RISE TO THE NEXT LEVEL

ANNUAL REPORT
2021

New Silkroutes Group Limited

CONTENTS

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 sector.

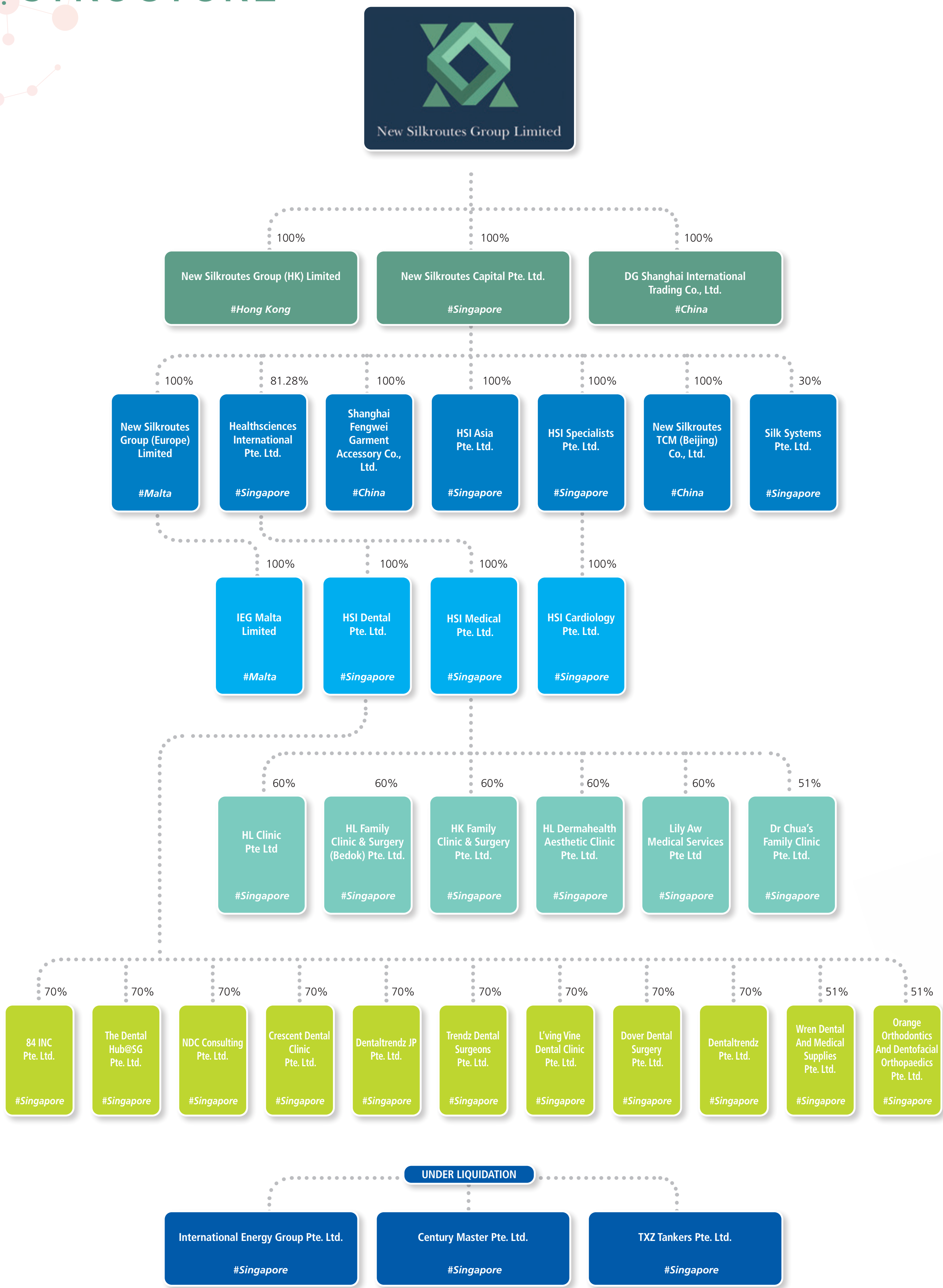
HEALTHCARE

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.

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, 8 dental clinics, 5 family medicine clinics, one aesthetic clinic and one traditional chinese medicine ("**TCM**") clinic as well as one dental supplies company.

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

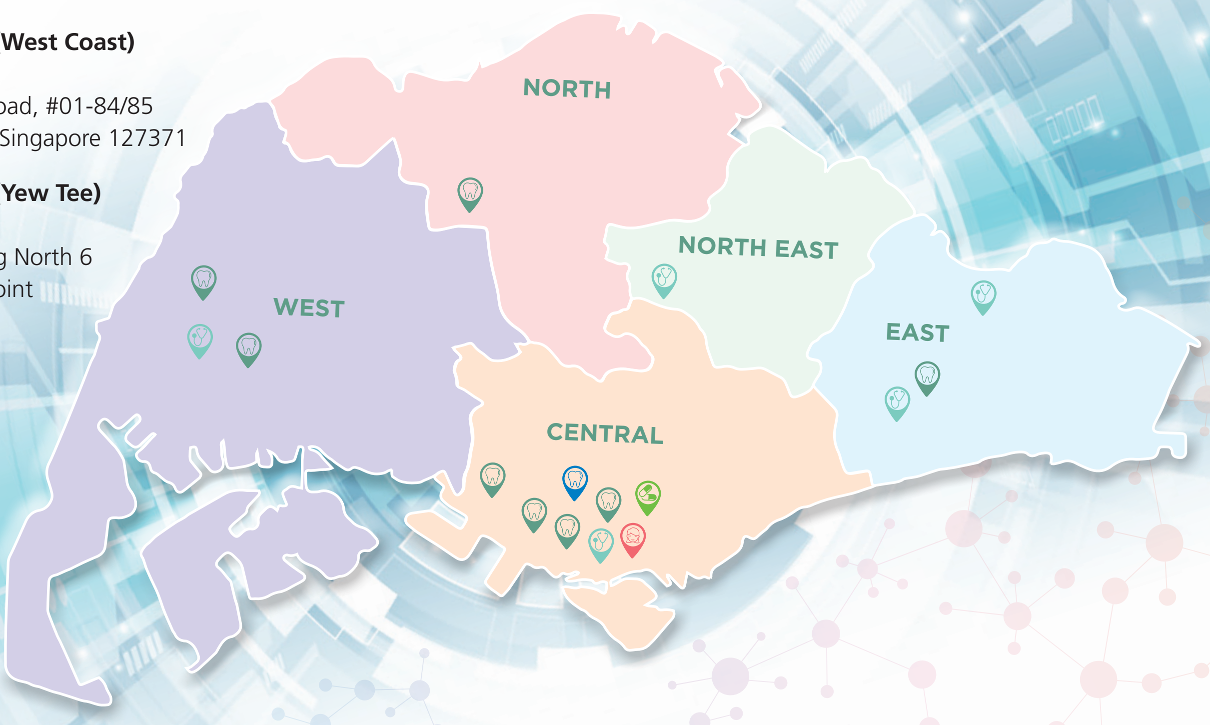
HL Dermahealth Aesthetic Clinic Pte. Ltd.
Tel: 6276 9007
12 Telok Blangah Crescent
#01-111, Singapore 090012

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 STATEMENT

DEAR SHAREHOLDERS,

Our financial year ended 30 June 2021 ("**FY21**") has been a challenging year. COVID-related disruptions continue to significantly curtail local and global economic activities. Amid the global pandemic, our relatively new Management team and the Board of Directors have worked hard to consolidate New Silkroutes Group ("**NSG**") and to develop new businesses to enable the Group to grow more sustainably.

Over the past year, we have made good progress in our research and development into proprietary artificial intelligence ("**AI**") technologies for genomics-driven healthcare solutions. To that end, we have also signed Memorandums of Understanding ("**MOUs**") with a number of global firms, namely Huawei International, Sensetime International and Acclivis Technologies and Solutions, to explore technical collaboration and potential commercial partnerships. In the coming year, the incubation of our AI capabilities will be a key focus for Management, with the clear objective of making AI-drive genomics a core business for the Group within the next three years.

Following an internal strategic review, we have decided to wind down International Energy Group ("**IEG**") and all our non-medical-related businesses. We are confident that in due course, we will be able to successfully unwind all the liabilities associated with the IEG businesses and focus on transforming NSG into a tech-driven medical-focused group of companies delivering long-term and sustainable shareholder returns.

After six and two years with the Group respectively, Ms Chen Chou Mei Mei Vivien and Dr Andrew Chua retired from the NSG Board of Directors. On behalf of the Group, I would like to extend a note of appreciation to both directors for their years of service and guidance.

This past year, we also welcomed a new independent director, Mr Lim Eng Seng, to our Board. Eng Seng is a seasoned investment banker with professional networks spanning Greater China and Southeast Asia focused on the medical and pharmaceutical industries. With his addition to the Board, the Group is now well poised to better execute our tech-driven healthcare strategies.

Mr Darrell Lim Chee Lek
Chairman of the Board of Directors

With the world locked in a pandemic standstill, we have embarked on a strategic review of our businesses and directions. The new management onboard has refocused on healthcare and tech-driven solutions. We believe that the future of healthcare is in technological innovations, AI-driven solutions and digital transformation. NSG will continue to build partnerships with leading tech players to fulfil and embody our new vision for the Group.

GROUP PERFORMANCE

Group revenue decreased to US$42.0 million in the financial year ended 30 June 2021 ("**FY21**") compared to US$49.5 million in the financial year ended 30 June 2020 ("**FY20**") for the continuing operations. The Group's performance has been mainly affected by a decline in demand for non-woven material as a result of heightened competition as China's economy began to recover from the COVID-19 pandemic. Other income increased to US$1.8 million in FY21 compared to US$1.6 million in FY20, mainly due to value-added tax refund and government grants received in FY21.

LIQUIDATION OF IEG AND ITS SUBSIDIARIES

In December 2020, we commenced a strategic review of our energy division, IEG, followed by a voluntary creditors' winding up of the wholly-owned indirect subsidiary on 5 January 2021. TXZ Tankers Pte. Ltd., a wholly-owned indirect subsidiary of IEG and Century Master Pte. Ltd., a wholly-owned subsidiary of IEG, have been placed under creditors' voluntary liquidation with effect from 19 July 2021. IEG and its subsidiaries are principally engaged in the business of physical oil trading.

HEALTHSCIENCES INTERNATIONAL

The COVID-19 pandemic and lockdowns led to closure of our clinics and had a significant impact on our earnings last year. The health and healthcare subsidiaries of the Company contributed US$13.0 million to the revenue of FY21. During the year under review, our medical clinics have supported the Government's programme to provide COVID-19 testings and vaccinations for local residents. This has helped to boost revenue at our healthcare subsidiary in Singapore. At the same time, we launched our Healthsciences International (HSI) Wellness Program aimed at providing a one stop medical/dental and traditional Chinese medicine care to SMEs, family, and individuals. HSI is also exploring partnerships with other healthcare providers to complement this program to deliver a vertically-integrated healthcare platform for our patients. HSI will be the driving force in our business. The plan is to grow it into a leading integrated healthcare provider in Asia. We are cautiously optimistic about the outlook as Singapore prepares to transition from a pandemic to an endemic mode and progressively opens up its economy and borders with easing of movement restrictions.

SHANGHAI FENGWEI

Shanghai Fengwei's China business took a dip due to competition in FY21. Our Chinese subsidiary's business has been affected by more intense competition with new players entering the healthcare non-woven manufacturing sector. Prices for non-woven materials have softened due to over-purchasing by our downstream partners.

We envisage a recovery in the next quarter on a cyclical upturn in demand. The Group will also explore tapping growth opportunities in the Southeast Asia markets in the next quarter.

GEIA™. OUR AI GENOMIC SOLUTION

The Group aims to launch GEIA™ by Q4 FY21. GEIA™ is a complete and seamless, hybrid cloud-based workflow platform solution with AI-optimised analyses.

GEIA™ is the result of a collaborative effort between Huawei International Pte Ltd and Sensetime International Pte. Ltd. In conjunction with our partners, we have completed proof of concept for our AI Genomics platform GEIA™ and look to converting this to a PaaS cloud computing model.

NSG signed an MOU with Huawei International Pte Ltd on 18 January 2021 to develop an AI platform that can be used in genomic-driven healthcare, including building predictive models for cancer and other ailments.

On 22 March 2021, we entered into an MOU with SenseTime International Pte. Ltd. to extensively explore a collaboration to create an artificial intelligence platform that can be used to provide genomics-driven healthcare.

The Group is currently drafting patents for filing in Singapore and publishing our scientific paper on this innovative AI solution.

FUTURE PROJECTS

NSG is exploring research and business collaborative projects with valuable players in the health tech driven arena. We believe in ensuring that our technology can be deployed across all platforms and deliver its capabilities to our healthcare stakeholder.

Dr VicPearly Wong
Chief Executive Officer

MR DARRELL LIM CHEE LEK

Independent Non-Executive Chairman

Darrell was as appointed Independent Non-Executive Director to the NSG board on 1 August 2020.

Darrell has more than 18 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.

DR VICPEARLY WONG HWEI PINK

Executive Director and Chief Executive Officer

Dr VicPearly Wong Hwei Pink was appointed as an Executive Director of the Company with effect from 16 November 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 was the Past President of the Association of Orthodontists, Singapore and currently serves as the chairman of the Association's Internal Audit Committee. She is a member of the College of Dental Surgeons, Orthodontics Chapter and a member of the Old Rafflesians' Association. Dr Wong currently serves as a medical expert at the Faculty of Medical Experts, Academy of Medicine Singapore.

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

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.

BOARD OF DIRECTORS

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 experience, mainly in real estate investment and development, building construction and materials, healthcare and medical assurance; and having lived and worked in London, Beijing, Ho Chi Minh City and Singapore. He is a director of a Lighthouse Business Consulting Pte Ltd and most recently in October 2021, joined Tee International Limited, a SGX mainboard listed company as Group Chief Financial Officer to support the restructuring exercise.

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.

MR LIM ENG SENG

Independent Non-Executive Director

Mr Lim was appointed as Independent Non-Executive Director on 11 January 2021.

He has over 18 years of experience in the capital markets. He was previously based in Hong Kong, with deal experience across Asia Pacific. He has worked for RBS, TE Healthcare (portfolio of TPG) and Fullerton Health. Mr Lim is currently the Managing Director of a boutique business consulting firm, focused on healthcare opportunities in the region. Mr Lim was also the longest serving Chairman of the Singapore Association (Hong Kong) from 2008 to 2012.

Mr Lim graduated from Lancaster University with First Class Honours in 2003.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Darrell Lim Chee Lek
(Independent Non-Executive Chairman)

Dr Vicpearly Wong Hwei Pink
(Executive Director and Chief Executive Officer)

Mr Shen Yuyun
(Executive Director)

Mr Chua Siong Kiat Alex
(Independent Non-Executive Director)

Mr Lim Eng Seng
(Independent Non-Executive Director)

AUDIT AND RISK COMMITTEE

Mr Chua Siong Kiat Alex *(Chairman)*

Mr Darrell Lim Chee Lek

Mr Lim Eng Seng

NOMINATING COMMITTEE

Mr Lim Eng Seng *(Chairman)*

Mr Darrell Lim Chee Lek

Mr Chua Siong Kiat Alex

REMUNERATION COMMITTEE

Mr Darrell Lim Chee Lek *(Chairman)*

Mr Chua Siong Kiat Alex

Mr Lim Eng Seng

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

Baker Tilly TFW LLP

Public Accountants and Chartered Accountants

600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Audit Partner-in-charge: Mr Khor Boon Hong (Date of Appointment: 8 February 2021)

PRINCIPAL BANKERS

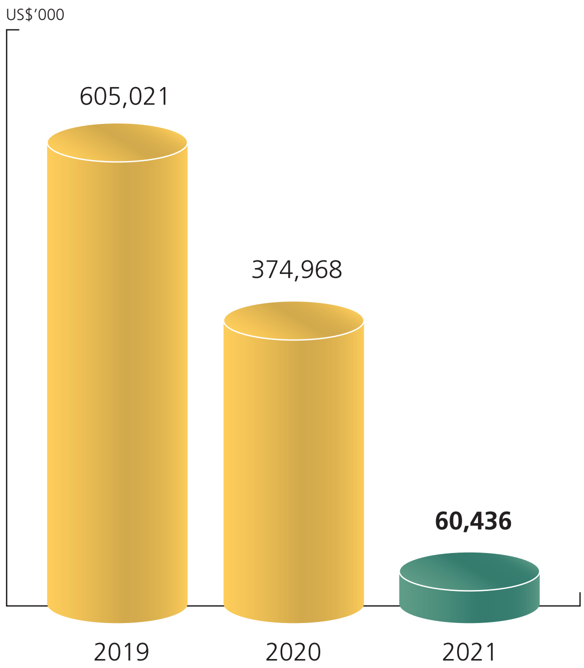
CIMB Bank Berhad

DBS Bank Limited

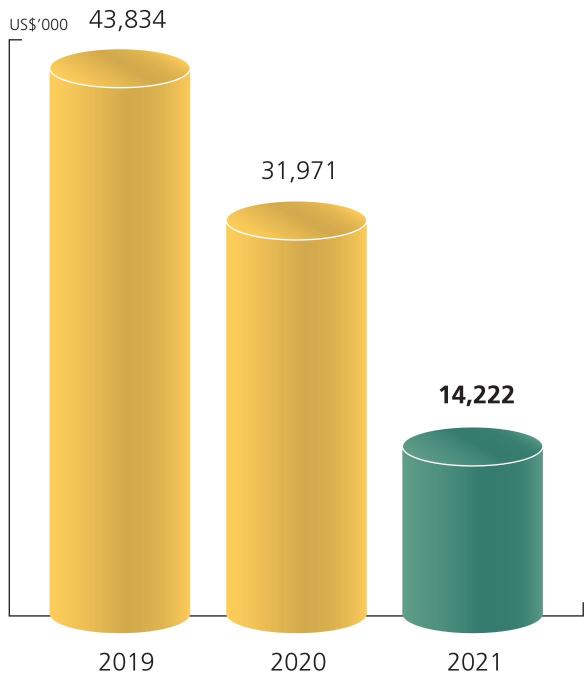
United Overseas Bank Limited

FINANCIAL HIGHLIGHTS

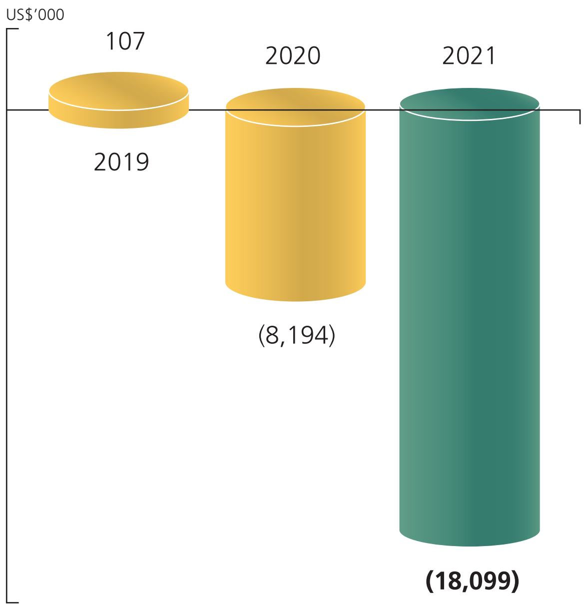
REVENUE FROM CONTINUING OPERATIONS AND DISCONTINUED OPERATION



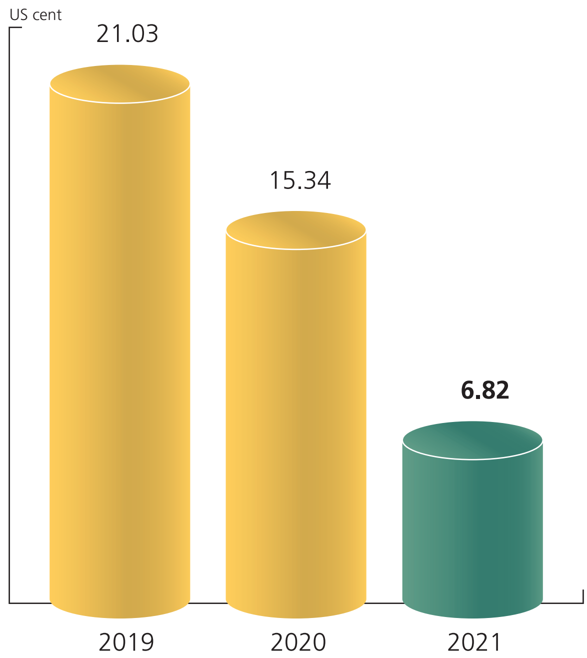
SHAREHOLDERS' EQUITY



PROFIT/(LOSS) AFTER TAX



NET ASSET VALUE PER ORDINARY SHARE



OPERATIONS REVIEW

The ongoing battle against the pandemic has accelerated changes in our company. Against the backdrop of reduced travel, reduction in commodities trade and frozen shipping lines, the writing was on the wall for us to hasten our transformation into a pure healthcare company. The ability to focus our operations on our healthcare infrastructures has allowed us to embark on new initiatives.

