

NEW SILKROUTES GROUP LIMITED
Financial Statement and Dividend Announcement For The Year Ended 30 June 2019

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 4TH QUARTER ENDED			GROUP FULL YEAR ENDED		
	30/06/19 US\$'000	30/06/18 US\$'000	Change %	30/06/19 US\$'000	30/06/18 US\$'000	Change %
Revenue	155,826	193,412	-19%	605,021	692,532	-13%
Other income	93	1,111	-92%	814	1,620	-50%
Purchases of finished goods	(151,562)	(195,343)	-22%	(574,875)	(691,368)	-17%
Changes in inventories of finished goods	147	5,503	-97%	(14,362)	9,042	NM
Employee benefits expense	(2,663)	(1,902)	40%	(9,209)	(6,351)	45%
Amortisation of intangible assets	(62)	(46)	35%	(228)	(174)	31%
Depreciation of plant and equipment	(238)	(58)	310%	(750)	(186)	303%
Net fair value gain/(loss) on derivative financial instruments	821	(2,504)	NM	1,286	(688)	NM
Other operating expenses	(1,048)	(2,293)	-54%	(4,524)	(5,605)	-19%
Finance costs	(771)	(535)	44%	(2,816)	(1,682)	67%
Share of results of associates, net of tax	-	(50)	NM	-	(111)	NM
Profit/(Loss) before taxation	543	(2,705)	NM	357	(2,971)	NM
Taxation	(4)	(5)	-20%	(250)	11	NM
Profit/(Loss) for the year	539	(2,710)	NM	107	(2,960)	NM
Other comprehensive (loss)/income after tax:						
Item that will not be reclassified subsequently to profit or loss						
Fair value loss on equity investments at fair value through other comprehensive income	(2,090)	-	NM	(2,090)	-	NM
Items that may be reclassified subsequently to profit or loss						
Fair value loss on available-for-sale investment	-	(987)	NM	-	(987)	NM
Foreign currency translation	(342)	(36)	850%	(232)	72	NM
Other comprehensive income for the year, net of tax	(2,432)	(1,023)	138%	(2,322)	(915)	154%
Total comprehensive loss for the year	(1,893)	(3,733)	-49%	(2,215)	(3,875)	-43%
Profit/(Loss) attributable to:						
Owners of the company	227	(2,740)	NM	(684)	(3,124)	-78%
Non-controlling interests	312	30	940%	791	164	382%
	539	(2,710)	NM	107	(2,960)	NM
Total comprehensive (loss)/income attributable to:						
Owners of the company	(2,151)	(3,748)	-43%	(2,957)	(4,076)	-27%
Non-controlling interests	258	15	1620%	742	201	269%
	(1,893)	(3,733)	-49%	(2,215)	(3,875)	-43%
Notes (The expenses below are included in "Other operating expenses" above):						
Foreign exchange gain/(loss)	57	4	1325%	(110)	5	NM
Reversal of/(Allowance for) impairment losses on trade and other receivables	25	(1,177)	NM	25	(1,177)	NM

