



**NEW SILKROUTES GROUP LIMITED
AND ITS SUBSIDIARIES
Registration Number: 199400571K**

Condensed Interim Financial Statements
For the six months
Ended 31 December 2021

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

Table of Contents

	Page
A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
B. Condensed Interim Statements of Financial Position	3
C. Condensed Interim Statements of Changes in Equity	5
D. Condensed Interim Consolidated Statement of Cash Flows	8
E. Notes to the Condensed Interim Consolidated Financial Statements	10
F. Other Information Required by Listing Rule Appendix 7.2	26

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		3 months ended 31 December 2021	3 months ended 31 December 2020		6 months ended 31 December 2021	6 months ended 31 December 2020	
	Note	Unaudited US\$'000	Unaudited US\$'000 (Restated, note 8)	%	Unaudited US\$'000	Unaudited US\$'000 (Restated, note 8)	%
Continuing operations							
Revenue	4	7,755	11,940	-35%	15,605	25,563	-39%
Other income		302	771	-61%	544	1,287	-58%
Purchases of finished goods		(4,524)	(8,026)	-44%	(9,479)	(15,443)	-39%
Changes in inventories of finished goods		82	(201)	-141%	(84)	(468)	-82%
Employee benefits expense		(2,118)	(1,878)	13%	(4,169)	(3,874)	8%
Amortisation of intangible assets		(23)	(30)	-23%	(46)	(60)	-23%
Depreciation of property, plant and equipment		(84)	(116)	-28%	(203)	(229)	-11%
Depreciation of right-of-use assets		(376)	(232)	62%	(769)	(463)	66%
Write-back impairment loss on trade and other receivables		21	-	n.m.	1	-	n.m.
Other operating expenses		(258)	(1,566)	-84%	(809)	(4,822)	-83%
Finance costs		(196)	(137)	43%	(391)	(252)	55%
Profit before taxation	6	581	525	11%	200	1,239	-84%
Taxation	7	(29)	(135)	-79%	(134)	(240)	-44%
Profit from continuing operations for the period		552	390	42%	66	999	-93%
Discontinued operation:							
Loss from discontinued operation, net of tax	8	-	(1,724)	-100%	-	(2,327)	-100%
(Loss)/profit for the period		552	(1,334)	-141%	66	(1,328)	-105%

See accompanying notes to condensed interim financial statements.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	3 months ended 31 December 2021 Unaudited US\$'000	3 months ended 31 December 2020 Unaudited US\$'000 (Restated, note 8)	%	6 months ended 31 December 2021 Unaudited US\$'000	6 months ended 31 December 2020 Unaudited US\$'000 (Restated, note 8)	%
Other comprehensive (loss)/income:						
Item that may be reclassified subsequently to profit of loss:						
Foreign currency translation (loss)/gain on consolidation	(65)	488	-113%	(330)	1,197	-128%
Other comprehensive (loss)/income for the financial period, net of tax	(65)	488	-113%	(330)	1,197	-128%
Total comprehensive (loss)/income for the financial period	487	(846)	-158%	(264)	(131)	153%
(Loss)/profit attributable to:						
Owners of the Company						
- (Loss)/profit from continuing operations, net of tax	205	80	156%	(546)	297	-284%
- Loss from discontinuing operation, net of tax	-	(1,724)	-100%	-	(2,327)	-100%
	205	(1,644)	-42%	(546)	(2,030)	-73%
- Non-controlling interests	347	310	12%	612	702	-13%
	552	(1,334)	-141%	66	(1,328)	-105%
Total comprehensive (loss)/income attributable to:						
Owners of the Company						
- (Loss)/profit from continuing operations, net of tax	189	515	-63%	(787)	1,341	-159%
- Loss from discontinuing operation, net of tax	-	(1,715)	-100%	-	(2,327)	-100%
	189	(1,200)	-116%	(787)	(986)	-20%
- Non-controlling interests	298	354	-16%	523	855	-39%
	487	(846)	-158%	(264)	(131)	102%
(Loss)/profit per share attributable to owners of the Company from continuing operations (US cent)						
- Basic and diluted	0.10	0.04		(0.26)	0.14	

