576	(5,121,729)
Cash and cash equivalents at beginning of year		6,820,964	11,973,094
Exchange differences on translation of cash and cash equivalents		(99,569)	(30,401)
Cash and cash equivalents at end of year	8	17,064,971	6,820,964

A. Disposal of subsidiaries

On 20 May 2019, the Company disposed a subsidiary, Top Post Enterprise Limited and its subsidiary, for a consideration of US$100. The effects of the disposals on the cash flows of the Group were as follows:

Group	2019 US$
Cash and cash equivalents	145,197
Total assets representing net assets	145,197
Consideration received	-
Net assets derecognised	(145,197)
Non-controlling interest	1,321
Loss on disposal of subsidiaries	(143,876)
Cash and cash equivalents disposed of, representing net cash outflow arising on disposal	(145,197)

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Obligations under finance leases	Lease Liabilities	Loans from financial institutions	Convertible loan	Other borrowings	Others	Total
	US$	US$	US$	US$	US$	US$	US$
Balance at 30 June 2019	33,634	-	22,953,551	3,626,000	-	-	26,613,185
Adoption of SFRS(I) 16	(33,634)	1,387,886	-	-	-	-	1,354,252
Balance at 1 July 2019	-	1,387,886	22,953,551	3,626,000	-	-	27,967,437
Changes from financing cash flows							
- Interest paid	-	(79,690)	(1,588,209)	(170,593)	(226,438)	(604,404)	(2,669,334)
- Proceeds from loans	-	-	36,323,516	-	-	-	36,323,516
- Proceeds from financing of vessel, net of transaction costs	-	-	-	-	4,614,000	-	4,614,000
- Repayment of lease liabilities	-	(1,046,323)	-	-	-	-	(1,046,323)
- Repayment of loans	-	-	(37,639,624)	(3,509,500)	(149,814)	-	(41,298,938)
Total changes from financing cash flows	-	(1,126,013)	(2,904,317)	(3,680,093)	4,237,748	(604,404)	(4,077,079)
Effect of changes in foreign exchange rates	-	-	(397,155)	(116,500)	-	-	(513,655)
Other changes							
- New lease liabilities	-	734,153	-	-	-	-	734,153
- Interest expense	-	79,690	1,619,451	170,593	226,438	672,404	2,768,576
- Others	-	-	-	-	1,625,000	(68,000)	1,557,000
Total liability-related other changes	-	813,843	1,619,451	170,593	1,851,438	604,404	5,059,729
Balance at 30 June 2020	-	1,075,716	21,271,530	-	6,089,186	-	28,436,432

B. Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Obligations under finance leases	Loans from financial institutions	Bank overdrafts	Convertible loan	Others	Total
	US$	US$	US$	US$	US$	US$
Balance at 1 July 2018	5,061	14,392,260	279,497	3,736,500	-	18,413,318
Changes from financing cash flows						
- Interest paid	(1,273)	(1,841,611)	(4,881)	(186,742)	(835,990)	(2,870,497)
- Proceeds from loans	-	32,173,607	-	-	-	32,173,607
- Repayment of finance lease liabilities	(9,795)	-	-	-	-	(9,795)
- Repayment of loans	-	(31,737,928)	-	-	-	(31,737,928)
Total changes from financing cash flows	(11,068)	(1,405,932)	(4,881)	(186,742)	(835,990)	(2,444,613)
Effect of changes in foreign exchange rates	-	(101,619)	-	(110,500)	-	(212,119)
Other changes						
- Acquisition of subsidiaries	-	8,286,088	-	-	-	8,286,088
- New finance leases	38,368	-	-	-	-	38,368
- Interest expense	1,273	1,782,433	4,881	184,542	842,746	2,815,875
- Repayment of bank overdrafts	-	-	(279,497)	-	-	(279,497)
- Others	-	321	-	2,200	(6,756)	(4,235)
Total liability-related other changes	39,641	10,068,842	(274,616)	186,742	835,990	10,856,599
Balance at 30 June 2019	33,634	22,953,551	-	3,626,000	-	26,613,185

See accompanying notes to the financial statements.

1 GENERAL INFORMATION

The Company (Registration Number 199400571K) is incorporated in Singapore with its principal place of business and registered office at 456 Alexandra Road, #19-02 Fragrance Empire Building, Singapore 119962. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in United States dollars ("USD" or "US$").

The principal activity of the Company is that of an investment holding Company.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 30 June 2020 were authorised for issue by the Board of Directors on 14 October 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards International ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 July 2019, the Group adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/ revised SFRS(I) pronouncements does not result in changes to the Group's and the company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as discussed below.

SFRS(I) 16 Leases

SFRS(I) 16 Leases introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's consolidated financial statements is described below.

The date of initial application of SFRS(I) 16 for the Group is 1 July 2019.

The Group has applied SFRS(I) 16 using the cumulative catch-up approach, which does not permit restatement of comparatives, which continue to be presented under SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*.

(a) Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 will continue to be applied to those leases entered or changed before 1 July 2019.

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in SFRS(I) 1-17 and SFRS(I) INT 4.

The Group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after 1 July 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in SFRS(I) 16 does not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on lessee accounting

Former operating leases

SFRS(I) 16 changes how the Group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Applying SFRS(I) 16, for all leases, the Group:

a) Recognises right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of the remaining lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with SFRS(I) 16:C8(b)(ii).

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and

c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within other operating expenses in the consolidated statement of profit or loss.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying SFRS(I) 1-17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former finance leases

For leases that were classified as finance leases applying SFRS(I) 1-17, the carrying amount of obligations under finance leases measured applying SFRS(I) 1-17 immediately before the date of initial application is reclassified to lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying SFRS(I) 16 from 1 July 2019.

(c) Financial impact of initial application of SFRS(I) 16

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the statements of financial position on 1 July 2019 is 5% per annum for entities under Healthsciences International Pte. Ltd. ("HSI") and 10% per annum for International Energy Group Pte. Ltd. ("IEG") and Shanghai Fengwei Garment Accessory Co., Ltd ("SHFW").

The following table shows the operating lease commitments disclosed applying SFRS(I) 1-17 at 30 June 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statements of financial position at the date of initial application.

	Group
	2019
	US$
Operating lease commitments at 30 June 2019 (Note 34)	1,490,910
Add: Obligations under finance leases under SFRS(I) 1-17 at 30 June 2019 (Note 21)	33,634
Less: Short-term leases and leases of low value assets	(12,728)
Less: Effect of discounting the above amounts	(123,930)
Lease liabilities recognised as at 1 July 2019	**1,387,886**

Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statements of financial position immediately before the date of initial application. Consequently, right-of-use assets of US$3,679,658 (Note 14) were recognised on 1 July 2019 and prepaid lease (Note 9) decreased by US$2,325,406. Former finance leases amounting to US$33,634 for leased assets of US$34,189 remains in property, plant and equipment. (Note 15)

(d) Amendment to SFRS(I) 16: COVID-19-Related Rent Concessions

The Group early adopted Amendment to SFRS(I) 16: COVID-19-Related Rent Concessions that is effective for annual periods beginning on or after 1 June 2020. As a practical expedient, the amendment to SFRS(I) 16 allows a lessee to elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this standard if the change were not a lease modification. The Group has applied the practical expedient to all rent concessions that meet the conditions set out.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company 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.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture, whichever is applicable.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values of assets given by the Group to the former owners of the acquiree, liabilities incurred by the Group and equity interests issued by the Group in exchange for control of the acquiree. The fair values are those prevailing at the acquisition date. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal Groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

Equity instrument designated at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has 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).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- breach of settlement contract or default in contractual obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group also considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenant by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full without recourse by the Group to actions such as realising security held (if any).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower; or

b) a breach of contract, such as a default or past due event; or

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- Nature of business practice and legal framework certain geographic region.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI.

<u>Derecognition of financial assets</u>

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

<u>Classification as debt or equity</u>

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

<u>Equity instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

<u>Financial liabilities</u>

Trade and other payables are subsequently measured at amortised cost, using the effective interest method or at FVTPL.

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in Note 4(b)(vii).

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest-bearing bank loans are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

The Group had entered into interest rate cap contract (a derivative financial instrument). Further details of derivative financial instruments are disclosed in Note 13 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Commodities

All physical commodity forward contracts and derivative financial instruments are recognised on trade date and marked to market at market rates prevailing at the end of the reporting period. The resulting gain or loss, arising from changes in the fair value, is recognised in profit or loss immediately.

Market rate is generally based on quoted market prices. If quoted market prices are not available, market rate is determined based on relevant factors, including trade price quotations, time value and volatility factors underlying the commodities and price quotations for similar commodities traded in different markets, including markets located in different geographical areas.

Leases (Before 1 July 2019)

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a reduction of rental expense on a straight-line basis.

Leases (From 1 July 2019)

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the amount expected to be payable by the lessee under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over the estimated useful lives of the assets using the straight-line method, on the following bases:

Buildings	30 years
Medical and other equipment	5 to 15 years
Computers	2 to 5 years
Furniture, fittings and renovations	3 to 10 years
Office equipment	2 to 5 years
Motor vehicles	5 years
Vessel	10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS (EXCLUDING GOODWILL) - Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed as at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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 10 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.

Service right

Service right relates to a contractual right which requires a party to provide services to the Group for a certain period. It is amortised over the contractual period of 4.8 years.

IMPAIRMENT OF NON-FINANCIAL ASSETS (EXCLUDING GOODWILL) - At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Any goodwill representing the excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee at date of acquisition is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 9 *Financial Instruments* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. The carrying amount of the investment is reduced by the amount of impairment loss. Impairment loss is reversed to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the sum of fair value of any retained interest and any proceeds from disposing of a part interest in the associate, is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income, relating to that reduction in ownership interest, if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - The Group recognises revenue from the following major sources:

- trading of oil and related products;
- sale of goods;
- chartering income;
- healthcare consultancy and management system service; and
- interest income.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from trading of oil and related products

The Group offers trading of oil products and related products. Revenue is recognised when the oil is transferred upon loading at the named port of shipment or destination.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Revenue from sale of goods

The Group sells healthcare products, nonwoven fabric and related product. Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied, which is the point when control of goods has transferred to the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Under the Group's standard contract terms, customers do not have a right of return.

Revenue from chartering income

Chartering income from the vessel is recognised over time when the performance obligation is satisfied on the transaction period commencing on the date of commencement and ending on the forecasted date of completion of discharge.

Revenue from healthcare consultancy and management system service

The Group offers healthcare consultancy and management system service. Revenue is recognised as and when the service is rendered, which is the point when control of service has transferred to the customer.

Interest income

Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and the applicable effective interest rate.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

BORROWING COSTS - All borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; they relate to income taxes levied by the same taxation authority; and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the respective entities operate (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly-controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of income and expenses of foreign operations, the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and the translation of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in foreign currency translation reserve, a component of the Group's equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the end of the reporting period.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash on hand, cash at bank, fixed deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The following are the critical judgement, apart from those involving estimations (see below), that management has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Control over Shanghai Fengwei

As disclosed in Note 19, pursuant to the Management Agreement, the Company assigned the management rights and the profits of Shanghai Fengwei during the period from 1 January 2020 to 31 December 2021 to the Entity. All post-tax profits or losses during the aforesaid period, whether in excess of or less than the Consideration, shall be attributable to or borne by the Entity. In return, the Entity would retain the net profit or loss after tax generated by Shanghai Fengwei for 2020 and 2021.

The directors of the Company made an assessment that Shanghai Fengwei's management continues to manage the operations and business activities of Shanghai Fengwei and that the Group has control over Shanghai Fengwei in accordance with the definition of control and the related guidance set out in SFRS(I) 10 *Consolidated Financial Statements*. Accordingly, Shanghai Fengwei remains a subsidiary of the Group. As disclosed in Note 19, the Group and Company recorded an amount of US$7,312,801 and US$4,096,108 as other payables. The Company intends to pay the amount out of the profits of Shanghai Fengwei.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of trade and other receivables and contract assets

The Group and the Company shall recognise in profit or loss the expected credit losses on its trade and other receivables and contract assets which involves management's estimation on the probability of default and loss given default. The Group is experiencing delays in collections from certain customers in the oil and gas segment due to the impact of COVID-19. The carrying amounts of the Group's and the Company's trade and other receivables and contract assets at the end of the reporting period are disclosed in Notes 9 and 10 to the financial statements.