NM - not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP			COMPANY		
	30/06/2019 US\$'000	30/06/2018 US\$'000	01/07/2017 US\$'000	30/06/2019 US\$'000	30/06/2018 US\$'000	01/07/2017 US\$'000
ASSETS						
Non-current assets						
Plant and equipment	9,964	962	421	1	5	10
Intangible assets and goodwill	20,098	6,429	4,791	-	-	-
Subsidiaries	-	-	-	46,436	31,993	29,904
Associates	-	-	402	-	-	-
Available-for-sale investments	-	21,673	14,090	-	-	-
Financial assets at fair value through other comprehensive income	19,583	-	-	-	-	-
Other receivables	3,073	1,900	-	900	1,900	-
Deferred tax assets	199	37	-	-	-	-
Total non-current assets	52,917	31,001	19,704	47,337	33,898	29,914
Current assets						
Inventories	1,655	14,309	5,267	-	-	-
Trade and other receivables	31,512	24,046	26,517	6,205	5,629	11,200
Contract assets	18,288	135	-	-	-	-
Prepayments	826	2,773	5,475	17	19	27
Derivative financial instruments	-	-	136	-	-	-
Cash and bank balances	18,357	32,883	30,870	215	5,987	251
Total current assets	70,638	74,146	68,265	6,437	11,635	11,478
Total assets	123,555	105,147	87,969	53,774	45,533	41,392
EQUITY AND LIABILITIES						
Equity						
Share capital	88,183	78,076	71,179	88,183	78,076	71,179
Treasury shares	(863)	(863)	(510)	(863)	(863)	(510)
Other reserves	(6,776)	(241)	734	45	711	734
Accumulated losses	(36,063)	(35,379)	(32,255)	(39,310)	(37,329)	(31,979)
	44,481	41,593	39,148	48,055	40,595	39,424
Non-controlling interests	1,338	784	384	-	-	-
Total equity	45,819	42,377	39,532	48,055	40,595	39,424
Non-current liabilities						
Deferred tax liabilities	668	386	413	-	-	-
Borrowings	3,730	3,872	201	-	3,737	2
Other payables	3,596	-	-	-	-	-
Total non-current liabilities	7,994	4,258	614	-	3,737	2
Current liabilities						
Trade and other payables	46,244	35,266	27,489	2,093	1,199	1,356
Contract liabilities	155	7,750	10,841	-	-	-
Borrowings	22,883	14,542	9,452	3,626	2	610
Income tax payable	455	72	41	-	-	-
Derivative financial instruments	5	882	-	-	-	-
Total current liabilities	69,742	58,512	47,823	5,719	1,201	1,966
Total liabilities	77,736	62,770	48,437	5,719	4,938	1,968
Total equity and liabilities	123,555	105,147	87,969	53,774	45,533	41,392

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 30 June 2019		As at 30 June 2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Borrowings	19,257	3,626	14,542	-

Amount repayable after one year

	As at 30 June 2019		As at 30 June 2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Borrowings	3,730	-	135	3,737

Details of any collateral

The Group's borrowings are secured by,

- (a) security over certain plant and equipment;
- (b) pledge(s) over fixed deposits of US\$0.451m;
- (c) corporate guarantee from the Company and related parties;
- (d) personal guarantee(s) from directors of subsidiaries; and
- (e) pledge over a related party's land.

- 1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP FULL YEAR ENDED	
	30/06/2019 US\$'000	30/06/2018 US\$'000
OPERATING ACTIVITIES		
Profit/(Loss) before taxation	357	(2,971)
Adjustments for:-		
Amortisation of intangible assets	228	174
Depreciation of plant and equipment	818	186
Gain on disposal of associate	-	(301)
Finance costs	2,816	1,682
Finance income	(14)	(5)
(Reversal of)/Allowance for impairment losses on trade and other receivables	(25)	1,177
Loss on deregistration/disposal of subsidiaries	294	-
Net fair value (gain)/loss on derivative financial instruments	(1,286)	688
Unrealised foreign exchange differences	(177)	(46)
Plant and equipment written off	23	20
Share of results of associates	-	111
Operating profit before working capital changes	3,034	715
Increase/decrease in:		
Inventories	13,894	(9,042)
Trade and other receivables	(6,408)	(6,532)
Contract assets	(18,153)	(135)
Prepayments	2,016	499
Trade and other payables	7,907	7,724
Contract liabilities	(7,595)	(3,091)
Cash used in operations	(5,305)	(9,862)
Income tax paid	(210)	(37)
Net cash flows used in operating activities	(5,515)	(9,899)
INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired (Notes A & B)	(14,826)	178
Acquisition of plant and equipment	(224)	(310)
Disposal of subsidiaries, net of cash outflow	(145)	-
Interest received	14	5
Proceeds from disposal of associate	-	593
Net cash flows (used in)/from investing activities	(15,181)	466
FINANCING ACTIVITIES		
Restricted cash	9,425	3,284
Dividends paid to the non-controlling interests of the subsidiaries	(510)	-
Interest paid	(2,870)	(1,658)
Pledged fixed deposits	(338)	-
Proceeds from issuance of convertible loan note	-	3,737
Proceeds from issuance of shares pursuant to exercise of warrants	128	2
Proceeds from placement of shares	9,313	4,813
Proceeds from short-term loans	32,174	58,940
Proceeds from disposal of treasury shares	-	318
Purchase of treasury shares	-	(694)
Repayment of finance lease payables	(10)	(2)
Repayment of short-term loans	(31,738)	(53,925)
Net cash flows from financing activities	15,574	14,815
Net (decrease)/increase in cash and cash equivalents	(5,122)	5,382
Cash and cash equivalents at beginning of the year	11,973	6,581
Effect of exchange rate differences in cash and cash equivalents	(30)	10
Cash and cash equivalents at end of financial year	6,821	11,973
Cash and cash equivalents comprise the following:		
Cash and bank balances	18,357	32,883
Less: Bank overdrafts	-	(279)
Less: Fixed deposits pledged	(451)	(121)
Less: Restricted cash	(11,085)	(20,510)
Cash and cash equivalents at end of financial year	6,821	11,973