See accompanying notes to condensed interim financial statements.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31 December 2021 US\$'000 Unaudited	30 June 2021 US\$'000 Audited	31 December 2021 US\$'000 Unaudited	30 June 2021 US\$'000 Audited
ASSETS					
Non-current assets					
Property, plant and equipment		2,762	3,200	7	9
Intangible assets	10	19,173	19,433	442	215
Right-of-use assets		3,566	3,886	343	429
Subsidiaries		-	-	21,046	21,046
Prepayments		550	750	550	750
Long-term receivables	11	300	353	-	-
Deferred tax assets		-	37	-	-
Total non-current assets		26,351	27,659	22,388	22,449
Current assets					
Inventories		2,030	2,428	-	-
Trade and other receivables	11	5,441	6,722	124	411
Prepayments		732	410	217	230
Cash and bank balances		7,332	6,609	3	72
Fixed deposits		404	416	-	-
Financial asset at fair value through profit or loss	8	-	-	-	-
Total current assets		15,939	16,585	344	713
Total assets		42,290	44,244	22,732	23,162
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	88,183	88,183	88,183	88,183
Treasury shares	13	(863)	(863)	(863)	(863)
Other reserves		(2,854)	(2,613)	45	45
Accumulated losses		(71,031)	(70,485)	(71,364)	(71,160)
Equity attributable to equity holder of the Company		13,435	14,222	16,001	16,205
Non-controlling interests		1,100	1,048	-	-
Total equity		14,535	15,270	16,001	16,205

See accompanying notes to condensed interim financial statements.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group		Company	
		31 December 2021 US\$'000 Unaudited	30 June 2021 US\$'000 Audited	31 December 2021 US\$'000 Audited	30 June 2021 US\$'000 Unaudited
LIABILITIES					
Non-current liabilities					
Borrowings	14	1,275	1,540	-	-
Lease liabilities		1,180	1,342	189	277
Deferred tax liabilities		128	151	-	-
Other payables	15	5,735	5,735	-	-
Total non-current liabilities		8,318	8,768	189	277
Current liabilities					
Trade and other payables	15	7,532	7,815	6,371	6,517
Contract liabilities		149	153	-	-
Borrowings	14	10,444	11,034	-	-
Lease liabilities		987	842	171	163
Current income tax payable		325	362	-	-
Total current liabilities		19,437	20,206	6,542	6,680
Total liabilities		27,755	28,974	6,731	6,957
Total equity and liabilities		42,290	44,244	22,732	23,162

See accompanying notes to condensed interim financial statements.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of the Company						Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Capital reserve US\$'000	Other reserves US\$'000	Accumulated losses US\$'000			
Balance as at 1 July 2021	88,183	(863)	937	45	(3,595)	(70,485)	14,222	1,048	15,270
(Loss)/profit for the financial period	-	-	-	-	-	(546)	(546)	612	66
Other comprehensive income									
- Foreign currency translation differences	-	-	(241)	-	-	-	(241)	(89)	(330)
Total comprehensive (loss)/income for the financial period	-	-	(241)	-	-	(546)	(787)	423	(264)
Contributions by and distributions to owners									
- Dividends	-	-	-	-	-	-	-	(471)	(471)
Transactions with owners in their own capacity as owners	-	-	-	-	-	-	-	(471)	(471)
Balance as at 31 December 2021	88,183	(863)	696	45	(3,595)	(71,031)	13,435	1,100	14,535

See accompanying notes to condensed interim financial statements.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group	<----- Attributable to owners of the Company ----->							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Foreign currency translation reserve	Capital reserve	Fair value reserve	Other reserves	Accumulated losses			
Balance as 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 period	-	-	-	-	-	-	(2,030)	(2,030)	702	(1,328)
Other comprehensive loss:										
- Foreign currency translation differences	-	-	1,044	-	-	-	-	1,044	153	1,197
Total comprehensive loss for the financial period	-	-	1,044	-	-	-	(2,030)	(986)	855	(131)
Contributions by and distributions to owners										
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(462)	(462)
Transactions with owners in their own capacity as owners	-	-	-	-	-	-	-	-	(462)	(462)
Balance as at 31 December 2020	88,183	(863)	544	45	(5,468)	(3,595)	(47,861)	30,985	1,492	32,477