During the year, the Group carried out a review of the recoverability of trade and other receivables and contract assets. The review led to the recognition of a provision for expected credit loss of US$7,458,652 (2019 : US$Nil) in profit or loss.

Fair value of financial asset at fair value through other comprehensive income ("FVTOCI")

Unquoted financial asset at FVTOCI 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.

The fair value of the financial asset at FVTOCI at the end of the reporting period is disclosed in Note 17 to the financial statements.

Impairment test for cash-generating unit containing goodwill, intangibles and vessel

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 assets 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 16 to the financial statements.

As at the end of reporting period, management has performed impairment assessment of the vessel by engaging an external valuer to determine the fair value of the vessel using a market approach. The market value the vessel is based on market comparables less valuation adjustments. Based on the market valuation performed by the external valuer, management has determined that there is no impairment of the vessel for the year then ended. The carrying amount of the vessel is disclosed in Note 15 to the financial statements.

During the year, the Group carried out a review of the recoverable amount of its Clinic Management System recorded as development costs in its subsidiary, Healthsciences International Pte. Ltd., within the Healthcare segment. The review led to the recognition of a full impairment loss of US$1,003,597 (2019 : US$Nil), which has been recognised in profit or loss.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	US$	**US$**	**US$**	**US$**
Financial assets				
Derivative financial instrument	1,495,000	-	-	-
Financial asset at FVTOCI	17,191,806	19,736,505	-	-
Financial assets at amortised cost	38,458,780	49,815,676	4,118,699	7,320,100
Financial liabilities				
Derivative financial instrument	350,000	5,101	-	-
Lease liabilities	1,075,716	-	-	-
Financial liabilities at FVTPL	4,877,000	3,596,000	-	-
Financial liabilities at amortised cost	53,385,577	72,858,591	6,495,365	5,718,849

The Group and Company do not have any significant financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(b) Financial risk management policies and objectives

The Group's overall financial risk management program seeks to minimise potential adverse effects of financial performance of the Group arising from foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group and Company are subject to foreign exchange risk arising from transactions that are denominated in a currency other than the functional currencies of the Group entity, primarily Singapore Dollars.

Group

	Assets		Liabilities	
	2020	**2019**	**2020**	**2019**
	US$	**US$**	**US$**	**US$**
Singapore Dollars	6,324,020	1,074,342	16,172,843	6,154,930

Company

	Assets		Liabilities	
	2020	**2019**	**2020**	**2019**
	US$	**US$**	**US$**	**US$**
Singapore Dollars	788,438	1,013,250	4,927,961	5,419,153

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currency against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign exchange denominated monetary items and adjusts their translation at the period end if Singapore Dollars strengthens against the functional currency, with all other variables held constant.

Group

	(Loss)/Profit before tax	
	2020	**2019**
	US$	**US$**
Singapore Dollars	(984,882)	(508,058)

Company

	Loss before tax	
	2020	**2019**
	US$	**US$**
Singapore Dollars	(413,952)	(440,590)

The converse effect will apply if Singapore Dollars weakens against the functional currency.

(ii) Interest rate risk management

The Group's exposure to interest rate risk relates primarily to debt obligations. The interest rates for borrowings are stated in Note 21 to the financial statements.

The Group may from time to time enter into derivative financial instruments (Note 13).

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and on the assumption that the change took place at the beginning of a financial year and is held constant throughout the reporting period.

If interest rate had been 100 basis points higher/lower and all other variables were held constant, the Group's loss before tax would increase by US$156,500 (2019 : profit before tax would decrease by US$177,375). The Company's loss before tax would increase by US$4,281 (2019 : US$2,128). This is mainly attributable to the Group's and Company's exposure to variable interest bearing bank balance and bank loans.

(iii) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as held-for-trading and at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

Further details of these equity investments can be found in Note 17.

(iv) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group.

As at 30 June 2020, the carrying amounts of financial assets and contract assets as stated in the statements of financial position and the exposure to calls on corporate guarantees amounting to US$12,911,366 (2019 : US$15,498,972), represents the Group's and Company's maximum exposure to credit risk without taking into account the value of any collateral which can reduce the exposure.

The tables below detail the credit quality of the Group's and Company's financial assets and contract assets as well as maximum exposure to credit risk:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$	US$	US$
2020						
Trade receivables	9	(i)	Lifetime ECL (simplified approach)	17,075,447	(4,166,816)	12,908,631
Other receivables	9	(ii)	12-month ECL/ Lifetime-ECL	10,008,934	(4,172,627)	5,836,307
Contract assets	10	(i)	Lifetime ECL (simplified approach)	3,932,770	-	3,932,770
					(8,339,443)	
2019						
Trade receivables	9	(i)	Lifetime ECL (simplified approach)	23,234,161	(217,596)	23,016,565
Other receivables	9	(ii)	12-month ECL/ Lifetime-ECL	11,600,942	(832,975)	10,767,967
Contract assets	10	(i)	Lifetime ECL (simplified approach)	18,287,931	-	18,287,931
					(1,050,571)	

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$	**US$**	**US$**
2020						
Other receivables	9	(ii)	12-month ECL/ Lifetime-ECL	5,868,818	(2,181,895)	3,686,923
					(2,181,895)	
2019						
Other receivables	9	(ii)	12-month ECL/ Lifetime-ECL	8,464,201	(1,359,102)	7,105,099
					(1,359,102)	

(i) The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

(ii) The Group determines that these receivables are not past due and have low risk of default, apart from those receivables which credit risk is assessed to have increased significantly since initial recognition.

Cash and cash equivalents are subject to immaterial credit loss.

(v) Credit risk management

Before accepting any new customer, management assesses the potential customer's credit quality and defines credit limits by customer. Limits granted to customers are reviewed periodically. The Group's exposure to credit risks and the credit limits to counterparties are continuously monitored. The Group monitors collections due and follow up with debtors as part of the credit management process.

Trade receivables consist of a number of customers from the oil and gas and healthcare industries. The Group does not have any significant credit risk exposure to any single counterparty or any group of related counterparties. The Company has concentrated risks for receivables due from subsidiaries.

The Group's trade receivables comprise two debtors (2019 : four debtors) that represented 54% (2019 : 68%) of trade receivables.

(vi) Liquidity risk management

The Group and Company manage the liquidity risk by maintaining sufficient cash and cash equivalents to enable them to meet their normal operating commitments, having an adequate amount of credit facilities. As at the end of the reporting period, a subsidiary is dependent on a single trade financing facility line for its oil and gas trading activities (2019 : two credit lines). Please also see Note 4(c).

Subsequent to the year end, the trade financing facility ceased and the subsidiary is in the process of obtaining a new trade financing facility line.

Liquidity risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. The adjustment column represents future interest which are not included in the carrying amount of the financial liability on the statements of financial position.

	Weighted average affective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
		US$	US$	US$	US$
Financial Liabilities					
Group					
2020					
Non-interest bearing	NA	26,374,861	4,877,000	-	31,251,861
Fixed interest rate instrument	9.24%	12,979,680	17,672,579	(5,835,017)	24,817,242
Variable interest rate instrument	4.137%	1,600,349	2,351,663	(332,822)	3,619,190
		40,954,890	24,901,242	(6,167,839)	59,688,293
2019					
Non-interest bearing	NA	44,795,006	5,046,400	-	49,841,406
Fixed interest rate instrument	4.13%	27,493,622	110,709	(1,095,173)	26,509,158
Variable interest rate instrument	3.19%	107,345	-	(3,318)	104,027
		72,395,973	5,157,109	(1,098,491)	76,454,591

	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	US$	US$	US$	US$
Financial Liabilities				
Company				
2020				
Non-interest bearing	6,495,365	-	-	6,495,365
2019				
Non-interest bearing	642,449	1,450,400	-	2,092,849
Fixed interest rate instrument	3,807,300	-	(181,300)	3,626,000
	4,449,749	1,450,400	(181,300)	5,718,849

(vii) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and short-term borrowings approximate their respective fair values due to relatively short-term maturity of these financial instruments. Management has assessed that the effect of discounting the non-current long-term receivables to be insignificant and the carrying amount approximates its fair values.

Financial assets and liabilities measured at fair value

Group	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
2020				
Financial asset				
Derivatives:				
- Oil commodity futures (Note 13)	-	1,495,000	-	1,495,000
Financial assets at fair value through other comprehensive income (Note 17)	-	-	17,191,806	17,191,806
Financial liabilities				
Derivatives:				
- Oil commodity futures (Note 13)	-	(350,000)	-	(350,000)
2019				
Financial asset				
Financial assets at fair value through other comprehensive income (Note 17)	-	-	19,736,505	19,736,505
Financial liabilities				
Derivatives:				
- Interest rate cap (Note 13)	-	(5,101)	-	(5,101)

The fair value of FVTOCI at the end of the reporting period is disclosed in Note 17 to the financial statements. If the fair value decreases/increases by 10% from management's estimates, the Group's other comprehensive loss for the year will increase/decrease by US$1,719,180 (2019 : US$1,973,651).

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

The carrying amounts of interest-bearing loans at end of the reporting period approximate their fair values. The fair values of all other interest-bearing loans are calculated based on discounted expected future principal and interest cash flows.

(c) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while optimising the return to stakeholders through a mix of equity balance and debts which comprise borrowings (Note 21).

Management reviews the capital structure on an annual basis. As a part of this review, management considers the cost of capital; and the tenures and risks associated with each class of capital. Management monitors its liquidity based on three months-rolling cashflow projections. Management also reviews compliance with financial covenants associated with borrowings at least on an annual basis. The Group balances its overall capital structure through issuance of new debt or the redemption of existing debt, issuance of new shares or payment of dividends. The Group's overall strategy for capital management remains unchanged from the prior year.

As at 30 June 2020, the Group is in a net current asset US$4,188,429 (2019 : net current liability US$2,430,035), and incurred net loss of US$8,194,159 (2019 : net income of US$106,547) and net operating cash inflow of US$6,607,642 (2019 : cash outflow of US$5,514,513) for the financial year then ended. During the last quarter of the financial year, the Group has been affected by the COVID-19 pandemic resulting in the mandatory government imposed closure of certain clinics and an overall drop in the oil and gas activities that was affected by the general economic environment.

The net loss incurred by the Group in current year was mainly due to changes in loss allowance on trade and other receivables amounting to US$7,460,468 (2019 :S$Nil) as mentioned in Note 3 attributable to the Oil and Gas segment and the changes in the net present value of the call and put option liability of US$1,281,000 (Note 19). As disclosed in Note 21, the Group and its subsidiaries have breached a non-financial and financial covenants for a bank loan and a trade financing facility respectively from financial institutions. Whilst there is no notice of default, subsequent to year end, the trade financing facility was halted by the financial institution, and management is in the midst of securing another trade financing facility in the Oil and Gas segment. Management has assessed that this does not have a significant impact on that segment's operations. .

Taking into account the potential impact of COVID-19, management has drawn up the Group's cash flow forecast up to August 2021 which uses the actual results of the year ended 30 June 2020 as a base and anticipated slight recovery from COVID-19 for the Healthcare segment, recovery of insurance receivables and other anticipated cash repayments of payables in the next twelve months. 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 to continue as a going concern. As at reporting period end, the Group has undrawn borrowings facilities and credit facility of US$3,535,500 (Note 21) that is available. At date of authorisation of the financial statements, an amount of US$707,100 uncommitted revolving credit facility remains undrawn.

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 and there is no material uncertainty related to going concern.

5 RELATED COMPANY AND RELATED PARTY TRANSACTIONS

Some of the transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Subsidiaries

Company	2020 US$	2019 US$
Unquoted equity investments, at cost	46,836,018	46,836,018
Allowance for impairment losses		
At beginning of year	400,000	13,897,688
Allowance utilised due to disposals/liquidation	-	(13,497,688)
At end of year	400,000	400,000
Carrying amount	46,436,018	46,436,018

For the financial year ended 30 June 2019

(i) Acquisition of subsidiaries

On 2 August 2018, the Company through its subsidiary HSI Medical Pte. Ltd. ("HSI Medical"), completed the acquisitions of between 51% and 60% of the total issued and paid-up share capital of various healthcare companies, namely Lily Aw Medical Services Pte Ltd, HL Family Clinic & Surgery (Bedok) Pte. Ltd., HL Dermahealth Aesthetic Clinic Pte. Ltd., HL Clinic Pte Ltd, HK Family Clinic & Surgery Pte. Ltd. and Dr Chua's Family Clinic Pte. Ltd. (collectively known as "Medical Group"), which are engaged in the business of provision of family medicine and aesthetic healthcare services through general practitioner and aesthetic clinics, for an aggregate consideration of S$11,352,000 (US$8,335,773).