HEALTHSCIENCES INTERNATIONAL

We believe that healthcare should be delivered seamlessly and with integration between the different therapeutics. As such, we have integrated our care delivery to our patients by designing a care packaged that assimilates all our services: Medical, Traditional Chinese Medicine and Dental.

This one stop patient care initiative brings the advantage of a seamless communication between the different care providers and reduces the burden of information transmission through the patient. We aim to deliver this package to families and extend this to small medium enterprise businesses who wish to provide healthcare coverage for their employees.

Our medical clinics have responded to the call of national duty by providing Polymerase Chain Reaction (PCR) tests, Antigen Reactive Tests (ART), pre-event testing (PET), vaccinations and travel passes. The additional workload calls for effective allocation of resources and manpower, as well as staff readiness and well-placed clinical processes. New technology and clinic management systems were onboarded to improve and streamline workflow.

The new wellness initiatives created new corporate partnerships with different healthcare benefits companies. This will help us extend our branding and eventually, scope of services that we aim to offer, as part of our vision to be a valuable integrated healthcare provider.

Our dental clinics continued their strong growth despite the additional burden on infection control compliances due to the pandemic. With our patients and staff well being as a priority, we continue to ensure safety in delivering quality care.

Our Traditional Chinese Medical business is now newly equipped to provide teleconsults for our patients. Many of our TCM patients are elderly folks, and with their safety in mind during the pandemic, we have extended teleconsult services and home delivery of their medications to minimise their travelling to the clinic. Our newly revamped website is now equipped with a market place to facilitate purchase of our health supplements and vitamin boosters to improve our patients immunity.

SHANGHAI FENGWEI

A year into the pandemic, we see the entrance of many new players into the non-woven material manufacturing industry. The intensive competition faced by our subsidiary has accelerated our R&D into creating new production lines and streamlining work processes. We have increased our plant and equipment as such to face these challenges and improve our margins and profits in the coming year.

GEIA™: AI GENOMIC SOLUTION

NSG embarked on a development to create a hybrid cloud genomics analysis platform – GEIA. In our quest to develop the state-of-the-art solution, the Company collaborated with SenseTime International Pte. Ltd., a world's renown AI company and Huawei International Pte Ltd, an established enterprise and high performance cloud computing global company.

Our AI team has worked tirelessly and recently completed a successful Proof of Concept phase with our technology partners with promising results. The technical paper will be published in due course and the related intellectual property developed will be appropriately protected. With the help of Huawei International Pte Ltd, we aim to deliver a hybrid AI solution for genomic analysis for use in oncology, chronic diseases, and further extension of scope to other areas in medicine.

GEIA™ has proceeded to the pre-production development phase. This phase, in closed collaborations with SenseTime and Huawei, will fine-tune the deep learning algorithms with various test genome datasets. In addition, the speed and quality metrics of the genomics analysis will be measured and benchmarked.

OPERATIONS AND FINANCIAL REVIEW

FINANCIAL REVIEW

GROUP FINANCIAL PERFORMANCE

The Group achieved revenue of US$42.0 million for the continuing operations in FY21, a decrease of 15.2% from US$49.5 million in FY20 mainly impacted by the decrease in demand for non-woven material as a result of increased competition from similar businesses following the economic recovery from the COVID-19 pandemic in China.

The Group has commenced the winding up process of its wholly owned indirect subsidiary, International Energy Group Pte. Ltd. ("**IEG**"), by way of creditors' voluntary liquidation, which was previously reported in the oil and gas segment. As such, the Group has lost control of IEG. Accordingly, the IEG and its subsidiaries were classified as discontinued operation of the Group and its assets and liabilities deconsolidated from the Group.

Overall, the Group registered a net loss of US$18.1 million for FY21 as US$18.1 million mainly contributed by the loss from discontinued operation.

SEGMENTAL FINANCIAL PERFORMANCE

The Group's continuing operations, healthcare segment recorded a 15.1% year-on-year decline in revenue as the demand for non-woven material slowed amid the economic recovery from the pandemic in China. The Group's healthcare segment recorded a net profit of US$0.1 million in FY21 which represented a decrease of 94.4% as compared to US$1.8 million in FY20.

FINANCIAL POSITION

As at 30 June 2021, the Group had total assets of US$44.2 million and total liabilities of US$29.0 million. Net assets stood at US$14.2 million at the end of FY21 and this translated into a net asset value per share of 6.82 US cents.

Current assets decreased 62.9% to US$16.6 million as at 30 June 2021 mainly due to a decrease in trade and other receivables of US$10.3 million, contract assets of US$3.9 million and cash and bank balances of US$12.7 million. The decrease was mainly due to the loss of control of subsidiaries.

Current liabilities decreased 50.1% to US$20.2 million as at 30 June 2021. This was mainly due to a decrease in trade and other payables of US$18.2 million and borrowings of US$1.5 million. The decrease was mainly due to the loss of control of subsidiaries and repayment of short term loans.

Non-current assets decreased 44.0% to US$27.7 million as at 30 June 2021 mainly attributable to the loss of control of subsidiaries, which had an equity investment in Thai GNCC of US$17.2 million as at 30 June 2020.

Non-current liabilities decreased 57.3% to US$8.8 million as at 30 June 2021. This was mainly attributable to the loss of control of subsidiaries, which had US$12.4 million in borrowings arising from vessel financing of US$5.6 million and refinancing of term loan of US$6.8 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 interests 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 its performance, puts in place a code of conduct and ethics, sets the 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 best 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 shall inform the Board accordingly and abstain 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 over 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; and

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 2021 ("**FY2021**"), the Board convened ten (10) 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 FY2021[1]:

Name of Director	Board		Audit and Risk Committee		Nominating Committee		Remuneration Committee	
	Number of Meetings		Number of Meetings		Number of Meetings		Number of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Pao Kiew Tee[2]	0	0	0	0	2	2	0	0
Goh Jin Hian[3]	4	4	1	1*	4	4*	1	1*
Oo Cheong Kwan Kelvyn[4]	0	0	0	0	2	0	0	0
Chen Chou Mei Mei Vivien[5]	7	7	3	3*[6]	4	3	1	1
Chua Soon Kian Andrew[7]	6	5	2	2	4	4	1	1*
Shen Yuyun	10	5	5	3*	5	2*	2	2*
Chua Siong Kiat Alex[8]	10	10	5	5	3	2*[9]	2	2
Darrell Lim Chee Lek[10]	10	10	5	5	3	3	2	2
VicPearly Wong Hwei Pink[11]	5	5	3	3*	1	1*	1	1*
Lim Eng Seng[12]	4	4	3	3*[13]	1	1	1	1

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 Goh Jin Hian resigned as a Non-Independent and Non-Executive Director and the Chairman of the Company with effect from 15 October 2020.

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

(5) Mrs Chen Chou Mei Mei Vivien resigned as an Independent and Non-Executive Director of the Company with effect from 31 March 2021.

(6) Mrs Chen Chou Mei Mei Vivien attended two (2) meetings by invitation.

(7) Dr Chua Soon Kian Andrew resigned as a Non-Independent and Non-Executive Director of the Company with effect from 21 December 2020.

(8) Mr Chua Siong Kiat Alex was appointed as an Independent Non-Executive Director of the Company with effect from 1 August 2020.

(9) Mr Chua Siong Kiat Alex attended one (1) meeting by invitation.

(10) Mr Darrell Lim Chee Lek was appointed as an Independent Non-Executive Director of the Company with effect from 1 August 2020.

(11) Dr VicPearly Wong Hwei Pink was appointed as an Executive Director of the Company with effect from 16 November 2020, and Chief Executive Officer of the Company with effect from 1 October 2020.

(12) Mr Lim Eng Seng was appointed as an Independent Non-Executive Director of the Company with effect from 11 January 2021.

(13) Mr Lim Eng Seng attended one (1) meeting by invitation.

** By invitation*

While the Board considers Directors' attendance at Board meetings to be important, it is not 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. Draft announcements, along with sufficient information relating to the context of the relevant announcement as communicated by email or tele-conversations, will be circulated to the Board for review and approval before dissemination to the shareholders via SGXNET.

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 assists the Management to prepare the board papers of the Board and Committee meetings for circulation. The board papers include, among others, the following documents and details:

- background or explanation on matters brought before the Board and the Committees for their decision or information, including issues being dealt with by Management, relevant forecasts, announcements and projections; and
- minutes of the previous Board and Committee meetings.

The Company Secretary and/or representatives from the Company Secretary's office attend meetings of the Board and the Board Committees. The Company Secretary assists 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 five members, of whom three are Independent Non-Executive Directors and two are Executive Directors, one of whom is the Chief Executive Officer of the Company. 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 non-executive Directors. The current list of Directors is as follows:

Mr Darrell Lim Chee Lek	(Independent Non-Executive Chairman)
Dr VicPearly Wong Hwei Pink	(Executive Director and Chief Executive Officer)
Mr Shen Yuyun	(Executive Director)
Mr Chua Siong Kiat Alex	(Independent Non-Executive Director)
Mr Lim Eng Seng	(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 the 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 have 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 Chief Executive Officer ("**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 Mr Darrell Lim Chee Lek, who is independent. Nonetheless, independent directors make up the majority of the current Board.

Prior to Mr Darrell Lim Chee Lek's appointment as Chairman, Dr Goh Jin Hian was the Chairman until his resignation on 15 October 2020. Even though independent directors did not make up a majority of the Board for a short period in FY2021, the Nominating Committee and the Board was of the view that there was a satisfactory independent element on the Board as at least half of the Board comprised independent directors and there was a Lead Independent Director. Currently, independent directors make up a majority of the Board. The Board was and 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 are independent or not. All decisions of the Board are collective decisions without any individual or small group of individuals influencing or dominating the decision-making process.

Whilst the Company has not adopted a board diversity policy formally taking into consideration the size of the Board as well as the scale of the Company's operations, the Board and the Nominating Committee recognise the importance of having an effective and diverse Board to support the long-term success of the Group, taking into consideration the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. The Nominating Committee endeavors to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors. Further to this, the Board and Nominating Committee will also continue to take into consideration the need for diversity on the Board in the appointment of new Directors in line with the intent of Principle 2 of the Code. With the appointment of Dr VicPearly Wong Hwei Pink as the CEO and Executive Director, 1 out of 5 directors of the Board (about 20%) is female.

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. In reviewing the appointments of new Directors, the Board together with the Nominating Committee ensures that it sets relevant objectives to promote and achieve diversity on the Board. In discharging its duties, the Board and the Nominating Committee shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of the Company. The main objective is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company.

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 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 Mr Darrell Lim Chee Lek and Dr VicPearly Wong Hwei Pink respectively. Mr Darrell Lim Chee Lek was appointed as Independent Non-Executive Director on 1 August 2020 and designated as the Lead Independent Director with effect from 1 October 2020. He was designated as the Acting Independent Non-Executive Chairman with effect from 20 October 2020. Dr VicPearly Wong Hwei Pink was appointed as CEO on 1 October 2020.

As the Chairman, Mr Darrell Lim Chee Lek 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 the 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, Mr Darrell Lim Chee Lek as Lead Independent Director would be available to shareholders where they have concerns and for which contact through the normal channels of communications with 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, all of whom (including the chairman of the Nominating Committee) are independent. The Lead Independent Director is a member of the Nominating Committee:

Mr Lim Eng Seng	(Independent Non-Executive Director; chairman of the Nominating Committee)
Mr Darrell Lim Chee Lek	(Independent Non-Executive Director)
Mr Chua Siong Kiat Alex	(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 effectiveness of 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
Shen Yuyun(1)	55	7 April 2020	30 October 2020	-
Chua Siong Kiat Alex(1)	50	1 August 2020	30 October 2020	-
Darrell Lim Chee Lek	44	1 August 2020	30 October 2020	BRC Asia Limited(3)
VicPearly Wong Hwei Pink(2)	45	16 November 2020	-	-
Lim Eng Seng(2)	41	11 January 2021	-	-

Notes:

(1) Mr Shen Yuyun and Mr Chua Siong Kiat Alex will retire at the forthcoming AGM pursuant to Article 91 of the Company's Constitution and will be eligible for re-election.

(2) Dr VicPearly Wong Hwei Pink and Mr Lim Eng Seng will retire at the forthcoming AGM pursuant to Article 97 of the Company's Constitution and will be eligible for re-election.

(3) 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. Directors are also required to ensure that they are able to give sufficient time and attention to the affairs of the Company..

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, the 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 or any individual Directors for FY2021.

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)
Mr Lim Eng Seng	(Independent Non-Executive Director)
Mr Chua Siong Kiat Alex	(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 FY2021 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 subsidiaries 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 FY2021 paid and/or payable to the Directors are set out below:

Current directors

Directors Remuneration	**Salary & CPF** %	**Directors' Fees** %	**Bonus** %	**Other Benefits** %	**Total** %
Above S$250,000					
VicPearly Wong Hwei Pink *(appointed on 16 November 2020)*	98.92	-	1.08	-	100
Shen Yuyun	50.71	-	49.29	-	100
Below S$250,000					
Chua Siong Kiat Alex *(appointed on 1 August 2020)*	-	100	-	-	100
Darrell Lim Chee Lek *(appointed on 1 August 2020)*	-	100	-	-	100
Lim Eng Seng *(appointed on 11 January 2021)*	-	100	-	-	100

Directors who retired or resigned in FY2021

Directors Remuneration	**Salary & CPF** %	**Directors' Fees** %	**Bonus** %	**Other Benefits** %	**Total** %
Below S$250,000					
Goh Jin Hian *(resigned on 15 October 2020)*	100	-	-	-	100
Oo Cheong Kwan Kelvyn *(resigned on 1 August 2020)*	100	-	-	-	100
Pao Kiew Tee *(retired on 1 August 2020)*	-	100	-	-	100
Chen Chou Mei Mei Vivien *(resigned on 31 March 2021)*	-	100	-	-	100
Chua Soon Kian Andrew *(resigned on 21 December 2020)*	-	-	-	-	-

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 Board believes that by disclosing the breakdown showing the level and mix of remuneration paid to the Directors, and the types of compensation in percentage terms and in bands of S$250,000, the current disclosure on remuneration is meaningful and sufficiently transparent in giving an understanding of the remuneration of the Directors, the Company's remuneration policies, level and mix of remuneration, performance and value creation.

The Group had five (5) key management personnel for FY2021 (who are not Directors or the CEO). Details of the remuneration for FY2021 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 %
Below S$250,000				
Artun Gursel *(resigned on 15 November 2020)*	100	-	-	100
Lee Luna *(resigned on 28 December 2020)*	86.58	13.42	-	100
Teo Thiam Chuan William *(resigned on 15 October 2020)*	87.50	12.50		100
Wu Guoliang *(resigned on 8 January 2021)*	100	-	-	100
Kwok Chung Chieh Lincoln *(appointed on 16 November 2020; resigned on 14 April 2021)*	100	-	-	100

For FY2021, the Company identified the above persons as its only key management personnel. There are no other key management personnel who are not directors or the CEO. The remuneration of the Group's key management personnel is duly disclosed in this Annual Report.

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. The Board believes that by disclosing the breakdown showing the level and mix of remuneration paid to the key management personnel, and the types of compensation in percentage terms and in bands of S$250,000, the current disclosure on remuneration is meaningful and sufficiently transparent in giving an understanding of the remuneration of the employees, the Company's remuneration policies, level and mix of remuneration, performance and value creation.

During FY2021, 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 FY2021. 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 problems manifest themselves.

For a more detailed discussion of financial risk management, please refer to Note 32(b) in the Notes to the Financial Statements on pages 111 to 120.

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 senior finance manager 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 Alex	(Independent Non-Executive Director; chairman of the Audit and Risk Committee)
Mr Darrell Lim Chee Lek	(Independent Non-Executive Director)
Mr Lim Eng Seng	(Independent Non-Executive Director)

All the members of the Audit and Risk Committee are Independent Non-Executive Directors (including the chairman of the Audit and Risk Committee). 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. At least two members, including the Audit and Risk Committee chairman, have recent and relevant accounting or related financial management expertise or experience.

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 senior finance manager 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 once 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) to keep under review the Company's overall risk assessment processes that inform the Board's decision making;

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

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

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

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

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

   (vii) to 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. The Company's whistle-blowing policy is summarised below at pages 31 to 32 of this Annual Report.

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 FY2021.

For FY2021, the Company has appointed an external accounting firm, TRS Forensics Pte. Ltd. as the Internal Auditors of the Group to perform internal audit work under an internal audit plan. TRS Forensics Pte. Ltd. is a suitably appointed qualified firm of risk consultants (including Certified Internal Auditors), with its processes guided by 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.

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 is satisfied with the adequacy and effectiveness of the internal audit function and assesses the same at least annually.

Further to the queries raised by SGX-ST in relation to the announcement released by the Company on 15 October 2020 entitled "Disclaimer of Opinion and Emphasis of Matter by Independent Auditor on Financial Statements", the Company's announcement in reply on 28 October 2020, and the Company's announcement on 18 December 2020 updating shareholders on the appointment of KPMG Services Pte. Ltd. as independent reviewer, the Company will make further announcements to update shareholders as and when there are material developments on the matter, including key findings of the Independent Review where appropriate.