See accompanying notes to condensed interim financial statements.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Company					
Balance as at 1 July 2021	88,183	(863)	45	(71,160)	16,205
Loss for the year, representing total comprehensive loss for the financial period	-	-	-	(204)	(204)
Balance as at 31 December 2021	88,183	(863)	45	(71,364)	16,001
Balance as at 1 July 2020	88,183	(863)	45	(43,283)	44,082
Loss for the year, representing total comprehensive loss for the financial period	-	-	-	(2,455)	(2,455)
Balance as at 31 December 2020	88,183	(863)	45	(45,738)	(41,627)

See accompanying notes to condensed interim financial statements.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 months ended 31 December 2021 Unaudited US\$'000	6 months ended 31 December 2020 Unaudited US\$'000
Cash flows from operating activities		
(Loss)/profit before taxation:		
- from continuing operations	200	1,239
- from discontinuing operation	-	(2,327)
	200	(1,088)
Adjustments for:		
Amortisation of intangible assets	46	60
Depreciation of property, plant and equipment	203	1,031
Depreciation of right-of-use assets	769	548
Interest expense	391	1,189
Interest income	-	(93)
Net fair value gain on derivative financial instruments	-	(2)
(Write-back)/impairment losses recognised on trade and other receivables	(1)	305
Unrealised foreign exchange differences	295	138
	1,903	2,088
Operating cash flows before working capital changes:		
Changes in inventories	398	959
Changes in trade and other receivables	1,335	4,361
Changes in contract assets	-	3,894
Changes in prepayments	(122)	(797)
Changes in trade and other payables	(365)	(14,994)
Changes in contract liabilities	(4)	-
	3,145	(4,489)
Cash generated from/(used in) operations		
Income tax paid	(157)	(418)
	2,988	(4,907)
Cash flows from investing activities		
Acquisition of intangible assets	(227)	-
Interest received	-	93
Purchase of property, plant and equipment	(42)	(1,866)
	(269)	(1,773)

See accompanying notes to condensed interim financial statements.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Group	
	6 months ended 31 December 2021 Unaudited US\$'000	6 months ended 31 December 2020 Unaudited US\$'000
Cash flows from financing activities		
Dividends paid to the non-controlling interests of the subsidiaries	(471)	(462)
Interest paid	(333)	(436)
Proceeds from loans	223	4,390
Restricted cash and bank balances	-	2,258
Repayment of loans	(848)	(6,321)
Repayment of lease liabilities	(466)	(534)
Net cash used in financing activities	(1,895)	(1,105)
Net decrease in cash and cash equivalents	824	(7,785)
Cash and cash equivalents at beginning of financial period	6,542	17,065
Exchange differences on translation of cash and cash equivalents	(99)	1,134
Cash and cash equivalents at end of financial period	7,267	10,414
Cash and cash equivalents comprise the following:		
Cash and bank balances and fixed deposits	7,736	10,416
Less: Cash restricted in use	(65)	-
Less: Fixed deposits pledged	(404)	-
Cash and cash equivalents at end of financial period	7,267	10,414

See accompanying notes to condensed interim financial statements.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

New Silkroutes Group Limited (the “Company”) (Co. Reg. No. 199400571K) is a limited liability company incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 456 Alexandra Road, #19-02 Fragrance Empire Building, Singapore 119962. The Company is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are that of investment holding Company. The principal activities of the Group are:

- (a) Distributors of health supplements and Chinese proprietary medicine, providers of clinical management services, and healthsciences consultants;
- (b) Dental services;
- (c) General medical services and aesthetic clinic;
- (d) Medical and dental supplies;
- (e) Manufacture of non-woven fabric;
- (f) Management services and investment holding.

Proposed Restructuring Exercise

With reference to the Company’s announcement dated 29 November 2021 on the appointment of BDO Advisory Pte. Ltd. as a financial advisor to, inter alia, undertake a review of the Company’s existing businesses and financials and to assist the Group with any debt restructuring and plans to improve the financial position and/or performance of the Group.

To strengthen its financial position, the Group is in discussions with unrelated interested parties to raise equity funds and divest off certain of its non-core assets as well as continue to manage its operating costs.

2 Basis of preparation

The condensed interim financial statements are for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States dollars (“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.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards has become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

2 Basis of preparation (cont'd)

2.2 Use of judgements and estimates

Critical judgements in applying the entity's accounting policies

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2021.