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

Group	2019 US$
Plant and equipment	246,659
Inventories	294,035
Trade and other receivables	135,753
Prepayments	7,746
Cash and bank balances	47,773
Deferred tax liabilities	(15,671)
Trade and other payables	(225,295)
Current tax payable	(77,186)
Total net identifiable assets	413,814
Non-controlling interests	(173,131)
Goodwill arising from acquisition	8,095,090
Total consideration transferred	8,335,773

b) Effect on cash flows of the Group

Group	2019 US$
Consideration transferred in cash	8,335,773
Less: Cash and bank balances in subsidiaries acquired	(47,773)
Net cash outflow from the acquisition	8,288,000

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$262,096 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.

As part of the sale and purchase agreement, call and put options has been granted to the HSI Medical and other shareholders respectively which is exercisable on the third, fourth and fifth anniversaries. The consideration is based on a fixed pricing formula that is dependent on the average net profit after tax of the companies at the respective anniversaries. The respective options expire three months after the end of each respective period that the options can be exercised. Management has estimated the fair value of the call option at US$3,596,000 (Note 19) which represents the net present value of the estimated consideration based on the fixed pricing formula.

e) Revenue and profit contribution

The subsidiaries acquired during the financial year ended 30 June 2019 contributed revenue and net profit of US$5,597,976 and US$1,582,626 to the Group for the year, respectively. If acquisition had occurred on 1 July 2018, the contribution to the Group would have been US$6,106,883 and US$1,726,501 in revenue and net profit, respectively.

(ii) Acquisition of subsidiary (Shanghai Fengwei Garment Accessory Co., Ltd.) or "Shanghai Fengwei")

The Company through its wholly-owned subsidiary New Silkroutes Capital Pte. Ltd. ("NSC") completed the acquisition of 100% of the total registered capital of Shanghai Fengwei for a consideration of S$12,500,000 (US$9,158,750) with the shareholders of Shanghai Fengwei in a sale and purchase ("SHFW SPA") agreement. As part of the SHFW SPA agreement, the acquisition excludes certain assets, which include equity interest in a company incorporated in the People's Republic of China and other receivables amounting to US$531,000 (RMB 3.6million). In accordance with the sale and purchase agreement, the seller shall have caused all SHFW's legal and beneficial title in the above assets to have been transferred to the seller or a third party by the end of a 24 month period after the completion date.

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

Group	2019 US$
Property, plant and equipment	2,293,612
Customer relationship	261,666
Trademark	329,990
Inventories	946,469
Trade and other receivables	8,394,876
Prepayments	120,504
Cash and bank balances	1,155,171
Deferred tax liabilities	(350,800)
Borrowings	(8,286,088)
Trade and other payables	(1,120,284)
Current tax payable	(17,406)
Total net identifiable assets	3,727,710
Goodwill arising from acquisition	5,431,040
Total consideration transferred	9,158,750

b) Effect on cash flows of the Group

Group	2019 US$
Consideration transferred	9,158,750
Consideration payable (Note 19)	(1,465,400)
Cash paid	7,693,350
Less: Cash and bank balances in subsidiary acquired	(1,155,171)
Net cash outflow from the acquisition	6,538,179

c) Acquisition-related costs

The Group incurred acquisition-related costs of US$223,420 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.

d) Revenue and profit contribution

The subsidiary acquired during the financial year ended 30 June 2019 contributed revenue and net profit of US$9,446,829 and US$856,792 to the Group's revenue for the year, respectively. If acquisition had occurred on 1 July 2018, the contribution to the Group would have been US$18,893,658 and US$1,713,584 in revenue and net profit, respectively.

Impairment losses

At the end of the reporting period, there are no indications of impairment for the Company's investment in the principal intermediate holding company, New Silkroutes Capital Pte. Ltd., which holds the oil and gas and healthcare subsidiaries that continue to generate operating profits and cash inflows.

Summarised financial information of subsidiaries with material non-controlling interests

The following Group's subsidiaries have material non-controlling interests, namely, HSI Medical Pte. Ltd. and its subsidiaries ("HSI Medical subgroup") and HSI Dental Pte. Ltd. and its subsidiaries ("HSI Dental subgroup").

Summarised financial information in respect of HSI Medical subgroup and HSI Dental subgroup, which have material non-controlling interests, is set out below. The summarised financial information below represents amounts before intra-group eliminations, and for profit or loss, the amounts included in the Group's results after acquisition.

Summarised statement of financial position

	HSI Dental Subgroup	HSI Medical Subgroup
	US$	**US$**
2020		
Current assets	2,123,960	2,360,799
Non-current assets	4,694,562	8,245,874
Current liabilities	(1,149,933)	(3,159,706)
Non-current liabilities	(196,812)	(2,244,447)
Equity attributable to owners of the Company	5,471,777	5,202,520
Non-controlling interests	467,341	506,912
2019		
Current assets	1,868,560	1,799,320
Non-current assets	331,775	51,488
Current liabilities	(833,548)	(820,133)
Non-current liabilities	(183,929)	-
Equity attributable to owners of the Company	786,975	599,220
Non-controlling interests	395,883	431,455

Summarised statement of profit or loss and other comprehensive income

	HSI Dental Subgroup	HSI Medical Subgroup
	US$	US$
2020		
Revenue	4,800,540	6,024,207
Expenses	(4,493,811)	(4,445,670)
Profit for the year, representing total comprehensive income for the year	306,729	1,578,537
Attributable to:		
- owners of the Company	268,397	711,747
- non-controlling interests	38,332	866,790
	306,729	1,578,537
2019		
Revenue	5,737,524	5,701,929
Expenses	(5,352,036)	(4,090,979)
Profit for the year, representing total comprehensive income for the year	385,488	1,610,950
Attributable to:		
- owners of the Company	249,007	932,814
- non-controlling interests	136,481	678,136
	385,488	1,610,950

Other summarised financial information

	HSI Dental Subgroup	HSI Medical Subgroup
	US$	US$
2020		
Dividends paid to the non-controlling interests	(103,944)	(720,111)
Net cash inflow from operating activities	1,026,876	2,227,260
Net cash outflow from investing activities	(1,123,626)	(601,329)
Net cash outflow from financing activities	371,345	(1,427,768)
Net cash (outflow)/inflow for the year	274,595	198,163
2019		
Dividends paid to the non-controlling interests	(134,887)	(365,261)
Net cash inflow from operating activities	93,829	1,613,585
Net cash outflow from investing activities	(40,580)	(3,629)
Net cash outflow from financing activities	(288,600)	(365,261)
Net cash inflow for the year	(235,351)	1,244,695

Details of the Group's significant subsidiaries are as follows:

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held 2020 %	Percentage of equity held 2019 %
Held by the Company				
New Silkroutes Capital Pte. Ltd. [1]	Investment holding	Singapore	100	100
Held by New Silkroutes Capital Pte. Ltd.				
International Energy Group Pte. Ltd. [1]	Trading of petrochemical products	Singapore	100	100
New Silkroutes Group (Europe) Limited [3]	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	81.28	81.28
Grand Wood Group Limited [4]	Investment holding	British Virgin Islands	-	100
Silk Systems Pte. Ltd. [5]	Investment holding	Singapore	30	100
HSI Asia Pte. Ltd. [3]	Investment holding	Singapore	100	100
HSI Specialists Pte. Ltd. [3]	Investment holding	Singapore	100	100
Shanghai Fengwei Garment Accessory Co., Ltd. [2]	Manufacture of non-woven fabric	People's Republic of China	100	100
New Silkroutes TCM (Beijing) Co., Ltd [3], [6]	Distribution of Traditional Chinese Medicine products	People's Republic of China	100	-
Held by New Silkroutes Group (Europe) Limited				
IEG Malta Limited [7]	Wholesale and retail trading of crude oil, intermediate fuel oil and other distillates	Malta	100	90
Held by Healthsciences International Pte. Ltd.				
Liangyue (Shanghai) Business Consulting Co., Ltd. [3]	Business, management and investment consultancy	People's Republic of China	100	100
HSI Dental Pte. Ltd. [1]	Investment holding	Singapore	100	100
HSI Medical Pte. Ltd. [1]	Investment holding	Singapore	100	100

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held	
			2020	2019
			%	%
Held by HSI Dental Pte. Ltd.				
Crescent Dental Clinic Pte. Ltd. (1)	Dental services	Singapore	70	70
Dentaltrendz JP Pte. Ltd. (1)	Dental services	Singapore	70	70
Trendz Dental Surgeons Pte. Ltd. (1)	Dental services	Singapore	70	70
L'ving Vine Dental Clinic Pte. Ltd. (1)	Dental services	Singapore	70	70
Dover Dental Surgery Pte. Ltd. (1)	Dental services	Singapore	70	70
Dentaltrendz Pte. Ltd. (1)	Management services	Singapore	70	70
Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd. (1)	Dental services	Singapore	51	51
Greedygums Pte. Ltd. (1)	Medical and dental supplies	Singapore	51	51
Wren Dental and Medical Supplies Pte. Ltd. (1)	Medical and dental supplies	Singapore	51	51
84 INC Pte. Ltd. (1)	Dental services	Singapore	70	70
The Dental Hub@SG Pte. Ltd. (1)	Dental services	Singapore	70	70
NDC Consulting Pte. Ltd. (1)	Dental services	Singapore	70	70
Held by HSI Medical Pte. Ltd.				
Dr Chua's Family Clinic Pte. Ltd. (1)	General medical services	Singapore	51	51
HL Clinic Pte Ltd (1)	General medical services	Singapore	60	60
HL Family Clinic & Surgery (Bedok) Pte. Ltd. (1)	General medical services	Singapore	60	60
HK Family Clinic & Surgery Pte. Ltd. (1)	General medical services	Singapore	60	60
HL Dermahealth Aesthetic Clinic Pte Ltd (1)	Aesthetic clinic	Singapore	60	60
Lily Aw Medical Services Pte Ltd (1)	General medical services	Singapore	60	60
Held by international Energy Group Pte. Ltd.				
Century Master Pte. Ltd. (1)	Investment holding	Singapore	100	19
Held by Century Master Pte. Ltd.				
TXZ Tankers Pte. Ltd. (1)	Chartering of ships	Singapore	100	-

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by member firms of Deloitte Touche Tohmatsu Limited for the purpose of the consolidated financial statements.

(3) Not required to be audited.

(4) On 18 March 2020, the Company has decided to liquidate Grand Wood Group Limited, a wholly-owned subsidiary of the company incorporated in British Virgin Islands, by way of members' voluntary winding up. On 19 May 2020, the entity was fully dissolved and derecognised.

(5) During the year, Silk Systems Pte. Ltd. has been reduced from 100% to 30% through a joint venture agreement with an external party. Accordingly, subsequent to the injection by the external party, the former subsidiary has been accounted for as an associate. As the associate is insignificant, no separate note is disclosed.

(6) On 11 September 2019, New Silkroutes Capital Pte Ltd has incorporated a limited liability company in the People's Republic of China named New Silkroutes TCM (Beijing) Co., Ltd) to be its wholly-owned subsidiary.

(7) In December 2019, there was an increase in shareholding during the year from 90% to 100% ownership interest in IEG Malta for an additional consideration of US$101,001.

6 SUBSEQUENT EVENT

The Commercial Affairs Department ("CAD") and the Monetary Authority of Singapore (the "MAS") pursuant to Section 20 of the Criminal Procedure Code (Chapter 68) have commenced an investigation into a possible offence of false trading and market rigging under section 197 of the Securities and Futures Act (Chapter 289) of Singapore in relation to share buy-backs and acquisition of shares. One of the Directors of the Company and certain senior management and former management are also assisting the CAD in the said investigation. At date of authorisation of these financial statements, the CAD's investigation is still ongoing. The Board of Directors and management have assessed that this is not expected to have significant impact on the financial statements.