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 30 October 2020.

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 FY2021.

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
Principle 1

Provision 1.1	Page 15
Provision 1.2	Page 17
Provision 1.3	Page 15, 16
Provision 1.4	Page 15
Provision 1.5	Page 16
Provision 1.6	Page 17
Provision 1.7	Page 17

Board Composition and Guidance
Principle 2

Provision 2.1	Page 18
Provision 2.2	Page 18
Provision 2.3	Page 17
Provision 2.4	Page 18
Provision 2.5	Page 18

Chairman and Chief Executive Officer
Principle 3

Provision 3.1	Page 19
Provision 3.2	Page 19
Provision 3.3	Page 19

Board Membership
Principle 4

Provision 4.1	Page 20
Provision 4.2	Page 20
Provision 4.3	Pages 18, 19, 20
Provision 4.4	Pages 18, 19, 20, 21
Provision 4.5	Pages 17, 19, 20, 21

Board Performance
Principle 5

Provision 5.1	Page 21
Provision 5.2	Page 21

Remuneration Matters

Procedures for Developing Remuneration Policies
Principle 6

Provision 6.1	Page 22
Provision 6.2	Page 22
Provision 6.3	Page 22
Provision 6.4	Page 22

Level and Mix of Remuneration
Principle 7

Provision 7.1	Page 22, 23
Provision 7.2	Page 22, 23
Provision 7.3	Page 22, 23

Disclosure on Remuneration
Principle 8

Provision 8.1	Page 23, 24
Provision 8.2	Page 24
Provision 8.3	Page 23, 24

Accountability and Audit

Risk Management and Internal Controls
Principle 9

Provision 9.1	Page 24, 25
Provision 9.2	Page 25

Audit Committee
Principle 10

Provision 10.1	Page 25, 26, 27, 31, 32
Provision 10.2	Page 25
Provision 10.3	Page 25
Provision 10.4	Page 27
Provision 10.5	Page 26

Shareholder Rights and Responsibilities

Shareholder Rights and Conduct of General Meetings
Principle 11

Provision 11.1	Page 27, 28
Provision 11.2	Page 28
Provision 11.3	Page 27, 28
Provision 11.4	Page 28
Provision 11.5	Page 28
Provision 11.6	Page 28

Engagement with Shareholders
Principle 12

Provision 12.1	Page 28
Provision 12.2	Page 28
Provision 12.3	Page 28

Managing Stakeholders Relationships

Engagement with Stakeholders
Principle 13

Provision 13.1	Page 29
Provision 13.2	Page 29
Provision 13.3	Page 29

INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	US$'000	US$'000
Rental:		
Shanghai Fengwei Nonwovens Co., Ltd.	454	-

For full disclosure, please note that there is an amount of US$1.77 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, 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.

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 2021 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 2021.

WHISTLE-BLOWING POLICY

Consistent with its "zero tolerance" stance to fraud, bribery, corruption and other unethical behavior or conduct, the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The Group maintains procedures for the confidential and anonymous reporting of complaints by employees. Employees are able to make reports on a confidential basis and, if so requested by the employee, on an anonymous basis to the fullest extent possible. An employee may refer a complaint to the Designated Officers under the whistle-blowing policy, or the Audit and Risk Committee of the Company if said complaint has not been effectively addressed after being raised internally with the Designated Officer or where the complaint relates to the conduct of the Designated Officer. Investigations of the complaints shall be treated on a confidential basis, maintaining the anonymity of the employee concerned, involve only persons who need to be involved in order to properly carry out the investigation and will, on a best effort basis, be carried out in a timely manner.

The whistle-blowing policy aims to provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoing or concerns, particularly in relation to fraud, controls or ethics, without fear of reprisals when whistleblowing in good faith; and ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The Company will not take any disciplinary actions against an employee who in good faith reports a complaint, nor demote or terminate the employment of such an employee or threaten to do so with the deliberate intent to discourage an employee from reporting a complaint or with the deliberate intent to engage in retaliatory conduct against the employee for reporting a complaint.

The Audit and Risk Committee reviews the whistle-blowing policy and its effectiveness from time to time, with recommendations regarding any amendments thereto to be made to the Board of Directors of the Company for approval, and the whistle-blowing policy, including any amendments thereto, are made known to all employees of the Group.

The contact information of the Designated Officers and the Chairman of the Audit and Risk Committee is available in the whistle-blowing policy.

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 Mr Shen Yuyun, Mr Chua Siong Kiat Alex, Dr VicPearly Wong Hwei Pink and Mr Lim Eng Seng, being the Directors who are seeking re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

	Mr Shen Yuyun	**Mr Chua Siong Kiat Alex**
Date of initial appointment	7 April 2020	1 August 2020
Dates of last re-appointment (if applicable)	30 October 2020	30 October 2020
Age	55	50
Country of principal residence	China	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 Shen Yuyun after taking into account his experience and ability to contribute to the Company.	The Board has approved the appointment of Mr Chua Siong Kiat Alex after taking into account his experience and ability to contribute to the Company.
Whether appointment is executive, and if so, the area of responsibility	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.	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Independent Non-Executive Director
Professional qualifications	Donghua University (1995 – 1997)	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)

	Mr Shen Yuyun	Mr Chua Siong Kiat Alex
Working experience and occupation(s) during the past 10 years	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	2021 to present: Group Chief Financial Officer, Tee International Limited 2015 to present: Director of Lighthouse Business Consulting Pte. Ltd. 2017 to 2018: Appointed Chief Financial Officer, Global Hospitality Trust Project, of Amare Investment Management Group Pte. Ltd. 2016 to 2017: Executive Director and Head of Non-Property Division (February 2017 to July 2017), Interim Group Chief Operating Officer (July 2016 to February 2017), Alternate Director (March 2016 to February 2017) of Pacific Star Development Limited 2013 to 2015: Executive Director (appointed November 2013) and Chief Financial Officer of Libra Group Limited 2011 to 2013: Director, Finance & Control (Asia, ex-China Region) (February 2011 to May 2013), Interim Co-Managing Director (November 2011 to May 2012) of Imtech Marine BV 2009 to 2010: Sub-Regional Controller (China, Sri Lanka and India) of AES Corporation
Shareholding interest in the Company and its subsidiaries	29,614,035 shares in the capital of the Company (deemed)	No.
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. 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	No.

	Mr Shen Yuyun	Mr Chua Siong Kiat Alex
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."	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.	No.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes.	Yes.
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.	<u>Past (for the last 5 years):</u> Nil <u>Present:</u> 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	<u>Past (for the last 5 years):</u> 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 <u>Present:</u> Group Chief Financial Officer, Tee International Limited Director, Lighthouse Business Consulting Pte. Ltd. Director, Starwork Vision Pte. Ltd. Director, Robotic Vision Inc. Pte. Ltd.

	Mr Shen Yuyun	Mr Chua Siong Kiat Alex
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
(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?	No	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 reasons and placed both DIPL and LHAI under creditors' voluntary liquidation. Further details in relation to the liquidation can be found in PSD's SGXNET announcement dated 22 May 2019 and 31 May 2019.
(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 Shen Yuyun	Mr Chua Siong Kiat Alex
(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
(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

	Mr Shen Yuyun	Mr Chua Siong Kiat Alex
(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?	No	No
Disclosure applicable to the appointment of Director only:		
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).	N.A. This is a re-election of a director.	N.A. This is a re-election of a director.

	Dr VicPearly Wong Hwei Pink	Mr Lim Eng Seng
Date of initial appointment	16 November 2020	11 January 2021
Dates of last re-appointment (if applicable)	N/A	N/A
Age	45	41
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 Dr VicPearly Wong Hwei Pink after taking into account her experience and ability to contribute to the Company.	The Board has approved the appointment of Mr Lim Eng Seng after taking into account his experience and ability to contribute to the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive; responsible for the overall management and operations of the Group, facilitating and managing the growth of the Company.	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Independent Non-Executive Director
Professional qualifications	Bachelor of Dental Surgery, National University of Singapore (1995 to 1999) Fellowship of Royal Australasian College of Dental Surgeons, Australia (2002) Membership in Orthodontics, Royal College of Surgeons, Edinburgh UK (2004) Master of Dental Surgery (Orthodontics), National University of Singapore (2004) Master of Business Administration, University of Manchester, UK (2015)	BSc Finance (First Class), Lancaster (2003)
Working experience and occupation(s) during the past 10 years	2020 to present: Chief Executive Officer, New Silkroutes Group Limited 2018 to present: Clinical Director (Dental), Healthsciences International Pte. Ltd. 2012 to present: Director and Founder, Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd. 2008 to present: Director and Founder, Greedygums Pte. Ltd. 2011 to present: Director and Founder, Wren Dental and Medical Supplies Pte. Ltd. 2012 to present: Director and Founder, Tauren Investments Pte. Ltd. 2007 to 2012: Consultant Orthodontist, Private Practice 1999 to 2007: Specialist Orthodontist, National Dental Centre, Singapore	2015 to present: Director, Clearwater Advisors 2015 to 2019: Consultant, TE Asia Healthcare 2013 to 2015: General Manager, Fullerton Healthcare 2012 to 2013: General Manager, SIN Capital Group 2010 to 2012: Vice President, Hong Kong Origination, Royal Bank of Scotland

	Dr VicPearly Wong Hwei Pink	Mr Lim Eng Seng
Shareholding interest in the Company and its subsidiaries	1,521,591 shares in the capital of the Company (deemed)	No
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. Chief Executive Officer of the Company; Shareholder of the Company; Shareholder and Director of Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd., Wren Dental and Medical Supplies Pte. Ltd. and Greedygums Pte. Ltd.; Director of a number of other subsidiaries of the Company as listed below; and Daughter of Mr William Wong Yoon Foh, a director of Wren Dental and Medical Supplies Pte Ltd.	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	Mr Lim is a minority shareholder of Fullerton Healthcare Corporation Limited (<1% shareholding).
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes

OTHERS

	Dr VicPearly Wong Hwei Pink	Mr Lim Eng Seng
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): Past President, Association of Orthodontists Singapore Present: Chairman of the Internal Audit Committee, Association of Orthodontists Singapore Member, Orthodontists Chapter, College of Dental Surgeons, Academy of Medicine Singapore Medical Expert, Faculty of Medical Experts, Academy of Medicine Singapore Clinical Director (Dental), Healthsciences International Pte. Ltd. Director, Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd. Director, Wren Dental and Medical Supplies Pte. Ltd. Director, Greedygums 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, 84 Inc Pte. Ltd. Director, The Dental Hub@SG Pte. Ltd. Director, NDC Consulting Pte. Ltd. Director, HSI Medical Pte. Ltd. Director, HSI Asia Pte. Ltd. Director, HSI Cardiology Pte. Ltd. Director, HSI Specialists Pte. Ltd. Director, HL Clinic Pte Ltd Director, HL Family Clinic & Surgery (Bedok) Pte. Ltd. Director, HK Family Clinic & Surgery Pte. Ltd. Director, HL Dermahealth Aesthetic Clinic Pte. Ltd. Director, Lily Aw Medical Services Pte Ltd Director, Dr Chua's Family Clinic Pte. Ltd. Director, Taurean Investments Pte. Ltd. Member, Fund raising / resource committee, Metropolitan YMCA	Past (for the last 5 years): Chairman, ViAqua Therapeutics Limited, Israel (January – December 2017) Present: Director, Clearwater Advisors (August 2015 – Present)

	Dr VicPearly Wong Hwei Pink	Mr Lim Eng Seng
(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?	Yes. The Group commenced the winding-up of the wholly owned indirect subsidiary, International Energy Group Pte. Ltd. in January 2021.	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

	Dr VicPearly Wong Hwei Pink	Mr Lim Eng Seng
(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

	Dr VicPearly Wong Hwei Pink	Mr Lim Eng Seng
(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

	Dr VicPearly Wong Hwei Pink	Mr Lim Eng Seng
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).	N.A. This is a re-election of a director.	N.A. This is a re-election of a director.

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of New Silkroutes Group Limited (the "**Company**") and its subsidiaries (the "**Group**") and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2021.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company as set out on pages 53 to 130 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 2021 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, after considering the measures taken by the Group and the Company with respect to the Group's and the Company's ability to continue as going concerns as described in Note 3 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

VicPearly Wong Hwei Pink	(Appointed on 16 November 2020)
Shen Yuyun	
Chua Siong Kiat	(Appointed on 1 August 2020)
Darrell Lim Chee Lek	(Appointed on 1 August 2020)
Lim Eng Seng	(Appointed on 11 January 2021)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares 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 Act except as follows:

	Shareholdings registered in the name of directors			Shareholdings in which directors are 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 2021**	**At beginning of year or date of appointment, if later**	**At end of year**	**At 21 July 2021**
New Silkroutes Group Limited (The Company)						
Ordinary shares						
VicPearly Wong Hwei Pink[(a)]	1,521,591	–	–	–	1,521,591	1,521,591
Shen Yuyun[(b)]	–	–	–	29,614,035	29,614,035	29,614,035

(a) VicPearly Wong Hwei Pink is deemed to be interested in 1,521,591 shares held in the name of DBS Nominee (Private) Limited, a nominee company.

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

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.

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

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

Audit and Risk Committee

The Audit and Risk Committee of the Company, consisting all independent directors, is chaired by Chua Siong Kiat (Chairman) and includes Darrell Lim Chee Lek and Lim Eng Seng.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. Their functions are detailed in the Report on Corporate Governance.

The Audit and Risk Committee is satisfied with the independence and objectivity of the independent auditors and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept appointment.

On behalf of the directors

VicPearly Wong Hwei Pink
Director

Shen Yuyun
Director

13 October 2021

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of New Silkroutes Group Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 53 to 130, which comprise the statements of financial position of the Group and the Company as at 30 June 2021, 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements. 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

1. Going concern assumptions

   As disclosed in Note 3 to the financial statements, the Group and the Company incurred loss for the year of US$18,099,000 and of US$27,877,000 respectively for the financial year ended 30 June 2021. As at 30 June 2021, the Group's and the Company's current liabilities exceeded the current assets by US$3,621,000 and US$5,967,000 respectively.

   In addition, as disclosed in Notes 28 and 37 to the financial statements, the Group and the Company are exposed to certain material uncertainties in relation to contingent liabilities and guarantees provided that could result in material financial obligations in the future periods. The Group also breached a non-financial covenant for a loan from a financial institution amounting to US$3,631,000.

   These factors indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and the Company to continue as going concerns.

   Nevertheless, in the preparation of the financial statements, the Board of Directors believes that the use of going concern assumption is appropriate after taking into consideration of the factors as disclosed in Note 3 to the financial statements.

   The ability of the Group and the Company to remain as going concerns are therefore dependent on the assumptions, which are premised on future events and market conditions, the outcomes of which are inherently uncertain.

   We were unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the use of the going concern assumption for the preparation of the accompanying financial statements and whether any adjustments might be necessary in respect of the accompanying financial statements.

   If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business. Adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements.

2. Management Agreement and Management Service Agreement (Note 30)

   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 (the "Entity") incorporated on 22 April 2020 in the People's Republic of China, later than the signing date of the above agreements.

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

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

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

2. Management Agreement and Management Service Agreement (Note 30) (cont'd)

(a) Management agreement with the Entity, Shanghai Fengwei and the Company ("Management Agreement") (cont'd)

In addition, the Company would assign 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 advance receipt of profit guarantee, 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.

During the financial year ended 30 June 2020, the Group and the Company recognised consultancy and marketing fee expense of US$1,268,000 in other operating expenses. As at 30 June 2020, included in other payables of the Group and Company were advance receipt of profit guarantee of US$2,828,000 and consultancy and marketing fee payable to the Entity in relation to the assignment of profits of Shanghai Fengwei from 1 January 2020 to 30 June 2020 of US$1,268,000.

During the financial year ended 30 June 2021, the consultancy and marketing fee payable of US$1,268,000 brought forward from the previous financial year was written back to current year profit or loss of the Group and the Company as the actual profit of Shanghai Fengwei for the period from 1 January 2020 to 30 June 2021 is lower than the guaranteed profit.

As at 30 June 2021, included in other payables of the Group and Company are advance receipt of profit guarantee of US$3,024,000 and the consultancy and marketing fee payable to the Entity in relation to the assignment of profits of Shanghai Fengwei from 1 January 2020 to 30 June 2021 of US$Nil.

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

According to the Management Service Agreement, Shanghai Fengwei would 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. The management services agreement ended on 31 December 2020 and there is no further extension after the agreement expired.

The management service fee are charged by the Entity to Shanghai Fengwei on monthly basis. During the service period, Shanghai Fengwei's monthly profit after deduction of the management service fee should not be lower than the base profit of RMB1.1million (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 fee to Shanghai Fengwei.

During the financial year ended 30 June 2020, the Group recognised management service fee expense of US$6,416,000 in other operating expenses. As at 30 June 2020, the unpaid management service fee of US$3,217,000 remained in the other payables of the Group.

During the financial year ended 30 June 2021, the Group recognised management service fee expense of US$3,444,000 in other operating expenses, being the management service fee charged by the Entity for the period from 1 July 2020 to 31 December 2020. The Group has made full payment of the outstanding management service fee of US$6,661,000 to the Entity during the current financial year. In addition, the management service fee expenses were included as tax deductions in the calculation of income tax and the related input value added tax deducted with the output tax in the declaration of the value added tax during both the financial years ended 30 June 2020 and 30 June 2021.

As disclosed in Note 3 to the financial statements, the directors of the Company has assessed that the Group has control over Shanghai Fengwei and accordingly Shanghai Fengwei remains a subsidiary of the Group.

Total assets and total liabilities of Shanghai Fengwei included in the statement of financial position of the Group as at 30 June 2021 amounted to US$22,101,000 (including goodwill on consolidation of US$5,431,000) and US$7,404,000 respectively. Revenue and net loss of Shanghai Fengwei included in the consolidated statement of comprehensive income of the Group for the financial year ended 30 June 2021 amounted to US$28,992,000 and US$66,000 respectively.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

2. Management Agreement and Management Service Agreement (Note 30) (cont'd)

   During the current financial year, the Company appointed an independent reviewer to carry out an independent review on the two above-mentioned agreements and as at the date of our report, the independent review report has not been finalised.

   Based on information made available to us, we were unable to satisfy ourselves:

   i. the business rationale, commercial substance and structuring of the two above-mentioned agreements, the appropriateness of the corresponding accounting treatment and related presentation of the agreements in the financial statements, and whether (i) these were conducted in the normal course of business and (ii) the Group continues to have control over Shanghai Fengwei in accordance with SFRS(I) 10 Consolidated Financial Statements; and

   ii. in relation the Management Service Agreement, the business rationale and commercial substance regarding the management service fee charged by the Entity during the period from 1 July 2020 to 31 December 2020, and whether there are any potential tax exposures and impact of any non-compliance with regulatory and/or legal requirements arising from the transactions.