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

Going concern assumptions

Notwithstanding the Company's proposed restructuring exercise as explained in Note 1 above, the condensed interim financial statements for the six months ended 31 December 2021 have been prepared on the assumption that the Company and its subsidiaries is able to continue as a going concern. As the proposed restructuring exercise is still in progress and the discussions with creditors are still on-going, and the final outcome is uncertain, the actual impact, whether financial or non-financial, is not easily determinable as at the date of this announcement. The condensed interim financial statements in this announcement, explanatory notes and other information have not been audited or reviewed by the Company's auditors. Accordingly, depending on the eventual outcome of the aforementioned, the Company and/or its subsidiaries may have to make material adjustments to its financial performance and financial position as contained herein. In this regard, the Company will make the announcements at the appropriate time when more information is available.

Control over Shanghai Fengwei Garment Accessory Co., Ltd. (the "Shanghai Fengwei")

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

The directors of the Company made an assessment that Shanghai Fengwei's management continues to manage the operations and business activities of Shanghai Fengwei and that the Group has control over Shanghai Fengwei in accordance with the definition of control and the related guidance set out in SFRS(I) 10 Consolidated Financial Statements. Accordingly, Shanghai Fengwei remains a subsidiary of the Group.

Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

2 Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

Impairment of trade and other receivables

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

The Group determined the ECL of trade receivables 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 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.

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.

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 10.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

2 Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

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.

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.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

4.1 Reportable segments

	Healthcare US\$'000 Unaudited	Others US\$'000 Unaudited	Per consolidated financial statements US\$'000 Unaudited
1 July 2021 to 31 December 2021			
Segment revenue			
- Sales to external customers	15,605	-	15,605
Segment results			
- Other income	543	1	544
- Amortisation of intangible assets	-	(46)	(46)
- Depreciation of property, plant and equipment *	(173)	(30)	(203)
- Depreciation of rights-of-use assets	(683)	(86)	(769)
- Other non-cash items	(2)	(310)	(312)
- Finance costs	(222)	(169)	(391)
Segment profit/(loss)	415	(349)	66
Segment assets and liabilities			
- Segment assets	35,006	7,284	42,290
- Segment liabilities	15,645	12,110	27,755
- Capital expenditure	(43)	-	(43)

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

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

4 Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

	Healthcare US\$'000 Unaudited	Others US\$'000 Unaudited	Oil and gas (Discontinued operation) US\$'000 Unaudited	Adjustments US\$'000 Unaudited	Per consolidated financial statements US\$'000 Unaudited
1 July 2020 to					
31 December 2020					
Segment revenue					
- Sales to external customers	25,563	-	18,396	(18,396)	25,563
Segment results					
- Other income	1,142	145	45	(45)	1,287
- Amortisation of intangible assets	(14)	(46)	-	-	(60)
- Depreciation of property, plant and equipment *	(171)	(58)	(266)	266	(229)
- Depreciation of rights-of-use assets	(463)	-	(85)	85	(463)
- Net fair value on derivative financial instruments	-	-	2	(2)	-
- Other non-cash items	(307)	(266)	382	(382)	(573)
- Finance costs	(252)	-	(937)	937	(252)
Segment profit/(loss)	1,795	(2,794)	(329)	329	(999)
Segment assets and liabilities					
- Segment assets	45,307	1,138	31,866	(31,866)	46,445
- Segment liabilities	23,752	6,064	16,018	(16,018)	29,816
- Capital expenditure	1,860	-	7	(7)	1,860

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

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

4 Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

	6 months ended 31 December 2021 Unaudited US\$'000	6 months ended 31 December 2020 Unaudited US\$'000
Continuing operations:		
Healthcare products	9,061	18,825
Healthcare services	6,544	6,738
	<u>15,605</u>	<u>25,563</u>

Geographical information:

	6 months ended 31 December 2021 Unaudited US\$'000	6 months ended 31 December 2020 Unaudited US\$'000
Australia	45	23
Bahrain	-	774
Cambodia	-	16,785
China	9,061	18,825
Portugal	-	814
Singapore	6,499	6,738
Discontinued operation	-	(18,396)
	<u>15,605</u>	<u>25,563</u>