Acquisition of subsidiaries, net of cash acquired

Note A

30 June 2019
At fair value
US\$'000

Total assets	14,234
Total liabilities	10,092
Total identifiable net assets	4,142
Less: Non-controlling interests	(173)
Add: Goodwill arising from acquisition	13,525
Total consideration	17,494
Less: Consideration payable	(1,465)
Consideration paid by cash	16,029
Less: Cash and cash equivalents of subsidiary acquired	(1,203)
Cash outflow on acquisition per consolidated statement of cash flows	14,826

Note B

30 June 2018
At fair value
US\$'000

Total assets	830
Total liabilities	167
Total identifiable net assets	663
Less: Non-controlling interests	(199)
Total identifiable net assets attributable to the Group	464
Add: Goodwill arising from acquisition	1,618
Total consideration	2,082
Consideration paid by issuance of shares	(2,082)
Less: Cash and cash equivalents of subsidiaries acquired	(178)
Cash inflow on acquisition per consolidated statement of cash flows	(178)

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Treasury shares	Warrant reserve	Capital reserve	Other reserve	Fair value reserve	Translation reserve	Accumulated losses	Equity attributable to owners of the Company	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	US\$'000
GROUP											
Balance as at 1 July 2018											
- As previously reported	78,076	(863)	666	45	-	(987)	508	(35,852)	41,593	784	42,377
- Effect of adoption SFRS(I)	-	-	-	-	-	-	(473)	473	-	-	-
As restated	78,076	(863)	666	45	-	(987)	35	(35,379)	41,593	784	42,377
(Loss)/Profit for the year	-	-	-	-	-	-	-	(684)	(684)	791	107
Other comprehensive income											
- Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	(2,090)	-	-	(2,090)	-	(2,090)
- Foreign currency translation	-	-	-	-	-	-	(183)	-	(183)	(49)	(232)
Total comprehensive income/(loss) for the year	-	-	-	-	-	(2,090)	(183)	(684)	(2,957)	742	(2,215)
Contributions by and distributions to owners											
- Issue of shares	9,313	-	-	-	-	-	-	-	9,313	-	9,313
- Exercise of warrants	153	-	(25)	-	-	-	-	-	128	-	128
- Expiry of warrants	641	-	(641)	-	-	-	-	-	-	-	-
- Deregistration/disposal of subsidiaries	-	-	-	-	-	-	-	-	-	149	149
- Dividends	-	-	-	-	-	-	-	-	-	(510)	(510)
Changes in ownership interests in subsidiaries											
- Acquisition of subsidiaries	-	-	-	-	(3,596)	-	-	-	(3,596)	173	(3,423)
Transactions with owners recognised directly in equity	10,107	-	(666)	-	(3,596)	-	-	-	5,845	(188)	5,657
Balance as at 30 June 2019	88,183	(863)	-	45	(3,596)	(3,077)	(148)	(36,063)	44,481	1,338	45,819
Balance as at 1 July 2017											
- As previously reported	71,179	(510)	666	68	-	-	473	(32,728)	39,148	384	39,532
- Effect of adoption SFRS(I)	-	-	-	-	-	-	(473)	473	-	-	-
As restated	71,179	(510)	666	68	-	-	-	(32,255)	39,148	384	39,532
(Loss)/Profit for the year	-	-	-	-	-	-	-	(3,124)	(3,124)	164	(2,960)
Other comprehensive income											
- Fair value loss on available-for-sale investments	-	-	-	-	-	(987)	-	-	(987)	-	(987)
- Foreign currency translation	-	-	-	-	-	-	35	-	35	37	72
Total comprehensive income/(loss) for the year	-	-	-	-	-	(987)	35	(3,124)	(4,076)	201	(3,875)
Contributions by and distributions to owners											
- Issue of shares	4,813	-	-	-	-	-	-	-	4,813	-	4,813
- Exercise of warrants	2	-	-	-	-	-	-	-	2	-	2
- Purchase of treasury shares	-	(694)	-	-	-	-	-	-	(694)	-	(694)
- Disposal of treasury shares	-	341	-	(23)	-	-	-	-	318	-	318
Changes in ownership interests in subsidiaries											
- Acquisition of subsidiaries through shares	2,082	-	-	-	-	-	-	-	2,082	199	2,281
Transactions with owners recognised directly in equity	6,897	(353)	-	(23)	-	-	-	-	6,521	199	6,720
Balance as at 30 June 2018	78,076	(863)	666	45	-	(987)	35	(35,379)	41,593	784	42,377