7 OTHER RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the year on terms agreed by the parties concerned:

	2020	2019
	US$	US$
Consideration received on behalf by a shareholder (Note 19)	2,828,400	-
Lease payments (Rental) [a]	(256,079)	(88,602)

(a) Relates to lease payments (2019 : Rental expenses) amounting to US$256,079 (2019 : US$88,602) for the year ended 30 June 2020 by Shanghai Fengwei Garment Accessory Co., Ltd ("SHFW") to a company owned by a substantial shareholder of the Company. The full prepaid lease has been reclassified to right-of-use assess upon adoption of SFRS(I) 16 (Notes 2 and 14).

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2020	2019
	US$	US$
Short-term benefits	2,658,120	2,277,157
Post-employment benefits	119,659	72,872
	2,777,779	2,350,029

Included in the above is remuneration to directors of the Company amounting to US$2,377,188 (2019 : US$1,678,081), excluding directors' fee which is disclosed in Note 28 to the financial statements.

8 CASH AND BANK BALANCES

	Group		Company	
	2020	**2019**	**2020**	**2019**
	US$	**US$**	**US$**	**US$**
Cash on hand	53,525	63,766	3,712	2,185
Cash in bank	19,269,171	17,841,545	428,064	212,816
	19,322,696	17,905,311	431,776	215,001
Fixed deposits pledged	391,146	451,239	-	-
	19,713,842	18,356,550	431,776	215,001

At the end of the reporting period, the fixed deposits of US$391,146 (2019 : US$451,239) for the Group were pledged to bank to secure bank loans and bank overdrafts (Note 21).

The fixed deposits has a weighted average maturity of 5.05 months (2019 : 1.9 months) from the end of the reporting period with a weighted average effective interest rate of 0.20% (2019 : 0.60%) per annum at the end of the reporting period.

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

	2020	**2019**
Group	**US$**	**US$**
Cash and bank balances and fixed deposits	19,713,842	18,356,550
Less: Cash restricted in use	(2,257,725)	(11,084,347)
Less: Fixed deposits pledged	(391,146)	(451,239)
	17,064,971	6,820,964

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

9 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Trade receivables from:				
Third parties	17,075,447	23,234,161	-	-
Less: Loss allowance				
Third parties	(4,166,816)	(217,596)	-	-
	12,908,631	23,016,565	-	-
Other receivables from:				
Former related party	2,620,704	2,620,873	6,584	6,754
Related parties	20,466	219,935	20,466	-
Subsidiaries	-	-	2,898,864	5,199,736
Loans to subsidiaries	-	-	632,252	646,661
Prepaid lease	-	2,325,406	-	-
Deposits	408,630	428,935	-	-
Consideration receivables	2,310,652	2,611,050	2,310,652	2,611,050
Margin and hedge accounts	277,889	657,753	-	-
Retention sum (Notes 15 and 21)	1,625,000	-	-	-
Insurance recoverable	822,688	1,448,708	-	-
Other receivables	1,922,905	1,288,282	-	-
	10,008,934	11,600,942	5,868,818	8,464,201
Less: Loss allowance	(4,172,627)	(832,975)	(2,181,895)	(1,359,102)
	5,836,307	10,767,967	3,686,923	7,105,099
Total trade and other receivables	18,744,938	33,784,532	3,686,923	7,105,099
Represented by:				
Current	16,993,169	30,370,013	3,686,923	6,205,099
Non-current	1,751,769	3,414,519	-	900,000
	18,744,938	33,784,532	3,686,923	7,105,099

Trade receivables

Credit periods generally range from 30 to 60 days (2019 : 29 to 60 days). Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix.

	Group					
	Trade receivables - days past due					
	Not past due	<30 days	31 - 90 days	> 90 days	Individually assessed lifetime ECL	Total
	US$	US$	US$	US$	US$	US$
2020						
Estimated total gross carrying amount at default	6,235,843	4,196,462	768,707	956,706	4,917,729	17,075,447
Lifetime ECL	-	-	-	(47,816)	(4,119,000)	(4,166,816)
						12,908,631
2019						
Estimated total gross carrying amount at default	9,976,665	9,344,345	1,343,473	2,569,678	-	23,234,161
Lifetime ECL	-	-	-	(217,596)	-	(217,596)
						23,016,565

The table below shows the movement in lifetime ECL that has been recognised/(reversed) for trade receivables:

	Individually assessed	Lifetime ECL - credit-impaired	Total
Group	US$	US$	US$
Balance as at 1 July 2018	-	-	-
Acquisition of subsidiaries	-	242,899	242,899
Change in loss allowance	-	(25,303)	(25,303)
Balance as at 30 June 2019	-	217,596	217,596
Amount recovered	-	(169,780)	(169,780)
Change in loss allowance	4,119,000	-	4,119,000
Balance as at 30 June 2020	4,119,000	47,816	4,166,816

Other receivables

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.

(i) Other receivables from former related party

The former related party is a company wholly-owned by a former director of the Company. It relates to advances and payments on behalf of the former related party in respect of oil trades and purchases of fuel oil, and is unsecured, interest-free and repayable on demand. The Group has made a legal claim against the former related party to seek payment of the outstanding amounts, as well as interest and legal costs. As at 30 June 2020, an expected credit loss allowance was recorded.

(ii) Consideration receivables

Consideration receivables comprise the outstanding amounts of US$3,475,747 arising from the disposal of subsidiaries, in 2017 and 2016.

On 13 March 2018, the Company agreed with the buyer on the full and final settlement of all claims, in which US$3,200,000 would be paid, comprising US$400,000 within seven days from date of settlement agreement, US$900,000 by 31 December 2018, US$1,000,000 by 31 December 2019 and US$900,000 by 31 December 2020. As at 30 June 2020, an expected credit loss of US$1,353,548 was recorded. Management has assessed that the remaining amount to be recoverable through either payments or offset against collaboration projects.

(iii) Prepaid lease

In 2019, prior to the acquisition of a subsidiary (Note 5), there was an amount owing to a related party. Upon acquisition, the Company entered into an agreement with a related party and the amount due from a related party will be used to offset against the rental payable under the lease agreement. In 2020, this amount has been fully reclassified to right of use assets (Note 14).

For purpose of impairment assessment, other receivables are considered to be recoverable as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition apart for those which loss allowance has been recognised. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The following table shows the movement in ECL that has been recognised for other receivables.

Group

	US$
Balance as at 1 July 2018	32,975
Adoption of SFRS(I) 9	800,000
Balance as at 1 July 2018 (adjusted) and 30 June 2019	832,975
Changes in loss allowance	3,339,652
Balance as at 30 June 2020	4,172,627

Company

	US$
Balance as at 1 July 2018	2,594,112
Changes in loss allowance	31,531
Allowance utilised	(1,211,147)
Exchange difference on translation	(55,094)
Balance as at 1 July 2018 (adjusted) and 30 June 2019	1,359,402
Changes in loss allowance	1,353,548
Allowance utilised	(511,474)
Exchange difference on translation	(19,581)
Balance as at 30 June 2020	2,181,895

10 CONTRACT ASSETS

Contract assets are initially recognised for revenue earned from physical oil trades. Upon completion of trades and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. There were no significant changes in the contract asset balances during the reporting period.

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the energy industry. None of the amounts due from customers at the end of the reporting period is past due and no loss allowance is recognised.

11 PREPAYMENTS

As at 30 June 2019, prepayments mainly relate to US$335,886 for the purchase of raw materials and US$324,408 for freight charges.

As at 30 June 2020, prepayments mainly relate to US$66,500 for shipping fees and US$324,408 for freight charges.

12 INVENTORIES

	Group	
	2020	2019
	US$	US$
Raw materials	730,422	928,929
Finished goods	701,225	489,627
Medical products and supplies	329,463	343,183
Trading stocks of oil products	153,339	149,883
	1,914,449	1,911,622
Less: Allowance for inventories obsolescence	(1,948)	(256,424)
	1,912,501	1,655,198

Allowance for inventories obsolescence was brought forward from a subsidiary acquired in 2019. The cost of inventories recognised as expense and included in purchases of finished goods and changes in inventories of finished goods amounted to US$349,859,546 (2019 : US$589,237,507).

13 DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2020	2019
	US$	US$
Derivative financial assets at fair value through profit or loss:		
- oil commodity futures	1,495,000	-
Derivative financial (liabilities) at fair value through profit or loss:		
- oil commodity futures	(350,000)	-
- interest rate cap	-	(5,101)
	1,145,000	(5,101)

The interest rate cap in 2019 protects against increases in interest rates by capping the maximum rate payable when the floating interest rate (Singapore Swap Offer Rate) exceeds the cap. The Group received the difference between the capped rate of 1.5% and the floating rate. The nominal amount of the contract was US$2,393,160.

The interest rate cap is not designated as a hedge instrument for a specific borrowing and changes in fair values are recorded in the profit or loss.

14 RIGHT-OF-USE ASSETS

The Group leases several leasehold premises and office space. The average lease term is 3 years.

Group	Leasehold premise US$	Office space US$	Total US$
Cost:			
At 1 July 2019	3,425,259	254,399	3,679,658
Additions	734,153	-	734,153
Exchange differences	(57,077)	-	(57,077)
At 30 June 2020	4,102,335	254,399	4,356,734
Accumulated depreciation:			
At 1 July 2019	-	-	-
Depreciation charge of the year	1,176,803	169,599	1,346,402
At 30 June 2020	1,176,803	169,599	1,346,402
Carrying amount:			
At 30 June 2020	2,925,532	84,800	3,010,332
At 1 July 2019	3,425,259	254,399	3,679,658

During the financial year ended 30 June 2020, certain leased premises expired which were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of US$734,153 in 2020.

Leasehold premises of $2,069,327 is secured on bank borrowings (Note 21).

Included in the Group's and the Company's plant and equipment is an amount of US$24,123 (2019: US$34,189) secured in respect of assets held under finance leases arrangement.

15 PROPERTY, PLANT AND EQUIPMENT

Group	Buildings US$	Medical and other equipment US$	Computers US$	Furniture, fittings and renovations US$	Office equipment US$	Motor vehicles US$	Vessel US$	Total US$
Cost:								
At 1 July 2018	-	666,884	120,533	395,248	57,787	-	-	1,240,452
Additions	-	65,261	8,121	111,981	17,133	21,230	-	223,726
Write-offs	-	(33,142)	(31,488)	(184,174)	(51,789)	(21,230)	-	(321,823)
Acquisition of subsidiaries	786,481	1,624,395	11,213	87,640	16,632	77,260	7,045,597	9,649,218
Exchange difference on translation	(10,825)	(77,115)	(1,456)	(4,753)	(84)	(561)	-	(94,794)
At 30 June 2019	775,656	2,246,283	106,923	405,942	39,679	76,699	7,045,597	10,696,779
Additions	-	115,691	5,875	8,777	9,306	9,949	-	149,598
Write-offs	-	(3,175)	(150)	-	(1)	-	-	(3,326)
Exchange difference on translation	(85,982)	(491,849)	(1,244)	(5,968)	(2,182)	(4,748)	-	(591,973)
At 30 June 2020	689,674	1,866,950	111,404	408,751	46,802	81,900	7,045,597	10,251,078
Accumulated depreciation:								
At 1 July 2018	-	86,967	69,982	87,856	33,286	-	-	278,091
Depreciation	37,233	330,211	36,689	154,107	18,327	62,206	178,852	817,625
Write-offs	-	(19,391)	(31,483)	(176,578)	(50,930)	(20,381)	-	(298,763)
Exchange difference on translation	(9,935)	(55,665)	(207)	1,745	624	(610)	-	(64,048)
At 30 June 2019	27,298	342,122	74,981	67,130	1,307	41,215	178,852	732,905
Depreciation	72,570	364,501	29,617	157,819	14,106	22,600	639,253	1,300,466
Write-offs	-	3,175	150	-	1	-	-	3,326
Exchange difference on translation	(76,543)	(439,503)	(1,388)	(1,590)	(1,343)	(3,792)	-	(524,159)
At 30 June 2020	23,325	270,295	103,360	223,359	14,071	60,023	818,105	1,512,538
Carrying amount:								
At 30 June 2020	666,349	1,596,655	8,044	185,392	32,731	21,877	6,227,492	8,738,540
At 30 June 2019	748,358	1,904,161	31,942	338,812	38,372	35,484	6,866,745	9,963,874

In 2020, included in changes in inventories of finished goods is depreciation amounting to US$488,746. (2019 : US$68,117)

The vessel is secured on a financing arrangement in Notes 9 and 21.