5 Financial assets and financial liabilities

5.1 Categories of financial instruments

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 30 June 2021:

	Group		Company	
	31 December 2021 Unaudited US\$'000	30 June 2021 Audited US\$'000	31 December 2021 Unaudited US\$'000	30 June 2021 Audited US\$'000
Financial assets				
Financial assets at amortised cost	<u>13,477</u>	<u>14,100</u>	<u>127</u>	<u>483</u>
Financial liabilities				
Lease liabilities	2,167	2,184	360	440
Financial liabilities at fair value through profit or loss	5,735	5,735	-	-
Financial liabilities at amortised cost	<u>16,416</u>	<u>17,365</u>	<u>3,536</u>	<u>3,493</u>

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

5 Financial assets and financial liabilities (cont'd)

5.2 Financial assets and liabilities measured at fair value

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

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 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial liability:				
31 December 2021				
Financial asset at fair value through profit or loss				
- Other payables	-	-	5,735	5,735
30 June 2021				
Financial asset at fair value through profit or loss				
- Other payables	-	-	5,735	5,735

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

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.

6 (Loss)/profit before taxation from continuing operations

6.1 Significant items

<u>Group</u>	6 months ended 31 December 2021 Unaudited US\$'000	6 months ended 31 December 2020 Unaudited US\$'000
Write-back/(impairment loss) recognised on trade and other receivables	21	(300)
Management service fee	-	2,620

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

6 (Loss)/profit before taxation from continuing operations (cont'd)

6.2 Related party transactions

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

<u>Group</u>	6 months ended 31 December 2021 Unaudited US\$'000	6 months ended 31 December 2020 Unaudited US\$'000
Interest expense	82	-
Lease payments (rental)	280	176
	<hr/>	<hr/>

7 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

<u>Group</u>	6 months ended 31 December 2021 Unaudited US\$'000	6 months ended 31 December 2020 Unaudited US\$'000
Current taxation:		
- Current period		
- Changes in estimates related to prior years	120	322
	-	(35)
	<hr/>	<hr/>
	120	287
Deferred taxation:		
- Origination and reversal of temporary differences	14	(47)
	<hr/>	<hr/>
	134	240
	<hr/>	<hr/>

8 Loss from discontinued operation, net of tax

In the previous financial year ended 30 June 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.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

8 Loss from discontinued operation, net of tax (cont'd)

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

	6 months ended 31 December 2021	6 months ended 31 December 2020
	Unaudited US\$'000	Unaudited US\$'000
Revenue	-	18,397
Other income	-	45
Purchases of finished goods	-	(19,021)
Changes in inventories of finished goods	-	(39)
Employee benefits expense	-	(324)
Depreciation of property, plant and equipment	-	(266)
Depreciation of right-of-use assets	-	(85)
Other operating expenses	-	(97)
Finance costs	-	(937)
	-	(2,327)
Taxation	-	-
Loss from discontinued operation, net of tax	-	(2,327)

Loss per share disclosures

	6 months ended 31 December 2021	6 months ended 31 December 2020
	Unaudited US\$	Unaudited US\$
Loss per share from discontinued operation attributable to owners of the Company (US cent)		
Basic and diluted	-	(1.17)

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 the financial year ended 30 June 2021, the Group reclassified the investment to financial asset at fair value through profit or loss. Based on management assessment, the fair value of the investment as at 31 December 2021 is US\$Nil (30 June 2021: US\$Nil). Unquoted equity shares are classified as Level 3 in the fair value hierarchy.

9 Net asset value

	Group		Company	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	Unaudited	Audited	Unaudited	Audited
Net asset value per ordinary share (US cent)	6.44	6.82	7.68	7.77

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

10 Intangible assets

Group	Goodwill US\$'000	Customer relationship US\$'000	CMS Development costs US\$'000	Service right US\$'000	Trademark US\$'000	Other development cost US\$'000	Total US\$'000
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 and 1 July 2021	18,856	274	1,544	92	330	215	21,311
Additions	-	-	-	-	-	227	227
Exchange difference on translation	(441)	-	-	(1)	-	-	(442)
Balance at 31 December 2021	18,415	274	1,544	91	330	442	21,096
Accumulated amortisation:							
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 and 1 July 2021	-	77	1,544	92	165	-	1,878
Amortisation	-	13	-	-	33	-	46
Exchange difference on translation	-	-	-	(1)	-	-	(1)
Balance at 31 December 2021	-	90	1,544	91	198	-	1,923
Carrying amount:							
Balance at 31 December 2021	18,415	184	-	-	132	442	19,173
Balance at 30 June 2021	18,856	197	-	-	165	215	19,433