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

3. Investment in International Energy Group Pte. Ltd.

   (a) As disclosed in Note 9 to the financial statements, on 5 January 2021, the Company commenced the winding-up process of its wholly-owned indirect subsidiary, International Energy Group Pte. Ltd. ("IEG") by way of creditors' voluntary liquidation. The Group is deemed to have lost control of IEG and its subsidiaries and accordingly the Group deconsolidated their related assets and liabilities as of 5 January 2021, which included the financial asset measured at fair value through other comprehensive income ("FVTOCI") related to 4.534% equity interest in Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC"). As a result, the Group recognised a loss amounting to US$15,611,000 arising from deconsolidation of IEG, and reclassified the fair value reserve of US$5,468,000 to accumulated losses. Subsequent to the deconsolidation, the investment in IEG is classified as financial asset at fair value through profit or loss ("FVTPL") and carried at US$Nil on the consolidated statement of financial position.

       During the current financial year, the Company appointed an independent reviewer to carry out independent review on the investment in Thai GNCC and as at date of our report; the independent review report has not been finalised.

       We were unable to obtain sufficient appropriate audit evidence to assess the appropriateness of the valuation of the carrying amounts of assets and liabilities of IEG and its subsidiaries, including the financial asset at FVTOCI, as of the date of commencement of liquidation, and the resulting loss arising from deconsolidation of IEG. We were also unable to obtain sufficient appropriate audit evidence to assess the appropriateness of the valuation of financial asset at FVTPL at the reporting date.

   (b) As disclosed in Note 15 to the financial statements, the investment in IEG is held by a wholly-owned subsidiary of the Company, New Silkroutes Capital Pte. Ltd. ("NSC"). During the financial year, management performed an impairment assessment on the recoverability of the cost of investment in NSC and recognised an impairment loss of US$24,764,000 to fully write down the cost of investment relating to IEG in the Company's financial statements.

       We were unable to obtain sufficient appropriate audit evidence to assess the appropriateness of the impairment assessment in respect of the investment in NSC at the reporting date, and the related impairment loss of US$24,764,000 recognised in the Company's profit or loss for the financial year ended 30 June 2021.

       We were also unable to obtain sufficient appropriate audit evidence to determine whether the impairment loss recognised in the current financial year's profit or loss of the Company relates to any prior financial periods.

       Consequently, we were unable to determine whether any adjustments to the accompanying financial statements might be necessary.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

4. Contingent liabilities and guarantees

As disclosed in Notes 28 and 37 to the financial statements, the Company provides guarantees to third parties for loan, lease financing arrangement and boat charter agreement for its former subsidiaries. No provision for any liability has been made by the Group and the Company in the accompanying financial statements.

Based on the information as provided by management, we were unable to determine whether any provision for liabilities might be required for these guarantees provided by the Company. Accordingly, we were unable to determine whether any adjustments to the accompanying financial statements might be necessary.

5. Opening balances

Another firm of independent auditors was engaged to audit the financial statements for the financial year ended 30 June 2020 whose report dated 14 October 2020 contained a disclaimer of opinion on those financial statements. The basis for disclaimer of opinion on the financial statements is disclosed in Note 41 to the financial statements.

In view of the matters described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 30 June 2020, we were unable to determine whether the opening balances as at 1 July 2020 were fairly stated.

In addition, we were unable to perform audit procedures to obtain sufficient appropriate audit evidence about whether the Group's and Company's opening balances as at 1 July 2020 contain misstatements that materially affect the current year's financial statements.

Since opening balances as at 1 July 2020 entered into the determination of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended 30 June 2021, as well as affect how the balances presented in the Group's and Company's statements of financial position as at 30 June 2021 were derived, we were unable to determine whether adjustments might have been found necessary in respect of the Group's and the Company's financial statements for the financial year then ended.

Our report on the current financial year's financial statements of the Group and the Company is also modified because of the possible effects of these matters on the comparability of the current period's figures and the corresponding figures.

Other Matter

We draw attention to Note 40 to the financial statements which discloses 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 investigations are still ongoing.

The financial statements of the Group for the year ended 30 June 2020 were audited by another auditor who expressed a disclaimer opinion on those financial statements on 14 October 2020 as described in Note 41 to the financial statements.

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 Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) 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.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the accompanying financial statements in accordance with Singapore Standards on Auditing and to issue an independent 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 described in the *Basis for Disclaimer of Opinion* sections 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 Khor Boon Hong.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

13 October 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group	
		2021	2020
	Note	**US$'000**	US$'000 (Restated)
Continuing operations			
Revenue	4	**42,039**	49,529
Other income	5	**1,823**	1,626
Purchases of finished goods		**(25,244)**	(28,312)
Changes in inventories of finished goods		**69**	228
Employee benefits expense	6	**(8,290)**	(8,608)
Amortisation of intangible assets		**(106)**	(274)
Depreciation of property, plant and equipment		**(392)**	(102)
Depreciation of right-of-use assets		**(1,390)**	(1,176)
Impairment loss on trade and other receivables		**(537)**	(1,192)
Other operating expenses		**(6,602)**	(13,026)
Finance costs	7	**(913)**	(833)
Share of results of an associate, net of tax		**–**	(7)
Profit/(loss) before taxation		**457**	(2,147)
Taxation	8	**(399)**	(457)
Profit/(loss) from continuing operations for the year		**58**	(2,604)
Discontinued operation			
Loss from discontinued operation, net of tax	9	**(18,157)**	(5,590)
Loss for the year	10	**(18,099)**	(8,194)
Other comprehensive income/(loss):			
Item that will not be reclassified subsequently to profit or loss			
Fair value loss on equity investments at fair value through other comprehensive income		**–**	(2,545)
Item that are or may be reclassified subsequently to profit or loss			
Foreign currency translation gain/(loss) on consolidation		**1,622**	(406)
Other comprehensive income/(loss) for the financial year, net of tax		**1,622**	(2,951)
Total comprehensive loss for the financial year		**(16,477)**	(11,145)
Loss for the year attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		**(1,029)**	(3,409)
- Loss from discontinued operation, net of tax		**(18,157)**	(5,590)
		(19,186)	(8,999)
- Non-controlling interests		**1,087**	805
		(18,099)	(8,194)
Total comprehensive loss for the year attributable to:			
Owners of the Company			
- Profit/(loss) from continuing operations, net of tax		**408**	(3,761)
- Loss from discontinued operation, net of tax		**(18,157)**	(8,135)
		(17,749)	(11,896)
- Non-controlling interests		**1,272**	751
		(16,477)	(11,145)
Loss per share attributable to owners of the Company from continuing operations (US cent)			
- Basic and diluted	11	**(0.49)**	(1.64)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AT 30 JUNE 2021

	Note	Group 2021 US$'000	Group 2020 US$'000	Company 2021 US$'000	Company 2020 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**3,200**	8,739	**9**	7
Intangible assets	13	**19,433**	18,524	**215**	–
Right-of-use assets	14	**3,886**	3,010	**429**	–
Subsidiaries	15	**–**	–	**21,046**	46,436
Financial asset at fair value through other comprehensive income	16	**–**	17,192	**–**	–
Prepayments	21	**750**	–	**750**	–
Long-term receivables	17	**353**	1,751	**–**	–
Deferred tax assets	18	**37**	183	**–**	–
Total non-current assets		**27,659**	49,399	**22,449**	46,443
Current assets					
Inventories	19	**2,428**	1,913	**–**	–
Trade and other receivables	17	**6,722**	16,993	**411**	3,687
Contract assets	20	**–**	3,933	**–**	–
Prepayments	21	**410**	596	**230**	15
Derivative financial instruments	22	**–**	1,495	**–**	–
Cash and bank balances	23	**6,609**	19,323	**72**	432
Fixed deposits	23	**416**	391	**–**	–
Financial asset at fair value through profit and loss	24	**–**	–	**–**	–
Total current assets		**16,585**	44,644	**713**	4,134
Total assets		**44,244**	94,043	**23,162**	50,577
EQUITY AND LIABILITIES					
Equity					
Share capital	25	**88,183**	88,183	**88,183**	88,183
Treasury shares	26	**(863)**	(863)	**(863)**	(863)
Other reserves	27	**(2,613)**	(9,518)	**45**	45
Accumulated losses		**(70,485)**	(45,831)	**(71,160)**	(43,283)
Equity attributable to equity holder of the Company		**14,222**	31,971	**16,205**	44,082
Non-controlling interests		**1,048**	1,099	**–**	–
Total equity		**15,270**	33,070	**16,205**	44,082
LIABILITIES					
Non-current liabilities					
Borrowings	28	**1,540**	14,906	**–**	–
Lease liabilities	29	**1,342**	348	**277**	–
Deferred tax liabilities	18	**151**	387	**–**	–
Other payables	30	**5,735**	4,877	**–**	–
Total non-current liabilities		**8,768**	20,518	**277**	–
Current liabilities					
Trade and other payables	30	**7,815**	26,025	**6,517**	6,495
Contract liabilities	31	**153**	157	**–**	–
Borrowings	28	**11,034**	12,455	**–**	–
Lease liabilities	29	**842**	728	**163**	–
Derivative financial instruments	22	**–**	350	**–**	–
Current income tax payable		**362**	740	**–**	–
Total current liabilities		**20,206**	40,455	**6,680**	6,495
Total liabilities		**28,974**	60,973	**6,957**	6,495
Total equity and liabilities		**44,244**	94,043	**23,162**	50,577

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	<--- Attributable to owners of the Company							--->		
	Share capital	Treasury shares	Foreign currency translation reserve	Capital reserve	Fair value reserve	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
<u>Group</u>										
Balance at 1 July 2020	88,183	(863)	(500)	45	(5,468)	(3,595)	(45,831)	31,971	1,099	33,070
Loss for the financial year	–	–	–	–	–	–	(19,186)	(19,186)	1,087	(18,099)
Other comprehensive income										
- Foreign currency translation differences	–	–	1,437	–	–	–	–	1,437	185	1,622
Total comprehensive loss for the financial year	–	–	1,437	–	–	–	(19,186)	(17,749)	1,272	(16,477)
Contributions by and distributions to owners										
- Capital reduction	–	–	–	–	–	–	–	–	(62)	(62)
- Dividends	–	–	–	–	–	–	–	–	(1,261)	(1,261)
Transactions with owners in their own capacity as owners	–	–	–	–	–	–	–	–	(1,323)	1,323
Loss of control over subsidiaries	–	–	–	–	5,468	–	(5,468)	–	–	–
Balance at 30 June 2021	**88,183**	**(863)**	**937**	**45**	**–**	**(3,595)**	**(70,485)**	**14,222**	**1,048**	**15,270**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	<---------- Attributable to owners of the Company						---------->			
	Share capital	Treasury shares	Foreign currency translation reserve	Capital reserve	Fair value reserve	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group										
Balance at 1 July 2019	88,183	(863)	(148)	45	(2,923)	(3,596)	(36,864)	43,834	1,338	45,172
Loss for the financial year	–	–	–	–	–	–	(8,999)	(8,999)	805	(8,194)
Other comprehensive loss:										
- Changes in the fair value of equity investments at fair value through other comprehensive income	–	–	–	–	(2,545)	–	–	(2,545)	–	(2,545)
- Foreign currency translation differences	–	–	(352)	–	–	–	–	(352)	(54)	(406)
Total comprehensive loss for the financial year	–	–	(352)	–	(2,545)	–	(8,999)	(11,896)	751	(11,145)
Contributions by and distributions to owners										
- Effects of acquiring of non-controlling interest in a subsidiary	–	–	–	–	–	–	32	32	(132)	(100)
- Deregistration/disposal of subsidiaries	–	–	–	–	–	1	–	1	–	1
- Dividends	–	–	–	–	–	–	–	–	(858)	(858)
Transactions with owners in their own capacity as owners	–	–	–	–	–	1	32	33	(990)	(957)
Balance at 30 June 2020	88,183	(863)	(500)	45	(5,468)	(3,595)	(45,831)	31,971	1,099	33,070

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000
Company					
Balance at 1 July 2019	88,183	(863)	45	(39,310)	48,055
Loss for the year, representing total comprehensive loss for the financial year	–	–	–	(3,973)	(3,973)
Balance at 30 June 2020	88,183	(863)	45	(43,283)	44,082
Loss for the year, representing total comprehensive loss for the financial year	–	–	–	(27,877)	(27,877)
Balance at 30 June 2021	**88,183**	**(863)**	**45**	**(71,160)**	**16,205**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group	
		2021	2020
	Note	**US$'000**	US$'000
Cash flows from operating activities			
Profit/(loss) before taxation:			
- from continuing operations		**457**	(2,147)
- from discontinued operation		**(18,169)**	(5,626)
		(17,712)	(7,773)
Adjustments for:			
Amortisation of intangible assets		**106**	274
Depreciation of property, plant and equipment	12	**1,904**	1,300
Depreciation of right-of-use assets	14	**1,475**	1,346
Impairment loss on intangible assets		**–**	1,004
Interest expense		**1,921**	2,769
Interest income		**(125)**	(94)
Net fair value (gain)/loss on derivative financial instruments		**(2)**	233
Net present value change of the call and put option liability	30	**858**	1,281
Reversal of allowance for inventories obsolescence		**–**	(254)
Impairment losses recognised on trade and other receivables		**537**	7,289
Loss arising from loss of control over subsidiaries	9	**15,611**	–
Plant and equipment written off	12	**24**	–
Share of results of associates		**–**	7
Unrealised foreign exchange differences		**38**	(385)
Operating cash flows before working capital changes:		**4,635**	6,997
Changes in inventories		**(629)**	(3)
Changes in trade and other receivables		**6,119**	5,698
Changes in contract assets		**3,933**	14,355
Changes in prepayments		**256**	230
Changes in trade and other payables		**(16,543)**	(20,287)
Changes in contract liabilities		**(5)**	2
Cash (used in)/ generated from operations		**(2,234)**	6,992
Income tax paid		**(661)**	(400)
Net cash (used in)/generated from operating activities		**(2,895)**	6,592

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group	
		2021	2020
	Note	**US$'000**	US$'000
Cash flows from investing activities			
Acquisition of intangible assets	13	**(215)**	–
Interest received		**125**	61
Purchase of property, plant and equipment	12	**(2,345)**	(150)
Net cash outflow on loss of control over subsidiaries	9	**(1,000)**	–
Net cash used in investing activities		**(3,435)**	(89)
Cash flows from financing activities			
Acquisition of non-controlling interests in a subsidiary		**–**	(101)
Capital reduction paid to non-controlling interests of the subsidiaries		**(62)**	–
Dividends paid to the non-controlling interests of the subsidiaries		**(1,261)**	(858)
Fixed deposits pledged		**–**	49
Interest paid		**(1,210)**	(2,669)
Proceeds from loans		**4,768**	36,323
Proceeds from financing of vessel, net of transaction costs		**–**	4,614
Restricted cash and bank balances		**2,191**	8,827
Repayment of loans		**(8,973)**	(41,299)
Repayment of lease liabilities		**(1,242)**	(1,046)
Net cash (used in)/generated from financing activities		**(5,789)**	3,840
Net (decrease)/increase in cash and cash equivalents		**(12,119)**	10,343
Cash and cash equivalents at beginning of financial year		**17,065**	6,821
Exchange differences on translation of cash and cash equivalents		**1,596**	(99)
Cash and cash equivalents at end of financial year		**6,542**	17,065

The accompanying notes form an integral part of these financial statements.

A. Reconciliation of movements of liabilities to cash flow arising from financing activities

Group	Lease liabilities US$'000	Loan from financial institutions US$'000	Other borrowings US$'000	Total US$'000
Balance at 1 July 2020	1,076	21,272	6,089	28,437
Changes from financing cash flow				
Interest paid	(86)	(681)	(443)	(1,210)
Proceeds from loans	–	4,768	–	4,768
Repayment of lease liabilities	(1,242)	–	–	(1,242)
Repayment of loans	–	(8,395)	(578)	(8,973)
Total changes from financing cash flows	(1,328)	(4,308)	(1,021)	(6,657)
Effect of changes in foreign exchange rates	334	1,090	–	1,424
Other changes				
New lease liabilities	2,028	–	–	2,028
Interest expense	86	1,320	515	1,921
Derecognised due to loss of control over subsidiaries (Note 9)	–	(6,800)	(5,583)	(12,383)
Others	(12)	–	–	(12)
Total liability-related other changes	2,102	(5,480)	(5,068)	(8,446)
Balance at 30 June 2021	2,184	12,574	–	14,758

The accompanying notes form an integral part of these financial statements.

A. **Reconciliation of movements of liabilities to cash flow arising from financing activities**

	Lease liabilities	Loan from financial institutions	Convertible loan	Other borrowings	Others	Total
Group	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2019	1,388	22,954	3,626	–	–	27,968
Changes from financing cash flow						
Interest paid	(80)	(1,588)	(171)	(226)	(604)	(2,669)
Proceeds from loans	–	36,323	–	–	–	36,323
Proceeds from financing of vessel, net of transaction costs	–	–	–	4,614	–	4,614
Repayment of lease liabilities	(1,046)	–	–	–	–	(1,046)
Repayment of loans	–	(37,640)	(3,509)	(150)	–	(41,299)
Total changes from financing cash flows	(1,126)	(2,905)	(3,680)	4,238	(604)	(4,077)
Effect of changes in foreign exchange rates	–	(397)	(117)	–	–	(514)
Other changes						
New lease liabilities	734	–	–	–	–	734
Interest expense	80	1,620	171	226	672	2,769
Others	–	–	–	1,625	(68)	1,557
Total liability-related other changes	814	1,620	171	1,851	604	5,060
Balance at 30 June 2020	1,076	21,272	–	6,089	–	28,437

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

The Company (Co. Reg. No. 199400571K) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The address of the registered office and principal place of business of the Company is at 456 Alexandra Road, #19-02 Fragrance Empire Building, Singapore 119962.

The principal activity of the Company is that of investment holding company. The principal activities of the subsidiaries are disclosed in Note 15.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements are presented in United States dollar ("USD" or "US$"), which is the Company's functional currency and all values in the tables are rounded to the nearest thousand (US$'000), except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

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.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and of the Company.

New and revised standards issued but not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 June 2021 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

2 Summary of significant accounting policies (cont'd)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2.3. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Contingent consideration transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration (other than measurement period adjustment) are recognised in profit or loss.

Non-controlling interests ("NCI") are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with equity holders in their capacity as equity holders). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to equity holders of the Company.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific SFRS(I).

2 Summary of significant accounting policies (cont'd)

2.2 Basis of consolidation (cont'd)

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

2.3 Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

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 combinations. 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 the carrying amount of the unit, 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 subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.4 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.5 Associates

An associate is an entity over which the Group has significant influence but not control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associates are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Distributions received from associates are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associate.

2 Summary of significant accounting policies (cont'd)

2.5 Associates (cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with an associate of the Group, unrealised gains are eliminated to the extent of the Group's interest in the relevant associate. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred.

In the Company's financial statements, investment in associate is carried at cost less accumulated impairment loss, if any. On disposal of investment in associate, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.6 Revenue recognition

The Group recognises revenue from the following major sources:

<u>Continuing operations</u>
- sales of goods;
- healthcare consultancy and management system service; and
- interest income

<u>Discontinued operation</u>
- trading of oil and related products; and
- chartering income

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

The Group sells healthcare products, nonwoven fabric and related products, 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.