Company	Computers US$	Furniture, fittings and renovations US$	Office equipment US$	Total US$
Cost:				
At 1 July 2018	10,923	509	17,148	28,580
Write-offs	(6,068)	-	-	(6,068)
At 30 June 2019	4,855	509	17,148	22,512
Additions	1,073	-	6,240	7,313
At 30 June 2020	5,928	509	23,388	29,825
Accumulated depreciation:				
At 1 July 2018	9,913	509	12,988	23,410
Depreciation	1,010	-	2,762	3,772
Write-offs	(6,068)	-	-	(6,068)
At 30 June 2019	4,855	509	15,750	21,114
Depreciation	179	-	1,443	1,622
At 30 June 2020	5,034	509	17,193	22,736
Carrying amount:				
At 30 June 2020	894	-	6,195	7,089
At 30 June 2019	-	-	1,398	1,398

At the end of the reporting period, the carrying amount of the Group's and the Company's plant and equipment are secured on lease liabilities (2019 : held under finance leases) (Note 22) comprised of office equipment of US$24,123 (2019 : US$34,189).

16 INTANGIBLE ASSETS

Group	Goodwill US$	Customer relationship US$	Development costs US$	Service right US$	Trademark US$	Total US$
Cost:						
At 1 July 2018	5,045,278	11,930	1,544,227	90,359	-	6,691,794
Acquisition of subsidiaries (Note 5)	13,526,130	261,666	-	-	329,990	14,117,786
Exchange difference on translation	(218,415)	-	(178)	(2,673)	-	(221,266)
At 30 June 2019	18,352,993	273,596	1,544,049	87,686	329,990	20,588,314
Exchange difference on translation	(296,259)	-	(146)	(2,189)	-	(298,594)
At 30 June 2020	18,056,734	273,596	1,543,903	85,497	329,990	20,289,720
Accumulated amortisation:						
At 1 July 2018	-	11,930	231,593	19,023	-	262,546
Amortisation	-	13,083	154,386	27,982	32,999	228,450
Exchange difference on translation	-	-	(24)	(854)	-	(878)
At 30 June 2019	-	25,013	385,955	46,151	32,999	490,118
Amortisation	-	26,167	154,386	27,651	65,998	274,202
Exchange difference on translation	-	-	(35)	(1,804)	-	(1,839)
At 30 June 2020	-	51,180	540,306	71,998	98,997	762,481
Impairment:						
Impairment loss recognised in the year ended 30 June 2020 and balance at 30 June 2020	-	-	1,003,597	-	-	1,003,597
Carrying amount:						
At 30 June 2020	18,056,734	222,416	-	13,499	230,993	18,523,642
At 30 June 2019	18,352,993	248,583	1,158,094	41,535	296,991	20,098,196

Impairment loss for development costs

During the year, the Group carried out a review of the recoverable amount of its Clinic Management System recorded as development costs within the Healthcare segment. The review led to the recognition of a full impairment loss of US$1,003,597 (2019 : US$Nil), which has been recognised in profit or loss.

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., Dentaltrendz Pte. Ltd. (collectively, the "Trendz" companies), (iii) Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd., Greedygums Pte. Ltd., Wren Dental and Medical Supplies Pte. Ltd. (collectively, the "Orange" companies), (iv) 84 INC Pte. Ltd., The Dental Hub@SG Pte. Ltd. and NDC Consulting Pte. Ltd. (collectively, the "TDH" companies), (v) Dr Chua's Family Clinic Pte. Ltd., HL Clinic Pte Ltd, HL Family Clinic & Surgery Pte. Ltd., HK Family Clinic & Surgery Pte. Ltd., HL Dermahealth Aesthetic Clinic Pte. Ltd. and Lily Aw Medical Services Pte Ltd (collectively, the "HSI Medical" companies) and (vi) Shanghai Fengwei Garment Accessory Co., Ltd. (the "Shanghai Fengwei") as follows:

	2020	2019
	US$	US$
Cash-generating units		
Healthsciences International Pte. Ltd. ("HSI")	1,051,957	1,051,957
HSI Dental [(i)]	3,778,506	3,875,226
HSI Medical	7,795,231	7,994,770
Shanghai Fengwei Garment Accessory Co., Ltd	5,431,040	5,431,040
	18,056,734	18,352,993

(i) Including Trendz, Orange and TDH CGUs.

For the financial year ended 30 June 2020

For HSI and HSI Dental sub-group, the recoverable amounts of the CGUs are determined by management are based on value-in-use ("VIU") calculations using management approved five year cash flow forecasts. The key assumptions include average revenue growth of 11.5% (2019 : 5%) and pre-tax discount 9.66% (2019 : 9.3%), with 2% (2019 : 2%) terminal growth rate.

For HSI Medical sub-group, the VIU calculation is based on the management approved five year forecast of the Target Annual Audited Net Profit After Tax ("NPAT") at a pre-tax discount rate of 9.66% (2019 : 9.3%) with 2% (2019 : Nil%) terminal growth rate.

Shanghai Fengwei's VIU calculation is determined based on management approved cash flow projections covering a five year period, including consideration of no expected cashflows for the first two years based on the Management Agreement as described in Note 19, using an average growth rate of 5% (2019 : 9%), pre-tax discount rate of 12.82% (2019 : 10.97%) and a terminal growth rate of 3% (2019 : 3%).

17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Group	2020 US$	2019 US$
Unquoted equity security, at fair value	17,191,806	19,736,505

At the end of the reporting period, the Group has 4.534% (2019 : 4.534%) equity interest in Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC") of US$17,191,806 (2019 : US$19,736,505).

On 26 June 2018, the Group entered into a debt repayment agreement with a company owned by a former director of the company, pursuant to which the refundable deposits and accrued interest of US$3,669,996 and prepayments of US$4,900,000, amounting to US$8,569,996 in total, were repaid in full by way of the transfer of 857,000 ordinary shares in the capital of Thai GNCC at the price of approximately US$10 per share from Tianjin GNCC to the Group's wholly-owned subsidiary, International Energy Group Pte. Ltd. ("IEG"). The share transfer agreement was made between Tianjin GNCC and IEG on 30 June 2018.

Consequently, the total investment in Thai GNCC became 4.534%, and the cost of the investment in Thai GNCC became US$22,659,996 as at 30 June 2018 before recognising any fair value changes.

Management has engaged a firm of independent professional valuers to carry out valuation of Thai GNCC. In determining the fair value of Thai GNCC, the valuer used the income approach. Based on the valuation of US$379,175,253 (2019 : US$435,268,000), the 4.534% equity interest in Thai GNCC held by the Group was determined to be US$17,191,806 (2019 : US$19,736,505). Accordingly, a fair value loss of US$2,544,699 (2019 : US$1,936,016) was recognised in other comprehensive income.

18 DEFERRED TAXATION

	2020	2019
Group	US$	US$
At beginning of year	(468,518)	(349,678)
Acquisition of subsidiaries (Note 5)	-	(366,471)
Recognised in profit or loss (Note 31)	287,632	247,631
Translation difference	(23,708)	-
At end of year	(204,594)	(468,518)
Comprising:		
Deferred tax assets	182,754	199,176
Deferred tax liabilities	(387,348)	(667,694)
	(204,594)	(468,518)

Deferred tax assets/(liabilities) are attributable to the following:

	Unused tax losses	Fair value adjustments on acquisition of subsidiaries	Unremitted interest income	Total
Group	US$	US$	US$	US$
At 1 July 2018	36,755	(222,126)	(164,307)	(349,678)
Acquisition of subsidiaries (Note 5)	-	(366,471)	-	(366,471)
Recognised in profit or loss (Note 31)	162,421	85,210	-	247,631
At 30 June 2019	199,176	(503,387)	(164,307)	(468,518)
Recognised in profit or loss (Note 31)	-	287,632	-	287,632
Exchange differences	(16,422)	(7,286)	-	(23,708)
At 30 June 2020	182,754	(223,041)	(164,307)	(204,594)

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	US$	**US$**	**US$**	**US$**
Unused tax losses	39,637,876	34,538,778	33,676,737	34,538,778
Deferred tax assets not recognised	6,738,439	5,871,592	5,725,045	5,871,592

The unused tax losses 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 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.

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2020	**2019**	**2020**	**2019**
	US$	**US$**	**US$**	**US$**
Trade payables from:				
Third parties	9,557,211	18,885,627	-	-
Subsidiaries	-	-	89,587	89,587
	9,557,211	18,885,627	89,587	89,587
Other payables from:				
Subsidiaries	-	-	175,109	175,109
Former related party	35,000	35,000	35,000	35,000
Accrued purchases	3,669,501	23,181,921	-	-
Accrued operating expenses	765,489	715,381	190,952	210,542
Accrued personnel expenses	176,252	409,702	49,731	65,789
Deposit received	353,500	-	353,500	-
Consideration payable[i]	6,291,250	5,046,400	1,414,250	1,450,400
Consultancy and marketing fees payable[ii]	7,312,801	-	4,096,108	-
Other payables	2,740,857	1,567,375	91,128	66,422
	21,344,650	30,955,779	6,405,778	2,003,262
Total trade and other payables	30,901,861	49,841,406	6,495,365	2,092,849
Current	26,024,861	44,795,006	6,495,365	642,449
Non-current	4,877,000	5,046,400	-	1,450,400
	30,901,861	49,841,406	6,495,365	2,092,849

Trade payables are non-interest bearing and are generally settled on 30 to 90 days (2019 : 30 to 90 days) credit terms.

The non-trade amounts due to subsidiaries, and former related party, represent advances from and payments on behalf, are unsecured, interest-free and repayable on demand.

(i) Consideration payables includes an estimated amount of US$4,877,000 (2019 : US$3,596,000) being the net present value of the call and put options due to the acquisition of medical clinics in 2019 (Note 5). The call and put option will expire at the end of the fifth anniversary in 2023.

(ii) Consultancy and marketing fees is relating to:

On 18 April 2020, the Company and its wholly-owned subsidiary in the People's Republic of China, Shanghai Fengwei Garment Accessory Co., Ltd. ("Shanghai Fengwei"), entered into two agreements with a non-related company ("Entity") incorporated on 22 April 2020 in the People's Republic of China, later than the signing date of the above agreements.

Management agreement with Entity, Shanghai Fengwei and the Company ("Management Agreement")

According to the Management Agreement, Entity will manage and expand the business of Shanghai Fengwei and the Group would receive upfront a guaranteed profit of US$2,828,400 (S$4,000,000) for the period from 1 January 2020 to 31 December 2021 (the "Consideration"). The Consideration of US$2,828,400 (S$4,000,000) was received by the Company in Singapore dollars on 21 May 2020 through a Singapore incorporated company, WTL Capital Holdings Pte Ltd, who is also a shareholder of the Company (Note 5).

The Company assigned the management rights and the profits of Shanghai Fengwei during the period from 1 January 2020 to 31 December 2021 to the Entity. All post-tax profits or losses during the aforesaid period, whether in excess of or less than the Consideration, shall be attributable to or borne by the Entity. In return, Entity would retain the net profit or loss after tax generated by Shanghai Fengwei for 2020 and 2021.

For the period up to 30 June 2020, the Group and the Company recorded US$1,267,708 (Note 29) as consultancy and marketing fees in other operating expenses under the Agreement. Under the agreement, the Company records and intends to pay this amount out of the profits of Shanghai Fengwei.

As at 30 June 2020, the Group and Company recorded an amount of US$4,096,108 as part of other payables (Note 19) in the statement of financial position which included the Consideration received of US$2,828,400 and the fees payable of US$1,267,708 to the Entity in relation to the assignment of the profits of Shanghai Fengwei from 1 January 2020 to 30 June 2020.

Management Service Agreement with Entity and Shanghai Fengwei ("Management Service Agreement")

According to the Agreement, Shanghai Fengwei will receive services, including human resource management, corporate image planning, production process management, marketing development and financial management during the period from 1 April 2020 to 31 December 2020 from Entity with an option to extend to 31 December 2021.

The management service fees are charged by the Entity to Shanghai Fengwei on a monthly basis. During the service period, Shanghai Fengwei's profit after deduction of the management service fees should not be lower than the base profit of RMB 1.1million (approximately US$159,000). The base profit is based on the average of the actual monthly profit before tax (excluding non-operating income) of Shanghai Fengwei from January 2020 to March 2020. If Shanghai Fengwei's actual profit in its accounting book is less than the base profit, Entity will make up the shortfall to Shanghai Fengwei. If Shanghai Fengwei's actual profit is more than the base profit, the Entity will charge the excess as management service fees to Shanghai Fengwei.