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

10 Intangible assets (cont'd)

Company	Other development cost US\$'000
Cost:	
Balance at 1 July 2020	-
Additions	215
Balance at 30 June 2021 and 1 July 2021	215
Additions	227
Balance at 31 December 2021	442
Accumulated amortisation:	
Balance at 1 July 2020, 30 June 2021, 1 July 2021	-
Amortisation	-
Balance at 31 December 2021	-
Carrying amount:	
Balance at 31 December 2021	442
Balance at 30 June 2021	215

Impairment testing for a cash-generating unit containing goodwill

Goodwill that has an indefinite useful life are not subject to amortisation and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. No impairment indicators were identified as at 31 December 2021 based on each CGU's business performance. The Group performed its annual impairment test in June 2021. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the last audited financial statements for the year ended 30 June 2021. The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

11 Trade and other receivables

	Group		Company	
	31 December 2021 Unaudited US\$'000	30 June 2021 Audited US\$'000	31 December 2021 Unaudited US\$'000	30 June 2021 Audited US\$'000
Trade receivables from:				
Third parties	4,322	6,086	-	-
Less: Loss allowance				
Third parties	(54)	(75)	-	-
	4,268	6,011	-	-
Other receivables from:				
Subsidiaries	-	-	1,832	2,135
Deposits	375	363	124	102
Consideration receivables	1,361	1,361	1,361	1,361
Other receivables	1,185	900	-	6
	2,921	2,624	3,317	3,604
Less: Loss allowance				
- Third parties	(1,448)	(1,560)	(1,361)	(1,361)
- Subsidiaries	-	-	(1,832)	(1,832)
	1,473	1,064	124	411
Total trade and other receivables	5,741	7,075	124	411
Represented by:				
Current	5,441	6,722	124	411
Non-current	300	353	-	-
	5,741	7,075	124	411

12 Share capital

	31 December 2021		30 June 2021	
	Number of shares Unaudited	Amount US\$'000 Audited	Number of shares Unaudited	Amount US\$'000 Audited
<i>Issued and fully paid with no par value</i>				
At beginning and end of interim period	211,908,869	88,183	211,908,869	88,183

The number of issued shares excluding treasury shares as at the end of the interim period was 208,464,669 (30 June 2021: 208,464,669).

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 31 December 2021 and 30 June 2021.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

13 Treasury shares

	31 December 2021		30 June 2021	
	Number of shares Unaudited	Amount US\$'000 Audited	Number of shares Unaudited	Amount US\$'000 Audited
Group and Company				
<i>Issued and fully paid with no par value</i>				
At beginning and end of interim period	3,444,200	(863)	3,444,200	(863)

14 Borrowings

	Group	
	31 December 2021 Unaudited US\$'000	30 June 2021 Audited US\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	10,444	11,034
Unsecured	-	-
<u>Amount repayable after one year</u>		
Secured	1,275	1,540
Unsecured	-	-
	<u>11,719</u>	<u>12,574</u>

Loans from financial institutions 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.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

15 Trade and other payables

	Group		Company	
	31 December 2021 Unaudited US\$'000	30 June 2021 Audited US\$'000	31 December 2021 Unaudited US\$'000	30 June 2021 Audited US\$'000
Trade payables from: Third parties	756	662	-	-
Other payables from:				
- Subsidiaries	-	-	2,428	2,381
- Former related party	35	35	35	35
- Accrued operating expenses	987	1,183	118	180
- Accrued personnel expenses	173	401	124	183
- Consideration payables	7,197	7,247	-	-
- Advance receipt of profit guarantee	2,835	3,024	2,835	3,024
- Other payables	1,284	998	831	714
	12,511	12,888	6,371	6,517
Total trade and other payables	13,267	13,550	6,371	6,517
Represented by:				
Current	7,532	7,815	6,371	6,517
Non-current	5,735	5,735	-	-
	13,267	13,550	6,371	6,517

16 Contingent liabilities

Legal claim

- (a) The Company alleged to be the corporate guarantor for a loan 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 be 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. On 6 December 2021, the Company received a further letter of demand for an alleged sum of US\$3,450,896 plus any interest which is alleged to continue to accrue in accordance with the terms of the NSG Guarantee. The total claims made by Iolani under both demands is for an alleged sum of US\$14,002,117.