Healthcare consultancy and medical service

Revenue from the provision of clinical consultations and treatments are recognised when the services to be provided are completed at a point in time.

Revenue from the provision of aesthetics and traditional Chinese medical services sold in bundled packages are recognised upon completion of services rendered over time based on number of sessions utilised.

2 Summary of significant accounting policies (cont'd)

2.6 Revenue recognition (cont'd)

Interest income

Interest income is recognised using the effective interest rate.

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 the contract but has received payment 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.

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. The Company has a right to invoice the consideration from a customer in an amount that corresponds directly to period of chartering.

2.7 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Alternatively, the grant may be presented in the statements of financial position by deducting the grant in arriving at the carrying amount of the asset.

Where the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2.8 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Such state-managed retirement benefit schemes 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 and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

2.9 Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in profit or loss using the effective interest method.

2 Summary of significant accounting policies (cont'd)

2.10 Foreign currencies

Functional and presentation currency

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

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

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

(a) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(b) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(c) All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

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 closing rate.

On disposal of a foreign group entity, the cumulative amount of the foreign currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2.11 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

2 Summary of significant accounting policies (cont'd)

2.11 Income taxes (cont'd)

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax liability is provided on all taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

2.12 Property, plant and equipment

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price, and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to allocate the depreciable amounts of all property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2 Summary of significant accounting policies (cont'd)

2.13 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted 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.

Lease liabilities

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 its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the statements 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 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 there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct costs, less any lease incentives received.

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 cost relates 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 subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

2 Summary of significant accounting policies (cont'd)

2.13 Leases (cont'd)

Right-of-use assets (cont'd)

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

The Group applies SFRS(I) 1-36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.15.

As a practical expedient, SFRS(I) 16 Leases permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient to all its leases.

2.14 Intangible assets

(i) *Goodwill (see Note 2.3)*

(ii) *Developement 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 capitalized 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.

(iii) Other intangible assets

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 amortization 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.

2 Summary of significant accounting policies (cont'd)

2.15 Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group assesses 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal 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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash-generating unit) in prior years. A previously recognised impairment for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.17 Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

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

2 Summary of significant accounting policies (cont’d)

2.17 Financial assets (cont'd)

Classification and measurement (cont'd)

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVTOCI”); and
- Fair value through profit or loss (“FVTPL”)

The classification is based on the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (“FVTOCI”), it needs to give rise to cash flows that are ‘solely payments of principal and interest (“SPPI”)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement

Debt instruments

Debt instruments include cash and bank balances, fixed deposit, trade and other receivables. The debt instruments are measured as follows:

<u>Amortised cost</u>

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

<u>Fair value through other comprehensive income (“FVTOCI”)</u>

The Group measures debts instruments at FVTOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

2 Summary of significant accounting policies (cont'd)

2.17 Financial assets (cont'd)

Subsequent measurement (cont'd)

Fair value through other comprehensive income ("FVTOCI") (cont'd)

Movements in fair values for debts instruments at FVTOCI are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment and presented in "other income/expense". Interest income from these financial assets is recognised in profit or loss using the EIR method.

Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other income".

For equity investments which are not held for trading or not a contingent consideration recognised by an acquirer in a business combination, the Group may make an irrevocable election (on an investment by investment basis) to designate equity investments as at FVTOCI.

The Group has designated certain of its equity investments that are not held for trading as at FVTOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVTOCI are presented as "fair value gains/losses" in other comprehensive income and accumulated in fair value reserve and will never be reclassified to profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss except for equity investment designated at FVTOCI which would be recognised in other comprehensive income.

Fair value reserve relating to the disposed asset would be transferred to retained earnings upon disposal. Dividends from equity investments are recognised in profit or loss and presented in "other income". Equity investments classified as FVTOCI are not subject to impairment assessment.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset 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 assets with a corresponding adjustment to their carrying amount through a loss allowance account.

2 Summary of significant accounting policies (cont'd)

2.17 Financial assets (cont'd)

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.18 Cash and cash equivalents in the consolidated statements of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to insignificant risk of change in value 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 and excludes pledged fixed deposits.

2.19 Financial liabilities

Financial liabilities include trade and other payables (excluding advance receipt of profit guarantee), borrowings and lease liabilities.

Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at FVTPL, directly attributable transaction costs.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than FVTPL, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of financial liabilities at FVTPL are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

2.20 Financial guarantees

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 payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair values.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of *SFRS(I) 15 Revenue from Contracts with Customers* and the amount of expected loss computed using the impairment methodology under *SFRS(I) 9 Financial Instruments*.

2.21 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 22 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.

2 Summary of significant accounting policies (cont'd)

2.22 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.

2.23 Provisions of other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.24 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.25 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.26 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

2.27 Discontinued operation

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

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

2 Summary of significant accounting policies (cont'd)

2.27 Discontinued operation (cont'd)

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

2.28 Contingent liability

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the statement of financial position of the Group, except liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements.

Going concern assumption

During the financial year ended 30 June 2021, the Group reported a net loss of US$18,099,000 (2020: US$8,194,000) and the Company reported a net loss of US$27,877,000 (2020: US$3,973,000). The Group's and Company's current liabilities exceeded the current assets by US$3,621,000 (2020: net current assets of US$4,189,000) and US$5,967,000 (2020: US$2,361,000) respectively. These conditions indicate the existence of material uncertainties that may cast significant doubts about the Group's and the Company's abilities to continue as going concerns.

The Directors of the Company are of the view that the going concern assumption is appropriate for the preparation of these financial statements based on the following assessments.

(i) The Group contributed US$42,039,000 to the revenue for the financial year ended 30 June 2021. The Group can continue to grow its healthcare operations based on the financials from its operating subsidiaries.

(ii) The Group's current liabilities comprised the guaranteed profit of US$3,024,000 (S$4,000,000) received by the Company and is accounted as an advance receipt under other payables in the statement of financial position and does not constitute an actual cash or payable obligation on the Group.

(iii) As at the reporting period end, the Group has undrawn revolving credit facilities of US$756,000.

The Directors are of the opinion that the above considerations would allow the Group to generate sufficient cash flows from its operations and meet its obligations as and when they fall due.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgements in applying the entity's accounting policies (cont'd)

Going concern assumption (cont'd)

For these reasons, the financial statements have been prepared on the assumptions that the Group and Company will continue as going concerns. The financial statements did not include any adjustments that may result in the event that the Group and Company are unable to continue as going concerns. In the event that the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to realise its assets and discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made in the financial statements.

Control over Shanghai Fengwei

As disclosed in Note 30, 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.

Total assets and total liabilities of Shanghai Fengwei included in the statement of financial position of the Group as at 30 June 2021 amounted to US$22,101,000 (2020: US$27,600,000) (including goodwill on consolidation of US$5,431,000) and US$7,404,000 (2020: US$13,940,000) respectively. Revenue and net loss of Shanghai Fengwei included in the consolidated statement of comprehensive income of the Group for the financial year ended 30 June 2021 amounted to US$28,992,000 (2020: US$37,913,000) and US$66,000 (2020: net profit: US$2,318,000) respectively.

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.

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 has 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 has applied the simplified approach within SFRS(I) 9, based on lifetime ECL, in determining the loss allowance on trade receivables and contract assets at the end of each reporting period.

The Group determined the ECL of trade receivables and contract assets by categorising them based on days past due for groupings of various customer segments that have similar loss patterns. The ECL rates for each category of the debtors are estimated based on historical credit loss experience adjusted as appropriate to reflect current condition and forward-looking information which is based on assumptions and forecasts of future economic conditions with consideration of the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment as disclosed in Note 32(b).

As the calculation of loss allowance on trade receivables and contract assets is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables and contract assets.

During the financial year, the loss allowance on trade receivables of US$537,000 (2020: US$1,192,000) was recognised in the Group's profit or loss. The carrying amounts of the Group's trade receivables and contract assets at the end of the reporting period are disclosed in Notes 17 and 20 to the financial statements.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Fair value of financial asset at fair value through profit or loss ("FVTPL")

Unquoted financial asset at FVTPL 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 FVTPL at the end of the reporting period is disclosed in Note 24.

Impairment test for cash-generating unit containing goodwill and intangibles

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 13.

Impairment of investment in subsidiaries

At the end of each reporting period, the Company assesses whether there are any indications of impairment for investment in subsidiaries. The Company also assesses whether there is any indication that an impairment loss recognised in prior periods for investment in subsidiaries may no longer exist or may have decreased.

If any such indication exists, the Company estimates the recoverable amount of that asset. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Details of the key assumptions applied in the Company's impairment assessment of its investments in subsidiaries and the carrying amounts of the investments in subsidiaries are disclosed in Note 15.

4 Revenue

	Group	
	2021	2020
	US$'000	US$'000
From continuing operations	**42,039**	49,529
From discontinued operation	**18,397**	325,439
Total revenue for the financial year	**60,436**	374,968

4 Revenue (cont'd)

The following table provides a disaggregation disclosure of the Group's revenue for continuing operations by major product lines and timing of revenue recognition.

	Group	
	2021	2020
	US$'000	US$'000 (Restated)
Major product/service line		
- Healthcare products	**28,992**	37,913
- Healthcare services	**13,047**	11,616
	42,039	49,529
Timing of revenue recognition		
- At a point in time	**41,142**	48,752
- Over time	**897**	777
	42,039	49,529

5 Other income

	Group	
	2021	2020
	US$'000	US$'000 (Restated)
Gain on disposal of an associate	**–**	27
Government grants	**886**	540
Interest income from		
- bank balances	**123**	59
- late payment by customers	**1**	30
Value-added tax refund	**678**	743
Miscellaneous income	**135**	227
	1,823	1,626

6 Employee benefits expense

	Continuing operations		Discontinued operation		Total	
	2021	2020	**2021**	2020	**2021**	2020
Group	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Staff:						
- Salaries, wages and bonuses	**5,135**	5,648	**186**	562	**5,321**	6,210
- Contributions to defined contribution plans	**328**	328	**18**	47	**346**	375
- Other short-term employee benefits	**302**	162	**–**	23	**302**	185
	5,765	6,138	**204**	632	**5,969**	6,770
Key management personnel compensation:						
- Salaries, wages and bonuses	**2,431**	2,366	**113**	292	**2,544**	2,658
- Contributions to defined contribution plans	**94**	104	**7**	16	**101**	120
	2,525	2,470	**120**	308	**2,645**	2,778
Total employee benefits expenses	**8,290**	8,608	**324**	940	**8,614**	9,548
Key management personnel compensation comprises:						
- Directors of the Company	**298**	546	**–**	–	**298**	546
- Directors of subsidiaries	**2,143**	1,777	**21**	54	**2,164**	1,831
- Other key management personnel	**84**	147	**99**	254	**183**	401
	2,525	2,470	**120**	308	**2,645**	2,778

7 Finance costs

	Group	
	2021	2020
	US$'000	US$'000 (Restated)
Interest expenses on:		
- convertible loan	**–**	171
- other borrowings	**394**	–
- lease liabilities	**85**	62
- loans from financial institutions	**434**	600
	913	833

8 Taxation

	Group	
	2021	2020
	US$'000	US$'000
From continuing operations		
Current tax:		
- Current year	**541**	628
- Changes in estimates related to prior years	**(63)**	117
	478	745
Deferred tax:		
- Origination and reversal of temporary differences	**(244)**	(288)
- Changes in estimates related to prior years	**158**	–
	(86)	(288)
Withholding tax expense	**7**	–
Taxation attributable to continuing operations	**399**	457
From discontinued operation		
Current tax:		
- Current year	**(12)**	30
- Changes in estimates related to prior years	**–**	(66)
Taxation attributable to discontinued operation (Note 9)	**(12)**	(36)
Taxation recognised in profit or loss	**387**	421

Income tax is calculated at 17% (2020: 17%) for Singapore and 25% (2020: 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.

8 Taxation (cont'd)

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	
	2021	2020
	US$'000	US$'000 (Restated)
Profit/(loss) before taxation from continuing operations	**457**	(2,147)
Loss before taxation from discontinued operation	**(18,169)**	(5,626)
	(17,712)	(7,773)
Tax at statutory rates applicable to different jurisdictions	**(3,036)**	(1,081)
Tax effect of expenses that are not deductible	**3,780**	1,131
Tax effect of income that is not taxable	**(232)**	(316)
Income tax rebates and incentives	**(232)**	(425)
Tax effect of unused tax losses not recognised as deferred tax assets	**97**	1,177
Utilisation of deferred tax assets on temporary differences previously not recognised	**(2)**	–
Deferred tax liabilities related to fair value adjustments on acquisition of subsidiaries	**(88)**	(164)
Changes in estimates of current taxation related to prior years	**(63)**	51
Changes in estimates of deferred taxation related to prior years	**158**	–
Withholding tax expense	**7**	–
Others	**(2)**	48
	387	421

9 Loss from discontinued operation

On 5 January 2021, the Company commenced the winding up process of its wholly owned indirect subsidiary, International Energy Group Pte. Ltd. ("IEG") by way of creditors' voluntary liquidation, which was previously reported in the oil and gas segment. In accordance with SFRS(I) 10, the Group has assessed that it has lost control of IEG upon the appointment of the liquidator. Accordingly, IEG and its subsidiaries were classified as discontinued operation of the Group and its assets and liabilities were deconsolidated from the Group. The comparative statements of comprehensive income are re-presented to show the discontinued operation separately from continuing operations.

9 Loss from discontinued operation (cont'd)

The aggregate effects of the loss of control over IEG on the cashflows of the Group were as follows:

		Group
		2021
	Note	**US$'000**
Property, plant and equipment	12	**6,333**
Financial asset at fair value through other comprehensive income	16	**17,192**
Trade and other receivables		**5,530**
Cash and bank balances		**1,000**
Total assets		**30,055**
Borrowings		**12,383**
Trade and other payables		**2,031**
Tax payable		**30**
		14,444
Identified net assets derecognised		**15,611**
Fair value of the retained interest		**–**
Loss arising from loss of control over IEG		**15,611**
Consideration received in cash and cash equivalents		**–**
Less: cash and cash equivalents in IEG		**(1,000)**
Net cash outflow on loss of control over IEG		**(1,000)**

The analysis of the loss from discontinued operation are as follows:

	Group	
	2021	2020
	US$'000	US$'000
Revenue	**18,397**	325,439
Other income	**45**	1,504
Purchases of finished goods	**(19,145)**	(321,778)
Changes in inventories of finished goods	**(39)**	3
Employee benefits expense	**(324)**	(940)
Depreciation of property, plant and equipment	**(299)**	(709)
Depreciation of right-of-use assets	**(85)**	(170)
Other operating expenses	**(100)**	(7,038)
Loss arising from loss of control over IEG	**(15,611)**	–
Finance costs	**(1,008)**	(1,937)
Loss before taxation	**(18,169)**	(5,626)
Taxation	**12**	36
Loss from discontinued operation, net of tax	**(18,157)**	(5,590)

9 Loss from discontinued operation (cont'd)

The impact of the discontinued operation on the cash flows of the Group are as follows:

	Group	
	2021	2020
	US$'000	US$'000
Operating	**(1,422)**	(12,551)
Investing	**(336)**	(4)
Financing	**(818)**	12,197
Net cash outflows	**(2,576)**	(358)

The calculations of the basic and diluted loss per share from discontinued operation attributable to owners of the Company are as follows:

	Group	
	2021	2020
	US$	US$
Loss per share from discontinued operation attributable to owners of the Company (US cent)		
Basic and diluted	**(8.71)**	(2.68)

10 Loss for the year

	Continuing operations		Discontinued operation		Total	
	2021	2020	**2021**	2020	**2021**	2020
Group	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Audit fees paid/payable to:						
- auditor of the Company	**111**	180	**–**	20	**111**	200
- other auditors	**62**	13	**–**	–	**62**	13
- under provision of audit fee in prior years	**19**	–	**–**	–	**19**	–
Non-audit fees paid/payable to:						
- auditor of the Company	**–**	15	**–**	–	**–**	15
- other auditors	**–**	–	**–**	–	**–**	–
Amortisation of intangible assets	**106**	274	**–**	–	**106**	274
Consultancy and marketing fee	**(1,268)**	1,268	**–**	–	**(1,268)**	1,268
Depreciation of property, plant and equipment	**392**	102	**299**	709	**691**	811
Depreciation of right-of-use assets	**1,390**	1,176	**85**	170	**1,475**	1,346
Loss arising from loss of control over subsidiaries	**–**	–	**15,611**	–	**15,611**	–
Management service fee	**3,444**	6,416	**–**	–	**3,444**	6,416
Impairment loss recognised on trade and other receivables	**537**	1,192	**–**	6,097	**537**	7,289
Impairment loss on intangible assets	**–**	1,004	**–**	–	**–**	1,004

10 Loss for the year (cont'd)

	Continuing operations		Discontinued operation		Total	
	2021	2020	**2021**	2020	**2021**	2020
Group	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Net fair value loss on derivative financial instruments	**–**	(1)	**(2)**	233	**(2)**	232
Net present value change of the call and put option liability	**858**	1,281	**–**	–	**858**	1,281
Legal, professional fees and other charges	**1,007**	451	**59**	507	**1,066**	958
Reversal of allowances for inventories written down	**–**	(254)	**–**	–	**–**	(254)

11 Loss per share

Basic loss per share is calculated based on the Group's loss for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares outstanding.

	Continuing operations		Discontinued operation		Total	
	2021	2020	**2021**	2020	**2021**	2020
Group	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Net loss attributable to equity holders of the Company	**(1,029)**	(3,409)	**(18,157)**	(5,590)	**(19,186)**	(8,999)
Weighted average number of ordinary shares outstanding for basic and diluted earning per share	**208,465**	208,465	**208,465**	208,465	**208,465**	208,465
Basic and diluted earnings per share (cents per share)	**(0.49)**	(1.64)	**(8.71)**	(2.68)	**(9.20)**	(4.32)

12 Property, plant and equipment

	Buildings	Medical and other equipment	Computers	Furniture, fittings and renovations	Office equipment	Motor vehicles	Vessel	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group								
2021								
Cost								
Balance at 1 July 2020	690	1,867	111	409	47	81	7,046	10,251
Additions	–	1,688	24	110	3	187	333	2,345
Write-offs	–	–	(5)	(29)	(4)	(25)	–	(63)
Derecognised due to loss of control over subsidiaries	–	(64)	(56)	(156)	(15)	–	(7,379)	(7,670)
Exchange difference on translation	304	443	10	16	13	24	–	810
Balance at 30 June 2021	**994**	**3,934**	**84**	**350**	**44**	**267**	**–**	**5,673**
Accumulated depreciation								
Balance at 1 July 2020	24	270	104	223	13	60	818	1,512
Depreciation	71	1,404	13	114	4	35	263	1,904
Write-offs	–	–	(5)	(11)	–	(23)	–	(39)
Derecognised due to loss of control over subsidiaries	–	(40)	(50)	(151)	(15)	–	(1,081)	(1,337)
Exchange difference on translation	281	144	2	(18)	12	12	–	433
Balance at 30 June 2021	**376**	**1,778**	**64**	**157**	**14**	**84**	**–**	**2,473**
Net carrying value								
At 30 June 2021	**618**	**2,156**	**20**	**193**	**30**	**183**	**–**	**3,200**

12 Property, plant and equipment (cont'd)

	Buildings	Medical and other equipment	Computers	Furniture, fittings and renovations	Office equipment	Motor vehicles	Vessel	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group								
2020								
Cost								
Balance at 1 July 2019	776	2,246	107	406	40	76	7,046	10,697
Additions	–	116	6	9	9	10	–	150
Write-offs	–	(3)	–	–	–	–	–	(3)
Exchange difference on translation	(86)	(492)	(2)	(6)	(2)	(5)	–	(593)
Balance at 30 June 2020	690	1,867	111	409	47	81	7,046	10,251
Accumulated depreciation								
Balance at 1 July 2019	27	342	75	67	1	42	179	733
Depreciation	73	365	30	158	13	22	639	1,300
Write-offs	–	3	–	–	–	–	–	3
Exchange difference on translation	(76)	(440)	(1)	(2)	(1)	(4)	–	(524)
Balance at 30 June 2020	24	270	104	223	13	60	818	1,512
Net carrying value								
At 30 June 2020	666	1,597	7	186	34	21	6,228	8,739

During the financial year, depreciation amounting to US$1,213,000 (2020: US$489,000) is included in changes in inventories of finished goods.