During the period from 1 April 2020 to 30 June 2020, management service fees of US$6,415,689 (Note 29) was charged by the Entity and recorded as other operating expenses.

As at 30 June 2020, Shanghai Fengwei has paid out US$3,198,996 of management service fees to the Entity and the remaining unpaid amount of US$3,216,693 is recorded as part of other payables. The management service fees were included as tax deductions in the calculation of income tax and the related input value added deducted with the output tax in the declaration of value added tax by Shanghai Fengwei.

Together with the payable outstanding at Shanghai Fengwei, the Group and the Company recorded an amount of US$7,312,801 and US$4,096,108 as other payables as at 30 June 2020 for the two above-mentioned agreements. Total consultancy and marketing fees amounted to US$7,683,397 (Note 29).

20 CONTRACT LIABILITIES

	Group	
	2020	2019
	US$	US$
Deferred income	157,294	154,614

There were no significant changes in the contract liability during the reporting period.

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

21 BORROWINGS

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Non-current				
Obligations under finance leases	-	25,319	-	-
Loans from financial institutions	9,610,274	71,283	-	-
Other borrowings(i)	5,295,403	-	-	-
	14,905,677	96,602	-	-
Current				
Obligations under finance leases	-	8,315	-	-
Loans from financial institutions	11,661,256	22,882,268	-	-
Other borrowings(i)	793,783	-	-	-
Convertible loan	-	3,626,000	-	3,626,000
	12,455,039	26,516,583	-	3,626,000
	27,360,716	26,613,185	-	3,626,000

(i) During the year, a subsidiary entered into financing arrangement whereby the Vessel was secured by the counterparty for an amount of US$6,500,000. An amount of US$1,625,000 has been retained by the counterparty (Note 9) till maturity of the financing. Transaction costs of US$271,501 has been capitalised as deferred financing costs which is amortised against the borrowing. The carrying value of the vessel under security charge as at 30 June 2020 is US$6,227,492. (Note 15)

As at 30 June 2020, the Group had available US$2,828,400 (2019 : US$Nil) and US$707,100 (2019 : US$Nil) of undrawn borrowings facilities and revolving credit facility respectively. The amount of US$2,828,400 was drawn down subsequent to end of reporting period.

During the year, the Group breached a non-financial covenant for a bank loan from a financial institution amounting to US$3,619,190. The Group obtained a waiver from the financial institution for the breach of the non-financial covenant as at reporting date. Accordingly, an amount of US$2,082,410 of the above mentioned bank loan remain classified as non-current.

As at reporting date, the Group breached financial covenants for a trade financing facility. No further notice of default were presented to the Group. Subsequent to the year end, the trade financing facility was halted by the financial institution and the Group is in the process of obtaining a new trade financing facility.

In 2019, the Group breached a financial covenant for a bank loan from financial institution amounting to US$3,633,361. Accordingly, the amount was classified as current. Subsequent to period end, the Group has obtained a waiver from financial institution.

Obligations under finance leases

	Group
	2019
	US$
Minimum lease payments payable:	
Due not later than one year	9,459
Due later than one year and not later than five years	26,593
	36,052
Less: Finance charges allocated to future periods	(2,418)
Present value of future minimum lease payments	33,634
Present value of minimum lease payments:	
Due not later than one year	8,315
Due later than one year and not later than five years	25,319
	33,634

The finance leases were on fixed repayment basis and no arrangements have been entered into for contingent rental payments. The finance leases were secured by the underlying assets, comprising the Group's and the Company's office equipment with carrying amount of US$34,189.

Convertible loan

In June 2018, the Company drew down the entire amount of the convertible loan facility of S$5,000,000 (2019 : US$3,626,000). In July 2018, the lender exercised its conversion price reset and the conversion price became S$0.45. Management has assessed that the embedded derivative in respect of the conversion option and reset feature of the convertible loan to be insignificant at the inception date and at the end of the reporting period. This convertible loan has been fully paid on 28 May 2020.

Terms and debt repayment schedule

The terms and conditions of borrowings are as follows:

Group	Currency	Nominal interest rate	Year of maturity	Carrying amount
				US$
2020				
Loans from financial institutions				
- secured	SGD	2.45% to 12.88%	2021 to 2025	5,110,781
- secured	USD	8.25% to 12%	2020 to 2027	8,499,914
- secured	RMB	2.3% to 5%	2020 to 2021	7,660,835
				21,271,530
Other borrowings (secured)	USD	14.89%	2027	6,089,186
				27,360,716
2019				
Obligations under finance leases	SGD	1.8% to 2.7%	2021 to 2023	33,634
Loans from financial institutions				
- secured	SGD	2.45% to 12.88%	2019 to 2023	5,426,374
- secured	USD	12%	2019	10,000,000
- secured	RMB	4.35% to 5%	2019 to 2020	7,527,177
				22,953,551
Convertible loan (unsecured)	SGD	5%	2020	3,626,000
				26,613,185

Company	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
				US$	US$
2019					
Convertible loan (unsecured)	SGD	5%	2020	3,626,000	3,626,000

Loans from financial institutions are secured by the following:

(i) charges over certain of the Group's inventories;

(ii) cash and fixed deposits of the Group (Note 8);

(iii) corporate guarantees by the Company;

(iv) charges over shares of certain subsidiaries of the Company;

(v) personal guarantee(s) from directors of the Company and/or directors of subsidiaries;

(vi) pledge over a director's (2019 : related party's) land;

(vii) fixed and floating charge on all assets and undertakings of a subsidiary; and/or

(viii) certain property and equipment (Note 15)

22 LEASE LIABILITIES

Lease liabilities (Disclosure required by SFRS(I) 16)

	Group
	2020
	$
Maturity analysis:	
Year 1	762,910
Year 2 to 5	361,935
	1,124,845
Less : Unearned interest	(49,129)
	1,075,716
Analysed as:	
Current	728,486
Non-current	347,230
	1,075,716

23 SHARE CAPITAL

	2020	2019	2020	2019
Group and Company	Number of ordinary shares		US$	US$
Issued and fully paid with no par value				
At beginning of year	211,908,869	167,642,695	88,182,730	78,076,108
Issue of shares:				
- Placement	-	43,687,720	-	9,312,464
- Exercise of warrants	-	578,454	-	153,835
- Expiry of warrants	-	-	-	640,323
At end of year	211,908,869	211,908,869	88,182,730	88,182,730

On 28 September 2018 and 20 February 2019, the Company completed the placement and issue of 8,600,000 and 35,087,720 new ordinary shares at an issue price of S$0.30 and S$0.285 per share for S$2,580,000 (US$1,885,464) and S$10,000,000 (US$7,427,000) respectively.

During the financial year ended 30 June 2019, 578,454 warrants were exercised and converted into ordinary shares in the capital of the Company, for a consideration of S$173,536 (US$128,677). Accordingly, the total amount of US$153,835 (including the related balance of US$25,158 in warrants reserve) was transferred to share capital. All remaining warrants expired during the year.

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.

24 TREASURY SHARES

Group and Company	2020	2019	2020	2019
	Number of ordinary shares		US$	US$
Issued and fully paid with no par value				
At beginning and end of year	3,444,200	3,444,200	(862,540)	(862,540)

25 OTHER RESERVES

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Foreign currency translation reserve	(499,516)	(148,030)	-	-
Capital reserve	44,857	44,857	44,857	44,857
Fair value reserve	(5,468,191)	(2,923,492)	-	-
Other reserve (Notes 5 and 19)	(3,594,423)	(3,596,000)	-	-
	(9,517,273)	(6,622,665)	44,857	44,857

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.

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.

Fair value reserve

Fair value reserve comprises the cumulative net change in the financial asset at fair value through other comprehensive income (Note 17).

Other reserve

Other reserve mainly represents the net present value of the call and put options liability (Notes 5 and 19).

26 REVENUE

Group	2020 US$	2019 US$
Sale of goods at a point in time		
- Oil products	317,718,025	582,747,671
- Healthcare products	37,912,645	9,446,829
	355,630,670	592,194,500
Rendering of services over time		
- Freight services	7,721,302	966,908
- Healthcare services	11,615,906	11,859,523
	19,337,208	12,826,431
	374,967,878	605,020,931

27 OTHER INCOME

Group	2020 US$	2019 US$
Demurrage income	178,013	11,065
Gain on disposal of an associate	27,162	-
Government grants	543,954	132,917
Interest income from		
- bank balances	63,872	13,747
- fixed deposits	-	633
- late payment by customers	30,032	225,762
	93,904	240,142
Miscellaneous income	307,099	147,243
Value-added tax refund	742,514	282,885
Bookout settlements income	1,237,500	-
	3,130,146	814,252

28 EMPLOYEE BENEFITS EXPENSE

Group	2020 US$	2019 US$
Salaries, wages and bonuses	8,868,301	8,380,936
Contributions to defined contribution plans	495,083	492,121
Other short-term employee benefits	185,312	335,853
	9,548,696	9,208,910
Key management personnel compensation:		
Salaries, wages and bonuses	2,658,120	2,277,157
Contributions to defined contribution plans	119,659	72,872
	2,777,779	2,350,029
Comprising:		
Directors of the Company	545,596	878,125
Directors of subsidiaries	1,831,592	799,956
Other key management personnel	400,591	671,948
	2,777,779	2,350,029

29 OTHER OPERATING EXPENSES

Group	2020 US$	2019 US$
Advertising expenses	33,871	48,728
Bank charges	195,199	147,512
Other consultancy fees	72,998	109,790
Foreign exchange (gain)/loss, net	(31,628)	109,507
General expenses	1,143,581	725,783
Legal, professional fees and other charges	957,910	1,275,571
Listing expenses	39,179	114,317
Loss on disposal of subsidiaries	-	293,877
Consultancy and marketing fees (Note 19)	7,683,397	-
Repair and maintenance expenses on plant and equipment	1,129,132	-
Rental expenses	18,261	1,317,046
Trade and other receivables written off	-	333
Travelling expenses	230,130	153,528
Vessel maintenance	-	30,484
Audit fees paid/payable to:		
- auditor of the Company	199,761	207,407
- other auditors	13,407	4,478
Non-audit fees paid/payable to:		
- auditor of the Company	14,519	10,992
Reversal of allowances for inventories obsolesence	(254,476)	-
Others	3,424	-
	11,448,665	4,549,353

30 FINANCE COSTS

Group	2020 US$	2019 US$
Interest expenses on:		
- bank overdrafts	28	4,881
- convertible loan	170,593	184,542
- lease liabilities (2019 : finance leases)	79,690	1,273
- other borrowings	226,438	-
- letters of credit	672,404	842,511
- loans from financial institutions	1,619,423	1,782,433
- others	-	235
	2,768,576	2,815,875

31 TAXATION

Group	2020 US$	2019 US$
Current taxation:		
- current year	657,645	399,886
- changes in estimates related to prior years	51,018	98,083
	708,663	497,969
Deferred taxation (Note 18):		
- origination and reversal of temporary differences	(287,632)	(247,631)
	421,031	250,338

Income tax is calculated at 17% (2019 : 17%) for Singapore and 25% (2019 : 25%) for China for the estimated assessable (losses)/profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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)/ profit as a result of the following:

Group	2020 US$	2019 US$
(Loss)/Profit before taxation	(7,773,128)	356,885
Tax at statutory rates applicable to different jurisdictions	(1,080,869)	375,850
Tax effect of expenses that are not deductible	1,131,405	601,285
Tax effect of income that is not taxable	(316,614)	(429,566)
Income tax rebates and incentives	(425,326)	(134,066)
Tax effect of unused tax losses not recognised as deferred tax assets	1,013,394	-
Utilisation of deferred tax assets on temporary differences previously not recognised	-	(86,000)
Deferred tax liabilities relating to fair value adjustments on acquisition of subsidiaries	-	(85,210)
Changes in estimates of current taxation related to prior years	51,018	98,083
Changes in estimates of deferred taxation related to prior years	-	(162,421)
Others	48,023	72,383
	421,031	250,338

32 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$8,999,335 (2019 : US$684,625) and a weighted average number of ordinary shares outstanding of 208,464,669 (2019 : 183,443,648), calculated as follows:

Weighted average number of ordinary shares

	2020 US$	2019 US$
Issued ordinary shares at beginning of year (excluding treasury shares)	208,464,669	164,198,495
Effect of shares issued during the year	-	19,245,153
Weighted average number of ordinary shares at end of year	208,464,669	183,443,648

33 EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Performance Share Plan

The New Silkroutes Performance Share Plan 2018 (the "NSPSP") was approved by the shareholders during the Extraordinary General Meeting on 21 July 2018. 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.