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

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

17 Subsequent events

The Company has received the following notices from Dentons Rodyk & Davidson LLP, acting on behalf of Fragrance Regal Pte. Ltd. (the “Landlord”)

- Letter of demand dated 16 November 2021 for an alleged sum of S\$98,652.69;
- Statutory demand dated 10 December 2021 for an alleged total sum of S\$146,234.73; and
- Notice of forfeiture dated 25 January 2022 for an alleged total sum of S\$176,812.01

The sums demanded pertain to the tenancy agreement dated 15 January 2021 between the Landlord and the Company in respect of the premises at 456 Alexandra Road, #19-02, Fragrance Empire Building, Singapore 119962.

The Company is currently reviewing the Notice with its legal and financial advisers and will take appropriate action accordingly.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of New Silkroutes Group Limited and its subsidiaries as of 31 December 2021 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended and certain explanatory notes have not been audited or reviewed.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on efforts taken to resolve each outstanding audit issue

The auditors have issued a disclaimer of opinion on the Group's financial statements for the financial year ended 30 June 2021 due to:

- i. Going concern assumptions
- ii. Management agreement and management service agreement entered by the Company and its wholly owned subsidiary, Shanghai Fengwei Garment Accessory Co., Ltd ("Shanghai Fengwei") with Shanghai Minlin New Textile Materials Sales Centre ("Shanghai Minlin").
- iii. Investment in International Energy Group Pte. Ltd. ("IEG") concerning its valuation of the carrying amounts of assets and liabilities of IEG including Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC"), a financial asset at fair value through other comprehensive income, as of the date of commencement of liquidation, and the resulting loss arising from deconsolidation of IEG and the impairment assessment of investment in IEG.
- iv. Contingent liabilities and guarantees to third parties for loan, lease financing arrangement and boat charter agreement for IEG and TXZ Tankers Pte. Ltd..
- v. Opening balances as at 1 July 2020 due to 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.

Please refer to page 48 - 51 of the Company's 2021 Annual Report for more information on these outstanding audit issues.

The Board has appointed KPMG Services Pte. Ltd. ("KPMG") as the independent reviewer to carry out an independent review into the above outstanding audit issues (ii, iii and v). The independent review is still ongoing as of the date of this announcement.

For outstanding audit issue iv, The Company has sought legal advice from its lawyers. The management is in active discussion with the creditors to reach an amicable conclusion.

After the conclusion of the independent review of KPMG and finalisation of the discussion with the creditors, the Company will follow up with the appropriate accounting treatment on these outstanding audit issues.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

1. Review

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

2. Review of performance of the Group

Income Statement Review

Group revenue decreased to US\$7.76 million for the second quarter ended 31 December 2021 ("2Q22") compared to US\$11.94 million in 2Q21 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 decreased to US\$0.3 million in 2Q22 when compared to US\$0.77 million in 2Q21 mainly due to lower in value-added tax refund and government grants received in 1Q22.

Employee benefit expenses rose to US\$2.12 million in 2Q22 from US\$1.88 million in 2Q21 on higher staff cost in the healthcare services to cope with an increase in business flow.

Depreciation of right-of-use assets increased to US\$0.38 million in 2Q22 against US\$0.23 million previously, following a renewal of tenancy agreements by clinics and office.

Other operating expenses decreased to US\$0.28 million in 2Q22, down from US\$1.57 million in 2Q21 mainly due to management service fee of US\$0.86 million in 2Q21.

Finance costs increased to US\$0.20 million in 2Q22 from US\$0.14 million in 2Q21 mainly due to accrued interest for consideration payable to a shareholder.