	Share capital US\$'000	Treasury shares US\$'000	Warrant reserve US\$'000	Capital reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
COMPANY						
Balance as at 1 July 2018	78,076	(863)	666	45	(37,329)	40,595
Issue of shares	9,313	-	-	-	-	9,313
Exercise of warrants	153	-	(25)	-	-	128
Expiry of warrants	641	-	(641)	-	-	-
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(1,981)	(1,981)
Balance as at 30 June 2019	88,183	(863)	-	45	(39,310)	48,055
Balance as at 1 July 2017	71,179	(510)	666	68	(31,979)	39,424
Issue of shares	4,813	-	-	-	-	4,813
Exercise of warrants	2	-	-	-	-	2
Purchase of treasury shares	-	(694)	-	-	-	(694)
Disposal of treasury shares	-	341	-	(23)	-	318
Acquisition of subsidiaries through shares	2,082	-	-	-	-	2,082
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(5,350)	(5,350)
Balance as at 30 June 2018	78,076	(863)	666	45	(37,329)	40,595

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the share capital since the end of the previous period reported on.

The number of shares that may be issued on conversion of the Company's outstanding convertibles as at the end of the financial year is as follows:

	30/06/2019	30/06/2018
Warrants		
Total number of shares that may be issued on conversion of the Company's outstanding warrants	-	15,301,568
Convertible loan note		
Total number of shares that may be issued on conversion of the Company's convertible loan note ⁽¹⁾	11,111,111	11,111,111

Note:

(1) On 30 May 2018, the Company had entered into convertible loan agreement with Haitong International Financial Products (Singapore) Pte. Ltd. (the "Lender"), pursuant to which the Lender has agreed to make available to the Company a convertible loan facility of up to a maximum amount of S\$5,000,000. The Company had drawn down S\$5,000,000 (equivalent to US\$3,737,000). The convertible loan is convertible into 11,111,111 ordinary shares, at a reset floor price of S\$0.45 per share.

As at 30 June 2019, the Company held 3,444,200 (30 June 2018: 3,444,200) of its issued shares as treasury shares.

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the financial period and as at the end of the immediately preceding year.**

The number of issued shares excluding treasury shares as at the end of the financial year was 208,464,669 (30 June 2018: 164,198,495).

- 1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	No. of shares	Amount US\$'000
Balance as at 1 July 2018 and 30 June 2019	3,444,200	863

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with those of the audited financial statements for the financial year ended 30 June 2018.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") and all the new and revised SFRS(I)s and interpretation of SFRS(I) which are effective for annual financial periods beginning on or after 1 July 2018 and are relevant to the Group. On transition to SFRS(I), the Group has elected the option to reset its translation reserve to zero at the date of transition on 1 July 2017. As a result, the Group has reclassified an amount of US\$473,029 from translation reserve to accumulated losses as at 1 July 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

Except as stated above, the Group expects the adoption of SFRS(I), new and revised SFRS(I)s and interpretation of SFRS(I) that are relevant to the Group to have no significant impact on the financial statements of the Group.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends.

Loss per ordinary share for the year based on net loss	FULL YEAR ENDED	
	30/06/2019	30/06/2018
	US\$	US\$
(i) Basic	(0.373) cents	(2.013) cents
(ii) Diluted	(0.373) cents	(2.013) cents

The basic and diluted earnings per ordinary share for the financial year ended 30 June 2019 was calculated based on the weighted average number of issued shares 183,443,648. For comparison, earnings per share for the corresponding period was computed based on the weighted average number of shares of 155,238,628.