34 COMMITMENTS

Operating lease arrangements

At 30 June 2019, 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:

	Group
	2019
	US$
Not later than one year	907,664
Later than one year and not later than five years	583,246
	1,490,910

The Company did not have operating lease commitments.

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

	2020	**2019**
	US$	**US$**
Group		
Dry docking		
Estimated dry docking commitment	1,000,000	-

Sales and purchases commitments

At the end of the reporting period, the 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.

	2020	2019
Group	US$	US$
Sales of oil products	18,422,400	12,511,124
Purchases of oil products	(16,986,050)	(12,073,075)

35 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; and manufacture healthcare consumables.
- 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.

	Oil and gas	Healthcare	Others	Total
	US$	US$	US$	US$
2020				
Segment revenue				
Sales to external customers	325,439,326	49,528,552	-	374,967,878
Segment results				
Other income	1,504,119	1,452,812	173,215	3,130,146
Amortisation of intangible assets	-	(274,202)	-	(274,202)
Depreciation of property, plant and equipment	(709,083)	(589,761)	(1,622)	(1,300,466)
Depreciation of rights-of-use asset	(169,599)	(1,176,803)	-	(1,346,402)
Net fair value loss on derivative financial instruments	(233,572)	1,060	-	(232,512)
Other non-cash items	(5,642,268)	(837,845)	(1,233,728)	(7,713,841)
Finance costs	(1,935,709)	(932,574)	99,707	(2,768,576)
Segment (loss)/profit	(5,588,739)	1,785,025	(4,390,445)	(8,194,159)
Segment assets and liabilities				
Segment assets	46,052,136	46,418,690	1,571,921	94,042,747
Segment liabilities	28,424,847	27,549,233	4,998,650	60,972,730
Capital expenditure	(3,852)	(138,434)	(7,313)	(149,599)
2019				
Segment revenue				
Sales to external customers	583,714,579	21,306,352	-	605,020,931
Segment results				
Other income	258,426	504,140	51,686	814,252
Amortisation of intangible assets	-	(228,450)	-	(228,450)
Depreciation of property, plant and equipment	(244,213)	(569,647)	(3,765)	(817,625)
Net fair value loss on derivative financial instruments	1,291,265	(5,263)	-	1,286,002
Other non-cash items	(18,920)	19,759	(85,377)	(84,538)
Finance costs	(2,159,912)	(471,400)	(184,563)	(2,815,875)
Segment profit/(loss)	1,106,325	1,737,387	(2,737,165)	106,547
Segment assets and liabilities				
Segment assets	80,583,931	39,388,003	2,936,319	122,908,253
Segment liabilities	52,831,314	19,420,319	5,485,081	77,736,714
Capital expenditure	(15,736)	(207,990)	-	(223,726)

Other income mainly relates to demurrage income attributable to the oil and gas segment. Other non-cash items mainly comprise other receivables written off and foreign exchange loss.

Geographical information

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

Group	2020 US$	2019 US$
Revenue		
Australia	66,739	58,798
Cambodia	108,088,952	118,952,165
China	38,010,757	9,589,448
Hong Kong	-	47,334,167
India	2,453,684	-
Norway	-	2,729,197
Singapore	221,927,515	348,210,534
South Korea	722,500	5,363,242
Switzerland	1,326,343	-
United Arab Emirates	2,367,574	6,937,615
United Kingdom	-	65,845,765
Vietnam	3,814	-
	374,967,878	605,020,931
Non-current assets		
China	9,710,489	8,126,159
Singapore	20,562,026	21,935,911
	30,272,515	30,062,070

Non-current assets relate to plant and equipment, intangible assets, and exclude financial assets at fair value through other comprehensive income, deferred tax assets and long-term receivables.

Information about major customers

Revenue from four major customers (2019 : four major customers) in the oil and gas segment amounted to US$299,082,482 (2019 : US$386,578,725).

36 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the Group and Company were issued but not effective:

Effective for annual periods beginning on or after 1 July 2020

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*
- Amendments to SFRS(I) 3 *Business Combinations: Definition of a Business*
- Amendments to References to the Conceptual Framework in SFRS(I) Standards

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

STATISTICS OF SHAREHOLDINGS
AS AT 18 SEPTEMBER 2020

ISSUED AND FULLY PAID-UP CAPITAL:	S$120,427,865
NO. OF ISSUED SHARES (EXCLUDING TREASURY SHARES):	208,464,669
NUMBER/PERCENTAGE OF TREASURY SHARES:	3,444,200 (1.65%)
NUMBER OF SUBSIDIARY HOLDINGS:	NIL
CLASS OF SHARES:	ORDINARY SHARE
VOTING RIGHTS:	ONE VOTE PER ORDINARY SHARE

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Shareholders	%	No of Shares	%
1 - 99	15,651	60.93	191,882	0.09
100 - 1,000	6,926	26.96	2,804,457	1.35
1,001 - 10,000	2,418	9.41	8,346,732	4.00
10,001 - 1,000,000	670	2.61	34,160,627	16.39
1,000,001 and above	23	0.09	162,960,971	78.17
Total	25,688	100.00	208,464,669	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 18 SEPTEMBER 2020

No.	Name	No. of Shares	%
1	SYY CAPITAL HOLDINGS PTE LTD	29,614,035	14.21
2	FORTUNE WOODS GLOBAL INVESTMENT LIMITED	18,798,433	9.02
3	RAFFLES NOMINEES (PTE) LIMITED	16,068,773	7.71
4	DBS NOMINEES PTE LTD	12,784,687	6.13
5	SMARTFUL GLOBAL HOLDINGS LIMITED	12,325,000	5.91
6	ANDREW CHUA SOON KIAN	11,363,636	5.45
7	DBS VICKERS SECURITIES (S) PTE LTD	9,835,218	4.72
8	WANG HUINUO	8,600,000	4.13
9	PHILLIP SECURITIES PTE LTD	7,934,517	3.81
10	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	5,523,673	2.65
11	WTL CAPITAL HOLDINGS PTE LTD	5,473,685	2.63
12	CITIBANK NOMINEES SINGAPORE PTE LTD	4,994,333	2.40
13	KEE KENG HSIUNG	3,360,508	1.61
14	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,909,520	1.40
15	KGI SECURITIES (SINGAPORE) PTE. LTD	2,000,205	0.96
16	QUANTUM HEALTH PTE LTD	2,000,000	0.96
17	OCBC SECURITIES PRIVATE LTD	1,916,538	0.92
18	RONNIE POH TIAN PENG	1,401,000	0.67
19	OCBC NOMINEES SINGAPORE PTE LTD	1,360,472	0.65
20	MAYBANK KIM ENG SECURITIES PTE.LTD	1,340,455	0.64
		159,604,688	**76.58**

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 18 September 2020, approximately 59.94% of its shares listed on Singapore Exchange Securities Trading Limited were held by the public.

STATISTICS OF SHAREHOLDINGS
AS AT 18 SEPTEMBER 2020

SUBSTANTIAL SHAREHOLDERS AS AT 18 SEPTEMBER 2020
(As recorded in the Register of Substantial Shareholders)

		Number of Shares				
S/No.	**Substantial Shareholders**	**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**	**Total**	**Percentage of the issued shares**
1	SYY Capital Holdings Pte. Ltd.	29,614,035	–	–	29,614,035	14.21
2	Shen Yuyun	–	–	29,614,035[1]	29,614,035	14.21
3	Fortune Woods Global Investment Limited	18,798,433	1,751,608[2]	–	20,550,041	9.86
4	General Nice Resources (Hong Kong) Limited	–	1,990,997[3]	20,550,041[3]	22,541,038	10.81
5	General Nice Investment (China) Limited	–	–	22,541,038[4]	22,541,038	10.81
6	General Nice Development Ltd	–	–	22,541,038[5]	22,541,038	10.81
7	General Nice Group Holdings Limited	–	–	22,541,038[6]	22,541,038	10.81
8	Cai Sui Xin	–	–	22,541,038[7]	22,541,038	10.81
9	Smartful Global Holdings Ltd	12,325,000	–	–	12,325,000	5.91
10	Xiao De	–	–	12,325,000[8]	12,325,000	5.91
11	Chua Soon Kian Andrew	11,363,636	–	–	11,363,636	5.45

Notes:

1. Shen Yuyun's deemed interest in the Company arises from his deemed interest in the 29,614,035 shares held by SYY Capital Holdings Pte. Ltd.
2. 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.
3. General Nice Resources (Hong Kong) Limited's deemed interest in the Company arises from its deemed interest in the 1,990,997 shares held in the name of two nominee companies and the 20,550,041 shares in respect of which Fortune Woods Global Investment Limited has deemed or direct interest.
4. General Nice Investment (China) Limited's deemed interest in the Company arises from its deemed interest in the 22,541,038 shares in respect of which General Nice Resources (Hong Kong) Limited has deemed interest.
5. General Nice Development Ltd's deemed interest in the Company arises from its deemed interest in the 22,541,038 shares in respect of which General Nice Resources (Hong Kong) Limited has deemed interest.
6. 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 deemed interest.
7. 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 deemed interest, and also through his deemed and direct interests in General Nice Investment (China) Limited and General Nice Development Ltd.
8. 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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of **NEW SILKROUTES GROUP LIMITED** (the "**Company**") will be held by way of electronic means on **Friday, 30 October 2020** 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 2020 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:

Dr Goh Jin Hian	(retiring under Article 91)	**(Resolution 2)**
Mr Shen Yuyun	(retiring under Article 97)	**(Resolution 3)**
Mr Chua Siong Kiat	(retiring under Article 97)	**(Resolution 4)**
Mr Darrell Lim Chee Lek	(retiring under Article 97)	**(Resolution 5)**

Dr Goh Jin Hian will, upon re-election as Director of the Company, remain as the Non-Independent Non-Executive Chairman, and will be considered non-independent.

Mr Shen Yuyun will, upon re-election as Director of the Company, remain as an Executive Director.

Mr Chua Siong Kiat will, upon re-election as Director of the Company, remain as an Independent Non-Executive Director and the chairman of the Audit and Risk Committee and a member of the Remuneration Committee, and will be considered independent.

Mr Darrell Lim Chee Lek will, upon re-election as Director of the Company, remain as an Independent Non-Executive Director, the Lead Independent Director and the chairman of the Remuneration Committee, a member of the Audit and Risk Committee and a member of the Nominating Committee.

3. To approve the payment of Directors' fees of S$267,000 to the independent and/or non-executive Directors of the Company for the financial year ending 30 June 2021 to be paid quarterly in arrears. **(Resolution 6)**

4. To appoint Crowe Horwath First Trust LLP as the Auditors of the Company in place of the retiring Auditors, Deloitte & Touche LLP, to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **(Resolution 7)**

   [See Explanatory Note (i)]

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

By Order of the Board

Ong Beng Hong
Company Secretary

Singapore, 15 October 2020

Explanatory Note:

(i) Ordinary Resolution 7 proposed in item 4 above is to approve the appointment of Crowe Horwath First Trust LLP ("**Crowe**") as Auditors of the Company in place of the retiring Auditors, Deloitte & Touche LLP ("**Deloitte**"), and to authorise the Directors to fix their remuneration.

The Company has received the notice of nomination from a shareholder, Dr Foong Siew Hong, dated 8 October 2020 on the appointment of Crowe in place of the retiring Auditors, Deloitte. Deloitte has served as the External Auditors of the Company and its subsidiaries (the "**Group**") since 31 October 2018.