The vessel is secured on a financing arrangement as disclosed in Note 28.

12 Property, plant and equipment (cont'd)

	Computers	Furniture, fittings and renovations	Office equipment	Total
	US$'000	**US$'000**	**US$'000**	**US$'000**
Company				
2021				
Cost				
Balance at 1 July 2020	6	1	23	30
Additions	5	–	–	5
Balance at 30 June 2021	**11**	**1**	**23**	**35**
Accumulated depreciation				
Balance at 1 July 2020	5	1	17	23
Depreciation	1	–	2	3
Balance at 30 June 2021	**6**	**1**	**19**	**26**
Net carrying value				
At 30 June 2021	**5**	**–**	**4**	**9**
2020				
Cost				
Balance at 1 July 2019	5	1	17	23
Additions	1	–	6	7
Balance at 30 June 2020	6	1	23	30
Accumulated depreciation				
Balance at 1 July 2019	5	1	16	22
Depreciation	–	–	1	1
Balance at 30 June 2020	5	1	17	23
Net carrying value				
At 30 June 2020	1	–	6	7

At the end of reporting period, the carrying amount of the Group's plant and equipment are secured on lease liabilities (Note 29) comprised of medical and other equipment of US$36,000 (2020: US$45,000).

13 Intangible assets

	Goodwill	Customer relationship	CMS development costs	Service right	Trademark	Other development cost	Total
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Group							
Cost							
Balance at 1 July 2020	18,056	274	1,544	86	330	–	20,290
Additions	–	–	–	–	–	215	215
Exchange difference on translation	800	–	–	6	–	–	806
Balance at 30 June 2021	**18,856**	**274**	**1,544**	**92**	**330**	**215**	**21,311**
Accumulated amortisation and impairment							
Balance at 1 July 2020	–	51	1,544	72	99	–	1,766
Amortisation	–	26	–	14	66	–	106
Exchange difference on translation	–	–	–	6	–	–	6
Balance at 30 June 2021	**–**	**77**	**1,544**	**92**	**165**	**–**	**1,878**
Carrying amount							
Balance at 30 June 2021	**18,856**	**197**	**–**	**–**	**165**	**215**	**19,433**

13 Intangible assets (cont'd)

	Goodwill	Customer relationship	CMS development costs	Service right	Trademark	Other development cost	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group							
Cost							
Balance at 1 July 2019	18,353	274	1,544	88	330	–	20,589
Exchange difference on translation	(297)	–	–	(2)	–	–	(299)
Balance at 30 June 2020	18,056	274	1,544	86	330	–	20,290
Accumulated amortisation and impairment							
Balance at 1 July 2019	–	25	386	46	33	–	490
Amortisation	–	26	154	28	66	–	274
Impairment loss	–	–	1,004	–	–	–	1,004
Exchange difference on translation	–	–	–	(2)	–	–	(2)
Balance at 30 June 2020	–	51	1,544	72	99	–	1,766
Carrying amount							
Balance at 30 June 2020	18,056	223	–	14	231	–	18,524

13 Intangible assets (cont'd)

Company	**Company**
	Other development cost
	US$'000
Cost	
Balance at 1 July 2019, 30 June 2020 and 1 July 2020	–
Additions	215
Balance at 30 June 2021	**215**
Accumulated amortisation	
Balance at 1 July 2019, 30 June 2020 and 1 July 2020	–
Amortisation	–
Balance at 30 June 2021	**–**
Carrying amount	
Balance at 30 June 2021	**215**
Balance at 30 June 2020	–

Impairment loss for development costs

In the previous financial year ended 30 June 2020, the Group carried out a review of the recoverable amount of its Clinic Management System ("CMS") recorded under development costs within the Healthcare segment. The review led to the recognition of a full impairment loss of US$1,004,000, 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:

	Group	
	2021	2020
	US$'000	US$'000
Cash-generating units		
HSI	**1,052**	1,052
HSI Dental [(i)]	**4,040**	3,779
HSI Medical	**8,333**	7,794
Shanghai Fengwei	**5,431**	5,431
	18,856	18,056

(i) Including Trendz, Orange and TDH CGUs.

13 Intangible assets (cont'd)

For the financial year ended 30 June 2021

For HSI, the recoverable amounts of the CGUs are determined by management based on value-in-use ("VIU") calculations using management approved five-year cash flow forecasts. The key assumptions include average revenue growth of 8% (2020: 9%) and pre-tax discount 10.65% (2020: 9.66%), with 2% (2020: 2%) terminal growth rate.

HSI Dental sub-group, the recoverable amounts of the CGUs are determined by management based on VIU calculations using management approved five-year cash flow forecasts. The key assumptions include average revenue growth of 7% (2020: 7%) and pre-tax discount 10.77% (2020: 10.81%), with 2% (2020: 2%) terminal growth rate.

For HSI Medical sub-group, the recoverable amounts of the CGUs are determined by management based on VIU calculations using management approved five-year cash flow forecasts. The key assumptions include average revenue growth of 5% (2020: 5%) and pre-tax discount 11.51% (2020: 13.98%), with 2% (2020: 2%) terminal growth rate.

Shanghai Fengwei's VIU calculation is determined based on management approved cash flow projections covering a five-year period, using an average growth rate of 7% (2020: 5%) and pre-tax discount rate of 11.56% (2020: 12.82%) and a terminal growth rate of 2% (2020: 3%).

With regards to the assessment of value in use for the respective CGUs, management believes that the change in the estimated recoverable amount from any reasonably possible changes in any of the above key assumptions would not cause the recoverable amount to be materially lower than the carrying value of the CGUs.

14 Right-of -use assets

The Group and the Company leases several leasehold premises (clinics and factory) and office space. The average lease term is 3 years.

	Leasehold premises	**Office space**	**Total**
Group	**US$'000**	**US$'000**	**US$'000**
Cost			
Balance at 1 July 2020	4,102	254	4,356
Additions	1,513	515	2,028
Derecognition of right-of-use assets	(913)	–	(913)
Derecognised due to loss of control over subsidiaries	–	(254)	(254)
Exchange difference on translation	357	–	357
Balance at 30 June 2021	**5,059**	**515**	**5,574**
Accumulated depreciation			
Balance at 1 July 2020	1,176	170	1,346
Depreciation	1,304	171	1,475
Derecognition of right-of-use assets	(913)	–	(913)
Derecognised due to loss of control over subsidiaries	–	(254)	(254)
Exchange difference on translation	34	–	34
Balance at 30 June 2021	**1,601**	**87**	**1,688**
Carrying amount			
Balance at 30 June 2021	**3,458**	**428**	**3,886**

14 Right-of -use assets (cont'd)

	Leasehold premises	Office space	Total
Group	**US$'000**	**US$'000**	**US$'000**
Cost			
Balance at 1 July 2019	3,425	254	3,679
Additions	734	–	734
Exchange differences	(57)	–	(57)
Balance at 30 June 2020	4,102	254	4,356
Accumulated depreciation			
Balance at 1 July 2019	–	–	–
Depreciation charge	1,176	170	1,346
Balance at 30 June 2020	1,176	170	1,346
Carrying amount			
Balance at 30 June 2020	2,926	84	3,010

	Office space
Company	**US$'000**
Cost	
Balance at 1 July 2019, 30 June 2020 and 1 July 2020	–
Additions	515
Balance at 30 June 2021	**515**
Accumulated depreciation	
Balance at 1 July 2019, 30 June 2020 and 1 July 2020	–
Depreciation	86
Balance at 30 June 2021	**86**
Carrying amount	
Balance at 30 June 2021	**429**

The Group's leasehold premises of US$1,770,000 (2020: US$1,991,000) is secured on bank borrowings (Note 28).

The carrying amounts of lease liabilities and the maturity analysis of lease liabilities are disclosed in Note 29.

15 Subsidiaries

	Company	
	2021	2020
	US$'000	US$'000
Unquoted equity shares, at cost	**47,210**	46,836
Less: accumulated impairment losses	**(26,164)**	(400)
	21,046	46,436

Movement in the allowance for impairment loss in investment in subsidiaries is as follows:

	Company	
	2021	2020
	US$'000	US$'000
At beginning of financial year	**400**	400
Additional impairment loss	**25,764**	–
At end of financial year	**26,164**	400

During the financial year, an impairment loss of US$25,764,000 (2020: US$Nil) was recognised to fully write down the cost of investment in certain subsidiaries, which are either in process of liquidation or are dormant. Management assessed that the net recoverable amounts from these investments are US$Nil respectively.

This includes impairment loss on New Silkroutes Capital Pte. Ltd. ("NSC"). The investment in IEG is held by NSC which in turn held by the Company. The management performed an impairment assessment on the recoverability of the investment amount in NSC and recognised an impairment loss of US$24,764,000 in the Company's financial statements. The impairment loss of US$24,764,000 was the cost of investment made by the Company in NSC, for the purpose of investment in IEG.

(i) *Details of the Group's significant subsidiaries are as follows:*

Name of company	Principal activities	Country of business/ incorporation	Equity holding 2021	2020
			%	%
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. [(4)]	Trading of petrochemical products	Singapore	**–**	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

15 Subsidiaries (cont'd)

(i) *Details of the Group's significant subsidiaries are as follows (cont'd):*

Name of company	Principal activities	Country of business/ incorporation	Equity holding 2021	2020
			%	%
Held by New Silkroutes Capital Pte. Ltd. (cont'd)				
HSI Asia Pte. Ltd. (7)	Investment holding	Singapore	**100**	100
HSI Specialists Pte. Ltd. (7)	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)	Distribution of Traditional Chinese Medicine products	People's Republic of China	**100**	100
Held by New Silkroutes Group (Europe) Limited				
IEG Malta Limited (3)	Wholesale and retail trading of crude oil, intermediate fuel oil and other distillates	Malta	**100**	100
Held by Healthsciences International Pte. Ltd.				
Liangyue (Shanghai) Business Consulting Co., Ltd (3) (6)	Business, management and investment consultancy	People's Republic of China	**–**	100
HSI Dental Pte. Ltd. (1)	Investment holding	Singapore	**100**	100
HSI Medical Pte. Ltd. (1)	Investment holding	Singapore	**100**	100
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

15 Subsidiaries (cont'd)

(i) *Details of the Group's significant subsidiaries are as follows (cont'd):*

Name of company	Principal activities	Country of business/ incorporation	Equity holding 2021	2020
			%	%
Held by HSI Dental Pte. Ltd. (cont'd)				
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. [7][8]	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

15 Subsidiaries (cont'd)

(i) *Details of the Group's significant subsidiaries are as follows (cont'd):*

Name of company	Principal activities	Country of business/ incorporation	Equity holding 2021	2020
			%	%
Held by International Energy Group Pte. Ltd.				
Century Master Pte. Ltd. [5]	Investment holding	Singapore	–	100
Held by Century Master Pte. Ltd.				
TXZ Tankers Pte. Ltd. [5]	Chartering of ships	Singapore	–	100

(1) Audited by Baker Tilly TFW LLP.

(2) Audited by overseas independent member firms of Baker Tilly International for the purpose of preparation of the consolidated financial statements of the Group.

(3) Not required to be audited by law of country of incorporation.

(4) In the process of liquidation.

(5) In the process of liquidation subsequent to financial year ended 30 June 2021.

(6) The Company is deregistered in 2 June 2021.

(7) Exempted from audit as Company is dormant during financial year.

(8) The company has been struck off subsequent to financial year ended 30 June 2021

(ii) *Summarised financial information of subsidiaries with material non-controlling interests ("NCI")*

The Group has the following subsidiaries, namely, HSI Medical Pte. Ltd. and its subsidiaries ("HSI Medical subgroup") and HSI Dental Pte. Ltd. and its subsidiaries ("HSI Dental subgroup") that has NCI that is considered by management to be material to the Group.

The summarised financial information before inter-company elimination of the subsidiaries in HSI Dental subgroup and HSI Medical subgroup are as follows:

Summarised statement of financial position

	HSI Dental Subgroup	HSI Medical Subgroup
2021	**US$'000**	**US$'000**
Current assets	2,934	2,176
Non-current assets	5,831	8,819
Current liabilities	(947)	(2,048)
Non-current liabilities	(1,886)	(2,660)
Net assets	**5,932**	**6,287**
Net assets attributable to NCI	**396**	**287**

15 Subsidiaries (cont'd)

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

Summarised statement of financial position (cont'd)

	HSI Dental Subgroup	HSI Medical Subgroup
2020	US$'000	US$'000
Current assets	2,124	2,361
Non-current assets	4,695	8,246
Current liabilities	(1,150)	(3,160)
Non-current liabilities	(197)	(2,244)
Net assets	5,472	5,203
Net assets attributable to NCI	467	507

Summarised statement of profit or loss and other comprehensive income

	HSI Dental Subgroup	HSI Medical Subgroup
	US$'000	US$'000
2021		
Revenue	6,402	5,895
Profit before tax	528	2,051
Income tax expense	(58)	(277)
Profit after tax and total comprehensive income	**470**	**1,774**
Profit allocated to NCI	230	811
2020		
Revenue	4,801	6,024
Profit before tax	397	1,806
Income tax expense	(90)	(227)
Profit after tax and total comprehensive income	307	1,579
Profit allocated to NCI	39	867

15 Subsidiaries (cont'd)

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

Other summarised financial information

	HSI Dental Subgroup	**HSI Medical Subgroup**
2021	**US$'000**	**US$'000**
Dividends paid to NCI	194	1,067
Cash flows from operating activities	1,620	2,067
Cash flows from investing activities	(190)	–
Cash flows from financing activities	(1,378)	(2,386)
Net increase in cash and cash equivalents	**52**	**(319)**
2020		
Dividends paid to NCI	104	754
Cash flows from operating activities	1,027	2,227
Cash flows from investing activities	(1,124)	(601)
Cash flows from financing activities	371	(1,428)
Net increase in cash and cash equivalents	274	198

16 Financial asset at fair value through other comprehensive income

	Group	
	2021	2020
	US$'000	US$'000
Unquoted equity security, at fair value	**–**	17,192

In the previous financial year, unquoted equity security represents 4.534% interest in Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC") and the total cost of investment before recognising any fair value changes is US$22,660,000.

In the previous financial year, 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$379,175,000, the 4.534% equity interest in Thai GNCC held by the Group was determined to be US$17,192,000. Accordingly, a fair value loss of US$2,545,000 was recognised in other comprehensive income.

The financial asset is deconsolidated from the Group on 5 January 2021 upon the commencement of liquidation process in IEG.

17 Trade and other receivables

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables from:				
- Third parties	**6,086**	17,075	**–**	–
Less: Loss allowance				
- Third parties	**(75)**	(4,167)	**–**	–
	6,011	12,908	**–**	–
Other receivables from:				
Former related party	–	2,621	–	7
Related parties	**–**	20	**–**	20
Subsidiaries	**–**	–	**2,135**	2,899
Loans to subsidiaries	**–**	–	**–**	632
Deposits	**363**	409	**102**	–
Consideration receivables	**1,361**	2,311	**1,361**	2,311
Margin and hedge accounts	**–**	278	**–**	–
Retention sum	**–**	1,625	**–**	–
Insurance recoverable	**–**	823	**–**	–
Other receivables	**900**	1,922	**6**	–
	2,624	10,009	**3,604**	5,869
Less: Loss allowance				
- Third parties	**(1,560)**	(4,173)	**(1,361)**	(1,361)
- Subsidiaries	**–**	–	**(1,832)**	(821)
	1,064	5,836	**411**	3,687
Total trade and other receivables	**7,075**	18,744	**411**	3,687
Represented by:				
Current	**6,722**	16,993	**411**	3,687
Non-current	**353**	1,751	**–**	–
	7,075	18,744	**411**	3,687

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.

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. In previous financial year, an expected credit loss allowance was recorded.

The receivable is deconsolidated from the Group on 5 January 2021 upon the commencement of liquidation process in IEG.

17 Trade and other receivables (cont'd)

Consideration receivables

Consideration receivables arose from the disposal of subsidiaries in 2017 and 2016. The amount outstanding as at 30 June 2021 is US$2,311,000 (2020: US$2,311,000). An allowance expected credit loss of US$1,361,000 (US$1,361,000) was recorded in prior years.

On 23 November 2020, the Company entered into an agreement with the buyer to offset the remaining amount against collaboration projects at a service fee of US$200,000 per annum for a period of 5 years. The service fee from project shall be offset from the outstanding amount on the 31 August of each year. Accordingly, consideration receivables amounting to US$950,000 is reclassified to prepayments during the financial year (Note 21).

18 Deferred taxation

	Group	
	2021	2020
	US$'000	US$'000
At beginning of year	**(204)**	(469)
Recognised in profit or loss (Note 8)	**86**	288
Exchange difference on translation	**4**	(23)
At end of year	**(114)**	(204)
Comprising:		
Deferred tax assets	**37**	183
Deferred tax liabilities	**(151)**	(387)
At end of year	**(114)**	(204)

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

	Unused tax losses	**Fair value adjustments on acquisition of subsidiaries**	**Unremitted interest income**	**Accelerated tax depreciation**	**Total**
Group	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2021					
Balance at 1.7.2020	183	(200)	(164)	(23)	(204)
Recognised in profit or loss (Note 8)	(158)	88	164	(8)	86
Exchange differences	12	–	–	(8)	4
Balance at 30.6.2021	**37**	**(112)**	**–**	**(39)**	**(114)**

18 Deferred taxation (cont'd)

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

	Unused tax losses	Fair value adjustments on acquisition of subsidiaries	Unremitted interest income	Accelerated tax depreciation	Total
Group	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2020					
Balance at 1.7.2019	199	(504)	(164)	–	(469)
Recognised in profit or loss (Note 8)	–	311	–	(23)	288
Exchange differences	(16)	(7)	–	–	(23)
Balance at 30.6.2020	183	(200)	(164)	(23)	(204)

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	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Unused tax losses	**34,124**	39,638	**34,124**	33,677
Deferred tax assets not recognised	**5,801**	6,738	**5,801**	5,725

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 Inventories

	Group	
	2021	2020
	US$'000	US$'000
Raw materials	**1,300**	731
Finished goods	**800**	701
Medical products and supplies	**330**	330
Trading stocks of oil products	**–**	153
	2,430	1,915
Less: Allowance for inventories obsolescence	**(2)**	(2)
	2,428	1,913

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 from continuing operations amounted to US$25,175,000 (2020: US$28,084,000).