At the end of the reporting year, the potential ordinary shares to be converted under the convertible loan note were excluded from the calculation of the diluted weighted average number of ordinary shares in issue as their effect would have been anti-dilutive.

7 Net asset / (liability) value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial year reported on; and
(b) immediately preceding financial year

	GROUP		COMPANY	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	US\$	US\$	US\$	US\$
Net asset value per ordinary share based on the issued share capital at the end of the year	21.337 cents	25.330 cents	23.052 cents	24.723 cents

Net asset value per ordinary share as at 30 June 2019 and 30 June 2018 was calculated based on the number of shares in issue excluding treasury shares of 208,464,669 and 164,198,495 respectively.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement Review

The Group registered a total revenue of US\$155.826m in fourth quarter ended 30 June 2019 ("4Q19") which was 19% lower than US\$193.412m in fourth quarter ended 30 June 2018 ("4Q18"). This is mainly due to the decrease in the oil trades.

Other income decreased to US\$0.093m in 4Q19 as compared to US\$1.111m in 4Q18. This is mainly due to the one time demerage income of US\$1.010m from the oil trading activities in 4Q18.

Employee benefits expense increased to US\$2.663m in 4Q19 as compared to US\$1.902m in 4Q18 mainly due to the acquisition of the medical companies on 2 August 2018 and Shanghai Fengwei Garment Accessory Co., Ltd ("Fengwei") on 2 January 2019.

Amortisation of intangible assets and depreciation of plant and equipment increased to US\$0.062m and US\$0.238m in 4Q19 as compared to US\$0.046m and US\$0.058m respectively in 4Q18 mainly due to the acquisition of Fengwei.

Other operating expenses decreased to US\$1.048m in 4Q19 as compared to US\$2.293m in 4Q18 mainly due to the written off receivables of US\$1.177m in 4Q18.

Finance costs increased to US\$0.771m in 4Q19 as compared to US\$0.535m in 4Q18, arising mainly from loans established to finance the expansion of the healthcare business and interest expense from the newly acquired subsidiary Fengwei.

Financial Position Review

Plant and equipment increased to US\$9.964m as at 30 June 2019 as compared to US\$0.962m as at 30 June 2018. The increase was mainly due to the vessel owned by the newly acquired subsidiary TXZ Tankers Pte. Ltd. on 23 November 2018 and the plant and equipment from the newly acquired subsidiary Fengwei.

Intangible assets and goodwill increased to US\$20.098m as at 30 June 2019 as compared to US\$6.429m as at 30 June 2018. The increase was mainly due to the acquisition of the medical companies and Fengwei.

Non-current other receivables increased to US\$3.073m as at 30 June 2019 as compared to US\$1.900m as at 30 June 2018. The increase was due to non-current receivables from a related party arising from the acquisition of Fengwei.

Deferred tax assets increased to US\$0.199m as at 30 June 2019 as compared to US\$0.037m as at 30 June 2018. The increase was mainly due to the recognition of deferred tax assets arising from the unutilised tax losses.

As at 30 June 2019, the increase/decrease of the following items is primarily due to the oil trading activities as compared to 30 June 2018:

- i. Inventories decreased to US\$1.655m as compared to US\$14.309m.
- ii. Trade and other receivables increased to US\$31.512m as compared to US\$24.046m.
- iii. Contract assets increased to US\$18.288m as compared to US\$0.135m.
- iv. Prepayments decreased to US\$0.826m as compared to US\$2.773m.
- v. Trade and other payables increased to US\$46.244m as compared to US\$35.266m.
- vi. Contract liabilities decreased to US\$0.155m as compared to US\$7.750m.
- vii. Derivative financial instruments decreased to US\$0.005m as compared to US\$0.882m.

Deferred tax liabilities increased to US\$0.668m as compared to US\$0.386m as at 30 June 2018. The increase was mainly due to the deferred tax liability arising from the acquisition of Fengwei.

Total borrowings increased to US\$26.613m as compared to US\$18.414m, mainly due to the term loan secured by HSI Medical Pte. Ltd. and term loan arising from the newly acquired subsidiary Fengwei.

Non-current other payables of US\$3.596m is due to recognition of the put options over the shares of the medical companies held by the non-controlling interest.

Cash Flow Statement Review

The net cash flows of US\$5.515m used in operating activities was mainly due to the timing difference between payment and collection of oil trading activities.