As part of the ongoing efforts of the Company to manage its overall business costs and expenses in view of the current economic situation while the Company is in the midst of evaluating growth initiatives and implementing new investment parameters, the Audit and Risk Committee ("**ARC**") and the Board are of the view that it would be appropriate and timely to effect a change of the auditors of the Company. The change of Auditors would result in a substantial reduction in audit fees for the financial year ended 30 June 2021. The quality of the audit services to be provided by Crowe is expected to be comparable to that currently provided by Deloitte and the reduction in cost is not expected to affect the quality of the audit. There will be no change in the scope of the audit to be undertaken by Crowe. The ARC has also considered the Audit Quality Indicators listed in the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") in assessing the suitability of Crowe as the Company's new Auditors. Upon recommendation from the ARC and after due deliberation, the Board is of the view that it would be in the best interests of the Company to effect a change of Auditors with effect from the financial year ending 30 June 2021. Accordingly, Deloitte will not be seeking re-appointment at the forthcoming Annual General Meeting of the Company.

Crowe is one of the leading mid-tier public accounting and consulting firms in Singapore that provides audit, advisory, tax, outsourcing and fund administration solutions to a diverse and international clientele including public-listed entities, multinational corporations and financial institutions. Crowe was awarded the 2018 Growth Award (Open Category) and the 2016 Best Practice Award (Large Practice Category) by the Institute of Singapore Chartered Accountants. It provides external and internal audit, tax and accounting services to many public-listed corporations in Singapore, and has acted as the reporting accountant in various initial public offerings in Singapore. Crowe's clients in Singapore include public-listed entities, enterprises and statutory boards, which span across a broad range of industries such as manufacturing, trading and distribution, financial markets, telecommunications, healthcare, shipping, waste management, leisure, education, information technology, food and beverage and logistics amongst others. Crowe and the audit engagement partner have experience auditing listed and private companies in similar business activities as the Company in Singapore and various countries including China. Some of Crowe's existing clients listed on the SGX-ST are CWX Global Limited, KTL Global Limited and Star Pharmaceutical Limited.

Crowe is also a member of Crowe Global, the fifth largest accounting network in Asia-Pacific with over 200 independent accounting and advisory services firms in close to 130 countries around the world. As a network firm of Crowe Global, Crowe is committed to providing impeccable quality and highly integrated service delivery with the full support of Crowe Global Methodology, technical resources and knowledge databases. More information about Crowe, its values and its services can be found on Crowe's website at https://www.crowe.com/sg.

The audit, engagement partner, Mr Alfred Cheong Keng Chuan, will be responsible for statutory audit services of the Company and its subsidiaries. Mr Cheong has more than 20 years of experience in audit and assurance services and is a practising member of the Institute of Singapore Chartered Accountants and a public accountant registered with ACRA. The audit engagement team will be led by Mr Cheong, assisted by an engagement manager and other team members. There will also be an Engagement Quality Control Review Partner, who is an experienced partner to ensure that the engagement team provides independent and objective viewpoints on the audit.

The ARC has enquired on whether the audit engagement partner has been subject to the Practice Monitoring Programme review by ACRA. In this regard, the ARC has noted that the audit engagement partner has passed his latest Practice Monitoring Programme review by ACRA.

The Board, with the concurrence of the ARC, is satisfied that Crowe will be able to meet the audit requirements of the Group after having considered factors such as the adequacy of the resources and experience of Crowe and the audit engagement partner assigned to the audit, Crowe's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff who will be assigned to the Group's audit. Crowe has given their consent to be appointed as the Auditors, subject to the approval of the shareholders at the Annual General Meeting.

Assuming that Ordinary Resolution 7 is approved by the shareholders, Crowe will be appointed as the auditor of the Company's Singapore-incorporated subsidiaries and significant associated companies. Pursuant to Rule 715(2) of the Listing Manual, the Company must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies. Crowe will perform work on significant foreign-incorporated subsidiaries and associated companies, including engaging the relevant team located in the specific jurisdiction with the respective local domain knowledge to audit these entities.

The Directors wish to express their appreciation for the services rendered by Deloitte in the past. The appointment of Crowe as Auditors in place of Deloitte will take effect subject to the approval of the same by the shareholders at the Annual General Meeting.

In accordance with Rule 1203(5) of the Listing Manual of the SGX-ST:

(a) the outgoing Auditors, Deloitte have given their professional clearance to Crowe and confirmed that they are not aware of any professional reasons why the new Auditors, Crowe, should not accept appointment as Auditors of the Company;

(b) the Directors confirm that there were no disagreements with Deloitte on accounting treatments within the last 12 months;

(c) the Directors confirm that they are not aware of any circumstances connected with the proposed change of Auditors that should be brought to the attention of shareholders of the Company;

(d) the specific reasons for the proposed change of Auditors has been disclosed above. The proposed change of Auditors is neither due to the resignation of Deloitte as Auditors of the Company, nor due to Deloitte declining to stand for re-appointment nor due to the dismissal of Deloitte as Auditors of the Company; and

(e) the Directors confirm that the Company has complied with Rule 712 and Rule 715 of the Listing Manual of the SGX-ST in relation to the proposed appointment of Crowe.

Notes:

(1) Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 15 October 2020 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 30 October 2020" which has been uploaded together with this Notice on SGXNet on the same day. The announcement may also be accessed at the URL http://www.newsilkroutes.org/index.php/latest-newsannoucements/.

In particular, the Annual General Meeting will be held by way of electronic means and a member will be able to watch the proceedings of the Annual General Meeting through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 a.m. on 27 October 2020, at the URL https://globalmeeting.bigbangdesign.co/newsilkroutes/. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the Annual General Meeting by 29 October 2020. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the Annual General Meeting. This is to avoid any technical disruption or overload to the "live" webcast or "live" audio feed.

A member may also submit questions related to the resolutions to be tabled for approval at the Annual General Meeting. To do so, all questions must be submitted by 10.00 a.m. on 27 October 2020:

(a) via the pre-registration website at the URL https://globalmeeting.bigbangdesign.co/newsilkroutes/;

(b) in hard copy by sending personally or by post and lodging the same at the registered office of the Company at 456 Alexandra Road, #19-02 Fragrance Empire Building, Singapore 119962; or

(c) by email to ipr@newsilkroutes.org.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

(a) the member's full name as it appears on his/her/its CDP/CPF/SRS share records;

(b) the member's NRIC/Passport/UEN number;

(c) the member's contact number and email address; and

(d) the manner in which the member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the Annual General Meeting as received from members either before or during the Annual General Meeting.

Please note that members will not be able to ask questions at the Annual General Meeting "live" during the webcast and the audio feed, and therefore it is important for members to submit their questions in advance of the Annual General Meeting.

(2) **A member will not be able to attend the Annual General Meeting in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Annual General Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.** In appointing the Chairman of the Annual General Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at the URL http://www.newsilkroutes.org/index.php/latest-newsannoucements/ under "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 30 October 2020" and has also been made available on SGXNet.

(3) The Chairman of the Annual General Meeting, as proxy, need not be a member of the Company. The instrument appointing the Chairman of the Annual General Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:

(a) if sent personally or by post, be deposited at the office of the Company's share registrar, **B.A.C.S. Private Limited** at **8 Robinson Road, #03-00 ASO Building, Singapore 048544**; or

(b) if submitted by email, be received by the Company's share registrar, **B.A.C.S. Private Limited** at main@zicoholdings.com,

in either case, not less than 48 hours before the time for holding the Annual General Meeting, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

(4) The instrument appointing the Chairman of the Annual General Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Annual General Meeting as proxy is executed by a company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

(5) In the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the Annual General Meeting as proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

(6) Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including CPF and SRS investors, and who wish to participate in the Annual General Meeting ("**Relevant Intermediary Participants**") by (a) observing and/or listening to the Annual General Meeting proceedings via the "live" webcast or the "live" audio feed in the manner provided in Note 1 above; (b) submitting questions in advance of the Annual General Meeting in the manner provided in Note 1 above; and/or (c) appointing the Chairman of the Annual General Meeting as proxy to attend, speak and vote on their behalf at the Annual General Meeting, should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the Annual General Meeting. CPF or SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 20 October 2020.

(7) The Annual Report for the financial year ended 30 June 2020 may be accessed at the Company's website at the URL http://www.newsilkroutes.org/index.php/annual-report/. The Annual Report has also been made available on SGXNet.

Personal Data Privacy:

By pre-registering for the "live" webcast, submitting an instrument appointing the Chairman of the Annual General Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, or submitting any details of Relevant Intermediary Participants in connection with the Annual General Meeting, 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), the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), the publication of the names and comments of the members at the Annual General Meeting 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.

Date: 8 October 2020

The Board of Directors
NEW SILKROUTES GROUP LIMITED
456 Alexandra Road
#19-02 Fragrance Empire Building
Singapore 119962

Dear Sirs

NOTICE OF NOMINATION OF AUDITORS

I, Foong Siew Hong, being a shareholder of New Silkroutes Group Limited (the "**Company**"), would like to nominate Crowe Horwath First Trust LLP as Auditors of the Company in place of Deloitte & Touche LLP at the forthcoming Annual General Meeting.

Yours faithfully

Foong Siew Hong

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

PROXY FORM
ANNUAL GENERAL MEETING
(Please see notes overleaf before completing this Form)

A printed copy of this form will NOT be despatched to members.

IMPORTANT:
1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 15 October 2020 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 30 October 2020" which has been uploaded together with the Notice of Annual General Meeting dated 15 October 2020 on SGXNet on the same day. The announcement may also be accessed at the URL http://www.newsilkroutes.org/index.php/latest-newsannoucements/.
2. A member will not be able to attend the Annual General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Annual General Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. In appointing the Chairman as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 20 October 2020.

I/We, ______________________________ (Name),

NRIC/Passport (delete as appropriate) Number: ______________________________

of ______________________________ (Address)

being a member/members of **NEW SILKROUTES GROUP LIMITED** (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting (the "**Meeting**") as my/our proxy to attend and to vote for me/us on my/our behalf at the Meeting of the Company to be held by way of electronic means on Friday, 30 October 2020 at 10.00 a.m. and at any adjournment thereof.

I/We direct the Chairman of the Meeting as my/our proxy to vote for, against and/or abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder.

No.	Resolutions relating to:	For*	Against*	Abstain*
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2020			
2	Re-election of Dr Goh Jin Hian as a Director			
3	Re-election of Mr Shen Yuyun as a Director			
4	Re-election of Mr Chua Siong Kiat as a Director			
5	Re-election of Mr Darrell Lim Chee Lek as a Director			
6	Approval of Directors' fees amounting to S$267,000 for the financial year ending 30 June 2021			
7	Appointment of Crowe Horwath First Trust LLP as Auditors in place of Deloitte & Touche LLP			

* If you wish to exercise all your votes "For" or "Against" the Resolution or to abstain from voting on the Resolution in respect of all your votes, please indicate your vote "For" or "Against" or "Abstain" with "X" within the box provided. Alternatively, if you wish to exercise some and not all of your votes both "For" and "Against" the relevant Resolution and/or to abstain from voting in respect of the relevant Resolution, please indicate the number of votes as appropriate.

Dated this ____________ day of ____________ 2020

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. A member will not be able to attend the Annual General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Annual General Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. In appointing the Chairman of the Annual General Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

2. The Chairman of the Annual General Meeting, as proxy, need not be a member of the Company.

3. Please insert the total number of ordinary shares held by you. If you have ordinary 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 ordinary shares. If you have ordinary shares registered in your name in the Register of Members, you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary 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 Proxy Form shall be deemed to relate to all the ordinary shares held by you.

4. The instrument appointing the Chairman of the Annual General Meeting as proxy must

   (a) if sent personally or by post, be deposited at the office of the Company's share registrar, **B.A.C.S. Private Limited** at **8 Robinson Road, #03-00 ASO Building, Singapore 048544**; or

   (b) if submitted by email, be received by the Company's share registrar, **B.A.C.S. Private Limited** at main@zicoholdings.com,

   in either case, not less than 48 hours before the time set for the Annual General Meeting, and in default the instrument of proxy shall not be treated as valid.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

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5. If sent personally or by post, the instrument appointing the Chairman of the Annual General Meeting as proxy of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing the Chairman of the Annual General Meeting as proxy of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

   Where an instrument appointing the Chairman of the Annual General Meeting as proxy is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

6. Where an instrument appointing the Chairman of the Annual General Meeting as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

General:
The Company shall be entitled to reject the Proxy Form 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 Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Annual General Meeting as proxy). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Protection:
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.

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AFFIX
STAMP

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

New Silkroutes Group Limited
456 Alexandra Road
#19-02 Fragrance Empire Building
Singapore 119962
Tel: (65) 6377 0100
Fax: (65) 6377 0600
www.newsilkroutes.org

UEN: 199400571K