20 Contract assets

In the previous financial year, 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 were reclassified to trade receivables.

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.

The oil and gas segment is discontinued in FY2021. There is no contract assets outstanding as at 30 June 2021.

21 Prepayments

	Group		**Company**	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Shipping fees	**–**	67	**–**	–
Freight charges	**–**	324	**–**	–
Service fees (Note 17)	**950**	–	**950**	–
Others	**210**	205	**30**	15
	1,160	596	**980**	15
Represented by:				
Current	**410**	596	**230**	15
Non-current	**750**	–	**750**	–
	1,160	596	**980**	15

22 Derivative financial instruments

	Group	
	2021	2020
Group	**US$'000**	US$'000
Derivative financial assets at fair value through profit or loss:		
- oil commodity futures	**–**	1,495
Derivative financial (liabilities) at fair value through profit or loss:		
- oil commodity futures	**–**	(350)

In previous year, the interest rate cap is not designated as a hedge instrument for a specific borrowing and changes in fair values were recorded in the profit or loss.

23 Cash and bank balances

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Cash on hand	**46**	54	**2**	4
Cash in bank	**6,563**	19,269	**70**	428
	6,609	19,323	**72**	432
Fixed deposits pledged	**416**	391	**–**	–
	7,025	19,714	**72**	432

At the end of the reporting period, the fixed deposits of US$416,000 (2020: US$391,000) for the Group were pledged to bank to secure bank loans (Note 28).

The fixed deposits has a weighted average maturity of 2.50 months (2020: 5.05 months) from the end of the reporting period with a weighted average effective interest rate of 0.1% (2020: 0.20%) 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:

	Group	
	2021	2020
	US$'000	US$'000
Cash and bank balances and fixed deposits	**7,025**	19,714
Less: Cash restricted in use	**(67)**	(2,258)
Less: Fixed deposits pledged	**(416)**	(391)
	6,542	17,065

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

24 Financial asset at fair value through profit or loss

	Group	
	2021	2020
	US$'000	US$'000
Unquoted equity shares, at cost		
- International Energy Group Pte. Ltd ("IEG")	**–**	–

Investment in unquoted equity shares relate to the Group's investment in IEG which was previously accounted for as investment in subsidiary. With the commencement of liquidation process in 5 January 2021, the Group reclassified the investment to financial asset at fair value through profit or loss (Note 9).

The fair values of the investment is determined based on the net expected amounts to be realised through the sale of assets and repayment of obligations as assessed by the management as at end of reporting period.

Based on management assessment, the fair value of the investment as at 30 June 2021 is US$Nil.

Unquoted equity shares are classified as Level 3 in the fair value hierarchy.

25 Share capital

	2021		2020	
	Number of shares	**Amount US$'000**	Number of shares	Amount US$'000
Group and Company				
Issued and fully paid with no par value				
At beginning and end of year	**211,908,869**	**88,183**	211,908,869	88,183

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.

The Company's subsidiaries do not hold any shares in the Company as of 30 June 2021 and 30 June 2020.

26 Treasury shares

	2021		2020	
	Number of shares	**Amount US$'000**	Number of shares	Amount US$'000
Group and Company				
Issued and fully paid with no par value				
At beginning and end of year	**3,444**	**(863)**	3,444	(863)

27 Other reserves

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Foreign currency translation reserve	**937**	(500)	**–**	–
Capital reserve	**45**	45	**45**	45
Fair value reserve	**–**	(5,468)	**–**	–
Other reserve	**(3,595)**	(3,595)	**–**	–
	(2,613)	(9,518)	**45**	45

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 16).

Other reserve

Other reserve mainly represents the net present value of the call and put options liability (Note 30).

28 Borrowings

	Group	
	2021	2020
	US$'000	US$'000
Non-current		
Loans from financial institutions [(a)]	**1,540**	9,610
Other borrowings[(b)]	**–**	5,296
	1,540	14,906
Current		
Loans from financial institutions	**11,034**	11,661
Other borrowings [(b)]	**–**	794
	11,034	12,455
	12,574	27,361

(a) Included in the loans from financial institutions amounting to US$6,800,000 in the previous financial year was a loan from OCAP Management Pte. Ltd. ("OCAP"). The loan was extended to IEG and the Company is the corporate guarantor of the loan. The loan was deconsolidated upon the commence of liquidation process of IEG group in 5 January 2021.

During the financial year, the Company received a letter of demand in respect of principal of US$6,800,000 and interest of US$358,000 from the provisional liquidators of OCAP (Note 37).

(b) In the previous financial year, TXZ Tankers Pte. Ltd. entered into financing arrangement whereby a vessel (Note 12) was secured by the Iolani Shipping Limited ("Iolani") for an amount of US$6,500,000. An amount of US$1,625,000 has been retained by the Iolani (Note 17) till maturity of the financing. Transaction costs of US$272,000 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$6,227,000 (Note 12). The loan was deconsolidated upon the commence of liquidation process of IEG group in 5 January 2021.

During the financial year, the Company, who was the guarantor of the financing arrangement, received a letter of demand from the counterparty in respect of US$10,696,000 (Note 37).

As at 30 June 2021, the Group had available US$Nil (2020: US$2,828,000) and US$756,000 (2020: US$707,000) of undrawn borrowings facilities and revolving credit facility respectively. The amount of US$2,828,000 was drawn down during the financial year ended 30 June 2021.

During the financial year, the Group breached a non-financial covenant for a loan from a financial institution amounting to US$3,631,000. Accordingly, an amount of US$2,452,000 of the above mentioned bank loan is reclassified as current. No further notice of default was presented to the Group.

In the prior financial year, the Group breached a non-financial covenant for a loan from a financial institution amounting to US$3,619,000. 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$2,082,000 of the above mentioned bank loan remain classified as non-current. No further notice of default was presented to the Group.

In addition, the Group breached a financial covenant for a trade financing facility in the prior financial year. The facility was halted by the financial institution and the Group obtained a new facility to replace the above facility in the current financial year.

28 Borrowings (cont'd)

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Carrying amount
Group				**US$'000**
2021				
Loans from financial institutions				
- secured	SGD	2% to 10%	2022 to 2026	6,051
- secured	RMB	4.35% to 4.5%	2021 to 2022	6,523
				12,574
2020				
Loans from financial institutions				
- secured	SGD	2.45% to 12.88%	2021 to 2025	5,111
- secured	USD	8.25% to 12%	2020 to 2027	8,500
- secured	RMB	2.3% to 5%	2020 to 2021	7,660
				21,271
Other borrowings (secured)	USD	14.89%	2027	6,090
				27,361

Loans from financial institutions and other borrowings are secured by the following:

i. fixed deposits of the Group;

ii. corporate guarantees by the Company and related parties;

iii. charges over shares of certain subsidiaries of the Company;

iv. personal guarantee(s) from a director of the Company and a former director of the Company and/or directors of subsidiaries;

v. pledge over a director's land;

vi. fixed and floating charge on all assets and undertakings of a subsidiary; and/or

vii. certain property and equipment.

29 Lease liabilities

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Current	**842**	728	**163**	–
Non-current	**1,342**	348	**277**	–
	2,184	1,076	**440**	–
Maturity analysis:				
- Year 1	**949**	763	**199**	–
- Year 2 to 5	**1,422**	362	**299**	–
	2,371	1,125	**498**	–
Less: unearned interests	**(187)**	(49)	**(58)**	–
	2,184	1,076	**440**	–

The Group's lease liabilities of US$32,000 (2020: US$31,000) was secured over certain medical and other equipment (Note 12).

Total Group's cash flows for lease amounted to $1,242,000 (2020: $1,046,000).

30 Trade and other payables

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Trade payables from:				
Third parties	**662**	9,557	**–**	–
Subsidiaries	**–**	–	**–**	89
	662	9,557	**–**	89
Other payables from:				
- Subsidiaries	**–**	–	**2,381**	1,589
- Former related party	**35**	35	**35**	35
- Associate	**–**	5	**–**	–
- Accrued purchases	**–**	3,670	**–**	–
- Accrued operating expenses	**1,183**	765	**180**	191
- Accrued personnel expenses	**401**	176	**183**	50
- Deposit received	**–**	354	**–**	354
- Consideration payables	**7,247**	6,291	**–**	–
- Consultancy and marketing fee payable	**–**	1,268	**–**	1,268
- Advance receipt of profit guarantee	**3,024**	2,828	**3,024**	2,828
- Management service fee payable	**–**	3,217	**–**	–
- Other payables	**998**	2,736	**714**	91
	12,888	21,345	**6,517**	6,406
Total trade and other payables	**13,550**	30,902	**6,517**	6,495
Represented by:				
Current	**7,815**	26,025	**6,517**	6,495
Non-current	**5,735**	4,877	**–**	–
	13,550	30,902	**6,517**	6,495

Trade payables are non-interest bearing and are generally settled on 30 to 90 days (2020: 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.

Consideration payables

Consideration payables includes an estimated amount of US$5,735,000 (2020: US$4,877,000) being the net present value of the put liability arising from the acquisition of medical clinics in 2019. The put liability relates to the put option held by the vendors to sell the non-controlling interests ("NCI") in the medical clinics to the Group and is measured based on a multiple of the future earnings of the medical clinics.

In conjunction with the acquisition, the vendor also granted a call option to the subsidiary to buy the remaining shares in the medical clinics at multiple of the future earnings of the medical clinics. The fair value of the call option is immaterial at 30 June 2021 and 2020.

30 Trade and other payables (cont'd)

Consultancy and marketing fee payable, management service fee payable and advance receipt of profit guarantee

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

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

In addition, the Company would assign 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 advance receipt of profit guarantee, 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.

During the financial year ended 30 June 2020, the Group and the Company recognised consultancy and marketing fee expense of US$1,268,000 in other operating expenses. As at 30 June 2020, included in other payables of the Group and Company were advance receipt of profit guarantee of US$2,828,000 and consultancy and marketing fee payable to the Entity in relation to the assignment of profits of Shanghai Fengwei from 1 January 2020 to 30 June 2020 of US$1,268,000.

During the financial year ended 30 June 2021, the consultancy and marketing fee payable of US$1,268,000 brought forward from the previous financial year was written back to current year profit or loss of the Group and the Company as the actual profit of Shanghai Fengwei for the period from 1 January 2020 to 30 June 2021 is lower than the guaranteed profit.

As at 30 June 2021, included in other payables of the Group and Company are advance receipt of profit guarantee of US$3,024,000 the consultancy and marketing fee payable to the Entity in relation to the assignment of profits of Shanghai Fengwei from 1 January 2020 to 30 June 2021 of US$Nil.

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

According to the Management Service Agreement, Shanghai Fengwei would 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. The management services agreement ended on 31 December 2020 and there is no further extension after the agreement expired.

The management service fee are charged by the Entity to Shanghai Fengwei on monthly basis. During the service period, Shanghai Fengwei's monthly profit after deduction of the management service fee should not be lower than the base profit of RMB1.1million (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 fee to Shanghai Fengwei.

During the financial year ended 30 June 2020, the Group recognised management service fee expense of US$6,416,000 in other operating expenses. As at 30 June 2020, the unpaid management service fee of US$3,217,000 was remained in the other payables of the Group.

During the financial year ended 30 June 2021, the Group recognised management service fee expense of US$3,444,000 in other operating expenses, being the management service fee charged by the Entity for the period from 1 July 2020 to 31 December 2020. The Group has made full payment of the outstanding management service fee of US$6,661,000 to the Entity during the current financial year. In addition, the management service fee were included as tax deductions in the calculation of income tax and the related input value added tax deducted with the output tax in the declaration of the value added tax during both the financial years ended 30 June 2020 and 30 June 2021.

During the current financial year, the Company appointed an independent reviewer to carry out an independent review on the two above-mentioned arrangement and as at the date of our report, the independent review report has not been finalised.

31 Contract liabilities

	Group	
	2021	2020
Group	**US$'000**	US$'000
Deferred income	**153**	157

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.

32 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts balance sheet date are follows:

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Financial assets				
Derivative financial instruments	**–**	1,495	**–**	–
Financial asset at fair value through other comprehensive income	**–**	17,192	**–**	–
Financial assets at amortised cost	**14,100**	38,458	**483**	4,119
Financial liabilities				
Derivative financial instruments	**–**	350	**–**	–
Lease liabilities	**2,184**	1,076	**440**	–
Financial liabilities at fair value through profit or loss	**5,735**	4,877	**–**	–
Financial liabilities at amortised cost	**17,365**	50,558	**3,493**	3,607

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

b) Financial risk management

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.

32 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Foreign currency risk

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 Dollar.

	Assets		Liabilities	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Group				
Singapore Dollar	**326**	6,324	**8,380**	17,173
Company				
Singapore Dollar	**368**	788	**6,468**	4,928

Sensitivity analysis for foreign currency risk

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		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Loss before tax				
Singapore Dollar	**(805)**	(984)	**(610)**	(414)

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

Interest rate risk

The Group's exposure to interest rate risk relates primarily to debt obligations. The interest rates for borrowings are stated in Note 28 to the financial statements.

The Group may from time to time enter into derivative financial instruments (Note 22). There are no outstanding derivative financial instruments as at 30 June 2021.

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/decrease by US$44,000 (2020: Loss before tax would decrease/increase by US$157,000). The Company's loss before tax would increase/decrease by US$1,000 (2020: US$4,000). This is mainly attributable to the Group's and Company's exposure to variable interest bearing bank balance and bank loans.

32 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group's trades only with recognised and creditworthy third parties. For customers who wish to trade on credit terms, the Group will take into account the quantity of the customer order, background and creditworthiness of the customer, payment history of the customer and relationship with the customer.

Maximum exposure and concentration of credit risk

Trade receivables consist of a number of customers from the healthcare industries. The Group does not have any significant credit risk exposure to any single counterparty or any group of related counterparties.

At the end of the reporting period, 18% (2020: 54%) of the Group's trade receivables were due from 2 major debtors. The Company has no significant concentration of credit risk except for the amounts due from subsidiaries as disclosed in Note 17.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the amount of US$2,639,000 (2020: US$12,911,000) relating to corporate guarantees given by the Company to banks for the subsidiaries' bank borrowings (Note 28).

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	**Basis for recognition and measurement of ECL**
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 365 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset 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 such as future economic and industry outlook, that is available without undue cost or effort.

32 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant change in the operating results of the customer;
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in operating results of the customer.

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.

Regardless of the evaluation of the above factors, 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 also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and 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.

Definition of default

The Group considers information developed internally or obtained from external sources that indicates that the customer is unlikely to pay its creditor, including the Group as constituting an event of default for internal credit risk management purpose. Based on historical experience, it indicates that receivables that meet the criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 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 such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

32 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Movements in credit loss allowance

Movements in allowance for expected credit losses are as follows:

	Trade receivables		Other receivables	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Group				
Balance at 1 July	**4,167**	218	**4,173**	833
Loss allowance measured/(reversed):				
Lifetime ECL				
- simplified approach	**27**	(170)	**–**	–
- credit impaired	**–**	4,119	**8**	3,340
Derecognised due to loss of control of subsidiaries	**(4,119)**	–	**(2,621)**	–
Balance at 30 June	**75**	4,167	**1,560**	4,173

	Other receivables	
	2021	2020
	US$'000	U$'000
Company		
Balance at 1 July	**2,182**	1,359
Loss allowance measured/(reversed):		
Lifetime ECL - credit-impaired	**1,823**	843
Allowance written off	**(812)**	–
Currency translation differences	**–**	(20)
Balance at 30 June	**3,193**	2,182

32 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

Under the simplified approach, for trade receivables that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL.

The Group categorises the remaining trade receivables based on days past due. The Group estimates the expected credit loss rates for each category of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions affecting the ability of the customers to settle the receivables. In view of the current COVID-19 pandemic, the Group has considered the impact of the pandemic on the performance and liquidity of its trade receivables and in particular, whether there are significant decline in the repayment ability of its debtors.

There has been no change in the estimation techniques or significant assumptions made during the current financial year except for reassessments made of the current COVID-19 effects on the historical default rates of each past due category of its trade receivables.

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 Group's credit risk exposure in relation to trade receivables, retention sums and contract assets under SFRS(I) 9 at the reporting date are set out in the provision matrix below:

	Group					
	Trade receivables – days past due					
	Not past due	**<30 days**	**31 – 90 days**	**> 90 days**	**Credit-impaired**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2021						
Gross receivables	4,145	860	904	177	–	6,086
Loss allowance	–	–	–	(75)	–	(75)
						6,011
2020						
Gross receivables	6,236	4,196	769	956	4,918	17,075
Loss allowance	–	–	–	(48)	(4,119)	(4,167)
						12,908

32 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Credit quality of the financial assets at amortised cost and contract assets

The table below details the credit quality of the Group's and the Company's other financial assets at the reporting date:

Group

2021	**12-month or lifetime ECL**	**Gross carrying amount US$'000**	**Loss allowance US$'000**	**Net carrying amount US$'000**
Other receivables and deposits	12-month ECL	**1,064**	**–**	**1,064**
	Lifetime ECL	**199**	**(199)**	**–**
Consideration receivables	Lifetime ECL	**1,361**	**(1,361)**	**–**
Cash and cash equivalents with financial institutions	N.A. Exposure limited	**7,025**	**–**	**7,025**
2020				
Former related party	Lifetime ECL	2,621	(2,621)	–
Other receivables, related parties and deposits	12-month ECL	4,878	–	4,878
	Lifetime ECL	199	(191)	8
Consideration receivables	Lifetime ECL	2,311	(1,361)	950
Cash and cash equivalents with financial institutions	N.A. Exposure limited	19,714	–	19,714
Contracts assets	12-month ECL	3,933	–	3,933

Company

2021	**12-month or lifetime ECL**	**Gross carrying amount US$'000**	**Loss allowance US$'000**	**Net carrying amount US$'000**
Loan to subsidiaries	Lifetime ECL	**1,832**	**(1,832)**	**–**
	12-month ECL	**303**	**–**	**303**
Other receivables and deposits	12-month ECL	**108**	**–**	**108**
Consideration receivables	Lifetime ECL	**1,361**	**(1,361)**	**–**
Cash and cash equivalents with financial institutions	N.A. Exposure limited	**72**	**–**	**72**

32 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Credit quality of the financial assets at amortised cost and contract assets (cont'd)

The table below details the credit quality of the Group's and the Company's other financial assets at the reporting date (cont'd):

Company

2020	12-month or lifetime ECL	Gross carrying amount US$'000	Loss allowance US$'000	Net carrying amount US$'000
Former related party	Lifetime ECL	7	–	7
Subsidiaries	Lifetime ECL	821	(821)	–
	12-month ECL	2,710	–	2,710
Related parties	12-month ECL	20	–	20
Consideration receivables	Lifetime ECL	2,311	(1,361)	950
Cash and cash equivalents with financial institutions	N.A. Exposure limited	432	–	432

Credit risk exposure in relation to financial assets at amortised cost (other than trade receivables and contract assets) are insignificant, and accordingly no credit loss allowance is recognised as at 30 June 2021 and 30 June 2020.