The net cash of US\$15.574m from financing activities in the current period mainly resulted from:

- i. Reduction of US\$9.425m in restricted cash held in designated bank accounts which is earmarked for letters of credit issued.
- ii. Proceeds of US\$9.313m from the issuance of shares.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast has been issued for the current financial reporting period.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's primary care and dental clinics, held under Healthsciences International (HSI), experienced stable revenue growth in FY2019 and we expect this to continue in FY2020. The next phase of growth for the healthcare division will be to scale up regionally through both network acquisitions and organic growth, pursue greater cost efficiencies, reduce over-dependence on a single country's economy and to leverage technology in the delivery of quality patient care. We will subsequently expand into specialist care and integrate this with our primary care network.

In China, our wholly-owned subsidiary, Shanghai Fengwei, has not been affected by the US-China trade tensions as it mainly serves the domestic market, which currently remains stable. Our short to medium term strategy for China will focus on the sale of healthcare consumables and products, both for the western medicine and traditional Chinese medicine sectors.

We will continue to nurture International Energy Group until we secure a credible offer. Meanwhile, IEG is expected to continue to contribute to the Group's profitability, albeit in a decreasing capacity as the contribution from the healthcare business grows.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the year ended 30 June 2019 due to the accumulated losses of the Company.

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Segment information is presented based on the information that is reviewed by the chief operating decision maker for resource allocation and performance measurement.

The Group's reportable segments are as follows : -

- Oil and gas comprising trading of oil and gas and chartering of vessel
- Healthcare comprising dentistry, family medicine, aesthetic, dental supplies and consumables

Inter-segment pricing is on arm's length basis.

	Oil and gas	Healthcare	Unallocated	Group
	US\$'000	US\$'000	US\$'000	US\$'000
2019				
Revenue	583,715	21,306	-	605,021
Results				
Other income	258	504	52	814
Capital expenditure	(16)	(208)	-	(224)
Amortisation of intangible assets	-	(228)	-	(228)
Depreciation of plant and equipment	(244)	(570)	(4)	(818)
Other non-cash expenses	1,272	14	(85)	1,201
Finance costs	(2,160)	(471)	(185)	(2,816)
Finance income	12	2	-	14
Segment gain/(loss)	1,106	1,738	(2,737)	107
Segment assets	81,231	39,388	2,936	123,555
Segment liabilities	52,831	19,420	5,485	77,736
2018				
Revenue	686,128	6,404	-	692,532
Results				
Other income	1,224	90	306	1,620
Capital expenditure	(138)	(166)	(6)	(310)
Amortisation of intangible assets	-	(174)	-	(174)
Depreciation of plant and equipment	(31)	(144)	(11)	(186)
Other non-cash expenses	(700)	(3)	(1,157)	(1,860)
Finance costs	(1,600)	(75)	(7)	(1,682)
Finance income	4	1	-	5
Segment gain/(loss)	1,535	137	(4,632)	(2,960)
Segment assets	86,314	9,666	9,167	105,147
Segment liabilities	55,448	2,593	4,729	62,770

GEOGRAPHICAL SEGMENT

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

	Revenue		Non-current assets	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Australia	59	76	-	-
Cambodia	118,952	118,910	-	-
China	9,589	86	8,126	-
Hong Kong	47,334	201,380	-	-
Myanmar	-	11,610	-	-
Norway	2,729	-	-	-
Singapore	348,211	235,752	21,936	7,391
South Korea	5,363	33,327	-	-
United Arab Emirates	6,938	27,587	-	-
United Kingdom	65,846	63,804	-	-
	605,021	692,532	30,062	7,391

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

- 14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

- 15 A breakdown of sales:

	Group		
	30/06/19	30/06/18	Change
	US\$'000	US\$'000	US\$'000
Revenue reported for first half year	299,420	334,724	-11%
Loss after tax reported for first half year	(456)	(390)	17%
Revenue reported for second half year	305,601	357,808	-15%
Profit/(Loss) after tax reported for second half year	563	(2,570)	-122%

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

- 17 Interested Person Transaction:

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.	89	Nil

For full disclosure, please note that there is an amount of US\$2.326 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.

- 18 If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained.

- 19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

There is none.

- 20 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers as set out in Appendix 7.7 of Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Goh Jin Hian
27 August 2019