Financial Position Review

Property, plant and equipment decreased to US\$2.76 million as at 31 December 2021 compared to US\$3.20 million as at 30 June 2021, mainly due to depreciation of property, plant and equipment recognised of US\$0.2 million and forex loss of US\$0.2 million.

Intangible assets decreased to US\$19.17 million as at 31 December 2021 compared to US\$19.43 million as at 30 June 2021 mainly due to exchange differences on translation being offset with the addition of other development cost of US\$0.23 million.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

2. Review of performance of the Group (cont'd)

Financial Position Review (cont'd)

Right-of-use assets decreased to US\$3.56 million as at 31 December 2021 from US\$3.89 million as at 30 June 2021 mainly due to depreciation of right-of-use assets of US\$0.38 million. The right-of-use assets pertain to lease of clinic space, office space and factory space.

Inventories decreased to US\$2.03 million as at 31 December 2021 from US\$2.43 million as at 30 June 2021 mainly due to utilisation of the non-woven materials in the healthcare and healthcare consumables segment.

Non-current borrowings decreased to US\$1.28 million as at 31 December 2021 from US\$1.54 million as at 30 June 2021 following the repayment of loans.

Non-current lease liabilities decreased to US\$1.18 million as at 31 December 2021 from US\$1.34 million as at 30 June 2021 following the repayment of lease liabilities.

Trade and other payables were lower at US\$7.53 million as at following the repayment of loans against US\$7.82 million as at 30 June 2021 mainly due to payment made for accruals and revaluation gain.

Financial Position Review

Current borrowings decreased to US\$10.44 million as at 31 December 2021 from US\$11.03 million as at 30 June 2021 following the repayment of short-term loans.

Cash Flow Statement Review

Net cash flows generated from operating activities of US\$2.99 million in 2Q22 mainly due to positive operating cash flows in healthcare segment.

Net cash flows used in investing activities amounted to US\$0.27 million mainly due to additions of intangible assets.

Net cash flows used in financing activities of US\$1.90 million were mostly to repay loans and lease liabilities.

3. 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.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

4. 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.

With Singapore still battling the Omicron wave of the pandemic, our healthcare business remains brisk and steady. The clinics continue to boost its revenue through Covid testings and vaccinations for the population.

Shanghai Fengwei's non-woven businesses is facing headwind from intense competition from the entry of new players and lowered pricings. We will look to introducing new product lines and marketing partners to improve our earnings.

GEIA™ is currently embarking on a clinical validation phase and are pursuing potential partners in our drive to converting this to a PaaS cloud computing model. We have currently filed patents on our nouveau techniques in our AI development.

The Company has appointed BDO Advisory Pte. Ltd. as our financial consultant to, inter alia, undertake a review of the Company's existing businesses and financials and to assist the Group with any debt restructuring and plans to improve the financial position and/or performance of the Group.

Depending on the eventual outcome with creditors and potential strategic investors, material adjustments may be required to the financial results contained herein. In this regard, the Company will make appropriate announcements accordingly when more information is available.

The Group has and will continue to take all necessary steps to closely monitor on the costs and cash flow of the Group. The Group has also been and will continue to manage its cash flow and working capital position diligently.

5. Dividend information

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding period of the immediate preceding financial year

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

None.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

(e) If no dividend has been declared/recommend, a statement to the effect and the reasons for the decision

No dividend has been declared or recommend for the period ended 31 December 2021 due to accumulated losses of the Company.

6. 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
Interest expense:		
Mr Shen Yuyun	84	-
Rental:		
Shanghai Fengwei Nonwovens Co., Ltd	280	-

For full disclosure, please note that there is an amount of US\$1.44 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.

NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

7. Negative assurance confirmation on the interim financial results pursuant to Rule 705(5)

Due to the uncertainties of the proposed restructuring exercise as discussed in this announcement, and depending on its eventual outcome, material adjustments may be required to be made to the Company's and the Group's financial results when further information is available. In this regard, an announcement will be made at the appropriate time.

Save as abovementioned and in this announcement, on behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months ended 31 December 2021 to be false or misleading in any material respect.

On behalf of the Board of Directors

Darrell Lim Chee Lek
Independent Non-Executive Chairman

Chua Siong Kiat
Independent Non-Executive Director

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

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

BY ORDER OF THE BOARD

Ong Beng Hong
Company Secretary
14 February 2022