Financial guarantee

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have sufficient financial capacity to meet the contractual cash flow obligations and does not expect significant credit losses arising from these guarantees.

Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both expected interest and principal cash flows.

32 **Financial instruments (cont'd)**

b) Financial risk management (cont'd)

Liquidity risks (cont'd)

Group

Financial liabilities	**Weighted average effective interest rate**	**On demand or within 1 year** US$'000	**Within 2 to 5 years** US$'000	**Adjustment** US$'000	**Total** US$'000
2021					
Trade and other payables	–	4,791	5,735	–	10,526
Leases	4.38%	949	1,422	(187)	2,184
Borrowings -fixed interest rate	4.38%	9,191	1,657	(393)	10,455
Borrowings -variable interest rate	3.27%	2,170	27	(78)	2,119
		17,101	**8,841**	**(658)**	**25,284**
2020					
Trade and other payables	–	23,547	4,877	–	28,074
Leases	4.38%	763	362	(49)	1,076
Borrowings -fixed interest rate	9.24%	12,217	17,311	(5,786)	23,742
Borrowings -variable interest rate	4.13%	1,600	2,352	(333)	3,619
		38,127	24,902	(6,168)	56,861

Company

Financial liabilities	**Weighted average effective interest rate**	**On demand or within 1 year** US$'000	**Within 2 to 5 years** US$'000	**Adjustment** US$'000	**Total** US$'000
2021					
Trade and other payables	–	3,493	–	–	3,493
Leases	10%	199	299	(58)	440
		3,692	299	(58)	3,933
2020					
Trade and other payables	–	3,667	–	–	3,667

32 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risks (cont'd)

The Company has issued corporate guarantees to several banks for banking facilities granted to subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the facilities drawn. The earliest period that the guarantees could be called is within 1 year (2020: 1 year) from the end of the reporting period. The maximum amount that the Company could be forced to settle under these financial guarantee contracts, if the full guaranteed amount is claimed, is $2,639,000 (2020: $17,945,000). The Company considers that it is more likely than not that no amount will be payable in respect of the financial guarantees as its subsidiaries have the financial capacity to meet the contractual cash flow obligations, hence the Company has not recognised any liability in respect of the corporate guarantees.

33 Fair value of assets and liabilities

Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Group				
Financial assets:				
2021				
Financial asset at fair value through profit or loss (Note 24)	–	–	–	–
Financial asset at fair value through other comprehensive income (Note 16)	–	–	–	–
2020				
Derivative financial instruments:				
- Oil commodity futures	–	1,495	–	1,495
Financial asset at fair value through other comprehensive income (Note 16)	–	–	17,192	17,192

33 Fair value of assets and liabilities (cont'd)

Fair value hierarchy (cont'd)

	Level 1	Level 2	Level 3	Total
	US$'000	**US$'000**	**US$'000**	**US$'000**
Group				
Financial liabilities:				
2021				
Financial liabilities at fair value through profit or loss				
- Other payables	**–**	**–**	**5,735**	**5,735**
2020				
Derivative financial instruments:				
- Oil commodity futures	–	350	–	350
Financial liabilities at fair value through profit or loss				
- Other payables	–	–	4,877	4,877

a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 fair values of other payables at the end of the reporting period is disclosed in Note 30. If the fair value increases/decreases by 10% from management's estimates, the Group's loss before tax would increase/decrease by US$574,000 (2020: US$488,000).

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.

Movements in Level 3 assets measured at fair value

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements:

	Financial assets at fair value through other comprehensive income		Financial liabilities at fair value through profit or loss	
	2021 US$'000	2020 US$'000	**2021 US$'000**	2020 US$'000
Group				
Balance at beginning of financial year	**5,468**	2,923	**4,877**	3,596
Fair value loss recognised in other comprehensive income	**–**	2,545	**–**	–
Fair value loss recognised in profit or loss	**–**	–	**858**	1,281
Loss of control over subsidiaries	**(5,468)**	–	**–**	–
Balance at end of financial year	**–**	5,468	**5,735**	4,877

33 Fair value of assets and liabilities (cont'd)

Movements in Level 3 assets measured at fair value (cont'd)

The fair value of financial liabilities at FVTPL is estimated based on the management approved five year forecast of the Target Annual Audited Net Profit after tax at a pre-tax discount rate of 11.51% (2020:13.98%), with 2% (2020: 2%) terminal growth rate.

The fair value of financial assets at FVTOCI at the end of the previous reporting period is disclosed in Note 16 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$1,719,000 in the financial year ended 30 June 2020.

34 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 28).

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.

35 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 financial year on terms agreed by the parties concerned:

	Group	
	2021	2020
	US$'000	US$'000
Lease payments (rental)^	**(454)**	(256)
Consideration received on behalf by a shareholder	**–**	2,828

^ Relates to lease payments amounting to US$454,000 (2020: US$256,000) for the year ended 30 June 2021 by Shanghai Fengwei Garment Accesory Co., Ltd ("SHFW") to a company owned by a substantial shareholder of the Company.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows (including discontinued operation):

	Group	
	2021	2020
	US$'000	US$'000
Short-term benefits	**2,544**	2,658
Post-employment benefits	**101**	120
	2,645	2,778

Included in the above is remuneration to directors of the Company amounting to US$178,000 (2020: US$442,000), excluding directors' fee which is disclosed in Note 6 to the financial statements.

36 Commitments

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2021	2020
Group and Company	**US$'000**	US$'000
Capital commitment in respect of intangible assets	**125**	–

Operating lease arrangements

	2021	2020
Group	**US$'000**	US$'000
Dry Docking		
Estimated dry docking commitment	**–**	1,000

Sale and purchase commitments

	2021	2020
Group	**US$'000**	US$'000
Dry Docking		
Sale of oil products	**–**	18,422
Purchases of oil products	**–**	(16,986)

37 Contingent liabilities

Guarantees

The Company has provided corporate guarantees of US$2,639,000 (2020: US$12,911,000) to banks borrowings of US$1,906,000 (2020: US$16,484,000) drawn down by its subsidiaries at the end of reporting date (Note 28).

Legal claim

(a) The Company alleged to be the corporate guarantor for a loan (Note 28) extended by OCAP Management Pte. Ltd. ("OCAP") to IEG. On 8 January 2021, the Company received a letter of demand from the provisional liquidators of OCAP for the sum of US$7,158,000 (principal of US$6,800,000 and interest of US$358,000) plus accrued interest which will continue to accrued in accordance with the terms of loan agreement in respect of the loan facilities extended to IEG.

(b) The Company is alleged to be a corporate guarantor to a lease financing arrangement of the bare boat charter agreement entered into by its subsidiary, TXZ Tankers Pte Ltd with Iolani Shipping Limited ("Iolani"). On 7 June 2021, the Company received a letter of demand Iolani for an alleged sum of US$10,696,000 plus any interest which is alleged to continue to accrue in accordance with the terms of the NSG Guarantee. The Company also received a reservation of right in respect of the boat charter agreement.

The Company has sought legal advice from its lawyers. No provision for any liability in connection with the claims has been made in these financial statements. The management is in active discussion with OCAP and Iolani to reach an amicable conclusion.

38 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:

- 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 manufacturing of healthcare consumables.
- Others - general corporate activities and others
- 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. This segment has been classified as discontinued operation in current financial year (Note 9).

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.

38 Operating segments (cont'd)

	Continuing operations		Discontinued operation			
	Healthcare	**Others**	**Oil and gas**	**Total**	**Adjustments**	**Per consolidated financial statements**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2021						
Segment revenue						
- Sales to external customers	42,039	–	18,397	60,436	(18,397)	42,039
Segment results						
- Other income	1,736	87	45	1,868	(45)	1,823
- Amortisation of intangible assets	(106)	–	–	(106)	–	(106)
- Depreciation of property, plant and equipment *	(1,601)	(4)	(299)	(1,904)	299	(1,605)
- Depreciation of rights-of-use assets	(1,304)	(86)	(85)	(1,475)	85	(1,390)
- Net fair value on derivative financial instruments	–	–	2	2	(2)	–
- Other non-cash items	(529)	(342)	(2,755)	(3,626)	2,755	(871)
- Finance costs	(495)	(418)	(1,008)	(1,921)	1,008	(913)
Segment profit/(loss)	744	(686)	(18,157)	(18,099)	18,157	58
Segment assets and liabilities						
- Segment assets	42,343	1,901	–	44,244	–	44,244
- Segment liabilities	22,475	6,499	–	28,974	–	28,974
- Capital expenditure	(4,583)	(5)	(336)	(4,924)	336	(4,588)

* Comprises depreciation of property, plant and equipment included in changes in inventories of finished goods

38 Operating segments (cont'd)

	Continuing operations		Discontinued operation			
	Healthcare	Others	Oil and gas	Total	Adjustments	Per consolidated financial statements
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2020						
Segment revenue						
- Sales to external customers	49,529	–	325,439	374,968	(325,439)	49,529
Segment results						
- Other income	1,453	173	1,504	3,130	(1,504)	1,626
- Amortisation of intangible assets	(274)	–	–	(274)	–	(274)
- Depreciation of property, plant and equipment *	(590)	(1)	(709)	(1,300)	709	591
- Depreciation of rights-of-use assets	(1,176)	–	(170)	(1,346)	170	(1,176)
- Net fair value on derivative financial instruments	1	–	(234)	(233)	234	1
- Other non-cash items	(838)	(1,235)	(5,642)	(7,715)	5,642	(2,073)
- Finance costs	(933)	100	(1,936)	(2,769)	1,936	(833)
Segment profit/(loss)	1,786	(4,390)	(5,590)	(8,194)	5,590	(2,604)
Segment assets and liabilities						
- Segment assets	46,419	1,572	46,052	94,043	–	94,043
- Segment liabilities	27,549	4,999	28,425	60,973	–	60,973
- Capital expenditure	(139)	(7)	(4)	(150)	–	(150)

* Comprises depreciation of property, plant and equipment included in changes in inventories of finished goods

38 Operating segments (cont'd)

Geographical information

	Group	
	2021	2020
	US$'000	US$'000 (Restated)
Australia	**89**	67
Bahrain	**774**	–
Cambodia	**16,809**	108,089
China	**28,999**	38,011
India	**–**	2,454
Portugal	**814**	–
Singapore	**12,950**	221,928
South Korea	**–**	722
Switzerland	**–**	1,326
United Arab Emirates	**–**	2,367
Vietnam	**1**	4
Total revenue	**60,436**	374,968
Discontinued operation	**(18,397)**	(325,439)
Continued operations	**42,039**	49,529
Non-current assets		
China	**10,141**	9,711
Singapore	**16,378**	20,562
	26,519	30,273

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

There are no major customers in the continuing operations segment for the financial year ended 30 June 2021 and 30 June 2020.

In the previous financial year, there are 4 major customers in the discontinued oil and gas segment, who individually contributed 10% or more of the Group's revenue.

	Group
	2020
	US$'000
Customer 1	108,089
Customer 2	100,589
Customer 3	47,035
Customer 4	43,369
	299,082

39 Equity-settled share-based payment transactions

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 under the NSPSP.

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

40 Significant event

In the previous financial year, 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 former Directors of the Company and certain former senior management and management were 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.

41 Basis for disclaimer opinion on the financial statements for the financial year ended 30 June 2020

The independent auditor's report dated 14 October 2020 contained a disclaimer of opinion on the financial statements for the financial year ended 30 June 2020. The extract of the basis for disclaimer of opinion, which should be read in conjunction with the Group's 2020 Annual Report as all figures and references are in respect of the financial statements for the financial year ended 30 June 2020, is as follows:

Disclaimer of Opinion

The former auditor did 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 their report, the former auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

(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").

(a) <u>Management Service Agreement (between Shanghai Fengwei and the Entity)</u>

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.

41 Basis for disclaimer opinion on the financial statements for the financial year ended 30 June 2020 (cont'd)

Disclaimer of Opinion (cont'd)

(a) Management service agreement and management agreement (Note 19) (cont'd)

(a) Management Service Agreement (between Shanghai Fengwei and the Entity) (cont'd)

The management service fee 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 fee 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 fee of US$6,415,689 (Note 10) 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 fee to the Entity and the remaining unpaid amount of US$3,216,693 is recorded as part of other payables (Note 30) in the consolidated statement of financial position. The management service fee 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.

(b) 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 fee in other operating expenses in the profit or loss (Note 30).

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.

The former auditor was unable to obtain sufficient appropriate audit evidence, although management provided responses and explanations relating to the former auditor inquiries for the above-mentioned agreements, on the following matters:

- 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;
- in relation to the Management Service Agreement, the business rationale and commercial substance regarding the management service fee 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 fee, 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.

41 Basis for disclaimer opinion on the financial statements for the financial year ended 30 June 2020 (cont'd)

Disclaimer of Opinion (cont'd)

(a) Management service agreement and management agreement (Note 19) (cont'd)

Consequently, the former auditor 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, the former auditor 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, the former auditor 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.

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

42 Authorisation of 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 financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors dated 13 October 2021.

STATISTICS OF SHAREHOLDINGS

AS AT 20 SEPTEMBER 2021

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	15,648	61.19	191,757	0.09
100 - 1,000	6,833	26.72	2,759,221	1.32
1,001 - 10,000	2,376	9.29	8,270,854	3.97
10,001 - 1,000,000	693	2.71	36,019,602	17.28
1,000,001 and above	24	0.09	161,223,235	77.34
Total	25,574	100.00	208,464,669	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 20 SEPTEMBER 2021

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	15,318,333	7.35
4	DBS NOMINEES PTE LTD	13,186,940	6.32
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	9,354,953	4.49
8	PHILLIP SECURITIES PTE LTD	8,765,748	4.20
9	WANG HUINUO	8,600,000	4.13
10	WTL CAPITAL HOLDINGS PTE LTD	5,473,685	2.63
11	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	5,425,107	2.60
12	OCBC SECURITIES PRIVATE LTD	3,351,870	1.61
13	CITIBANK NOMINEES SINGAPORE PTE LTD	2,988,498	1.43
14	KEE KENG HSIUNG	2,257,508	1.08
15	KGI SECURITIES (SINGAPORE) PTE. LTD	2,000,205	0.96
16	QUANTUM HEALTH PTE LTD	2,000,000	0.96
17	UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED	1,958,941	0.94
18	RONNIE POH TIAN PENG	1,401,000	0.67
19	OCBC NOMINEES SINGAPORE PTE LTD	1,315,038	0.63
20	LIM CHER KHIANG	1,204,705	0.58
		156,703,635	**75.17**

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. The Company has complied with this requirement. As at 20 September 2021, approximately 60.34% of its shares listed on Singapore Exchange Securities Trading Limited were held by the public.

SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2021
(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	Andrew Chua Soon Kian	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-Eighth Annual General Meeting of **NEW SILKROUTES GROUP LIMITED** (the "**Company**") will be held by way of electronic means on **Friday, 29 October 2021** 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 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Article 91 and Article 97 of the Company's Constitution:

Mr Shen Yuyun	(retiring under Article 91)	**(Resolution 2)**
Mr Chua Siong Kiat Alex	(retiring under Article 91)	**(Resolution 3)**
Dr VicPearly Wong Hwei Pink	(retiring under Article 97)	**(Resolution 4)**
Mr Lim Eng Seng	(retiring under Article 97)	**(Resolution 5)**

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

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

Dr VicPearly Wong Hwei Pink will, upon re-election as Director of the Company, remain as an Executive Director and Chief Executive Officer.

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

3. To approve the payment of Directors' fees of S$180,000 to the independent and/or non-executive Directors of the Company for the financial year ending 30 June 2022 to be paid quarterly in arrears. **(Resolution 6)**

4. To re-appoint Baker Tilly TFW LLP as the Auditors of the Company, to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **(Resolution 7)**

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

AS SPECIAL BUSINESS

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

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

(a) (i) allot and issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit;

(iii) allot and issue additional securities issued pursuant to Rule 829 of the Listing Manual;

(iv) allot and issue shares arising from the conversion of securities in (ii) and (iii) above; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments or securities in (a)(ii) and (iii) above made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

    (a) new shares arising from the conversion or exercise of any convertible securities;

    (b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

    (c) any subsequent bonus issue, consolidation or subdivision of shares,

    Adjustments in accordance with (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 8)**

[See Explanatory Note (i)]

7. **Authority to allot and issue shares under the New Silkroutes Performance Share Plan 2017**

That the Board of Directors of the Company be and is hereby authorised to offer and grant awards ("**Awards**") in accordance with the provisions of the New Silkroutes Performance Share Plan 2017 (the "**PSP**") and, pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the SGX-ST, to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be issued pursuant to the vesting of Awards under the PSP, provided always that the total number of new shares to be allotted and issued pursuant to the Awards granted under the PSP, when added to the number of shares issued and issuable in respect of all Awards granted under the PSP and any other share scheme, shall not exceed 15% of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company on the day preceding the date of the Award.

(Resolution 9)

[See Explanatory Note (ii)]

By Order of the Board

Ong Beng Hong
Company Secretary

Singapore, 14 October 2021

Explanatory Notes:

(i) The Ordinary Resolution 8, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The Ordinary Resolution 9 proposed in item 7 above, if passed, will empower the Directors of the Company, to allot and issue shares in the Company pursuant to the vesting of awards granted under the PSP of up to a number which when added to the number of new shares issued and issuable in respect of all awards granted under the PSP or any other share scheme shall not exceed in total 15% of the issued shares (excluding treasury shares) in the capital of the Company from time to time. The PSP was first approved by the shareholders of the Company in the Extraordinary General Meeting held on 21 July 2017. Please refer to the Company's Circular to Shareholders dated 5 July 2017 for further details.

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 14 October 2021 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 29 October 2021" 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 26 October 2021, at the URL https://online.meetings.vision/newsilkroutes-agm-registration. 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 28 October 2021. 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 26 October 2021:

(a) via the pre-registration website at the URL https://online.meetings.vision/newsilkroutes-agm-registration;

(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 29 October 2021" 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 19 October 2021.

(7) The Annual Report for the financial year ended 30 June 2021 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.

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 14 October 2021 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 29 October 2021" which has been uploaded together with the Notice of Annual General Meeting dated 14 October 2021 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 19 October 2021.

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, 29 October 2021 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*
	Ordinary Business			
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2021			
2	Re-election of Mr Shen Yuyun as a Director			
3	Re-election of Mr Chua Siong Kiat Alex as a Director			
4	Re-election of Dr VicPearly Wong Hwei Pink as a Director			
5	Re-election of Mr Lim Eng Seng as a Director			
6	Approval of Directors' fees amounting to S$180,000 for the financial year ending 30 June 2022			
7	Re-appointment of Baker Tilly TFW LLP as Auditors			
	Special Business			
8	Authority to allot and issue shares			
9	Authority to allot and issue shares under the New Silkroutes Performance Share Plan 2017			

* 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 ______________ 2021

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

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Singapore 048544

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