NEW SILKROUTES GROUP LIMITED
Financial Statement and Dividend Announcement For The Year Ended 30 June 2018

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		
	30/06/18 US$'000	30/06/17 US$'000	Change %	30/06/18 US$'000	30/06/17 US$'000	Change %
Revenue	193,412	114,581	69%	692,532	433,036	60%
Other income	1,111	204	445%	1,620	921	76%
Purchases of finished goods	(195,343)	(117,873)	66%	(691,368)	(433,185)	60%
Changes in inventories of finished goods	5,503	3,907	41%	9,042	3,893	132%
Employee benefits expense	(1,902)	(616)	209%	(6,351)	(2,728)	133%
Amortisation of intangible assets	(46)	(38)	21%	(174)	(89)	96%
Depreciation of plant and equipment	(58)	(10)	480%	(186)	(64)	191%
Net fair value (loss)/gain on derivative financial instruments	(2,504)	384	-752%	(688)	439	-257%
Other operating expenses	(2,293)	(899)	155%	(5,605)	(2,393)	134%
Finance costs	(535)	(462)	16%	(1,682)	(1,216)	38%
Share of results of associates, net of tax	(50)	(172)	-71%	(111)	(457)	-76%
Loss before taxation	**(2,705)**	**(994)**	**172%**	**(2,971)**	**(1,843)**	**61%**
Taxation	(5)	(156)	-97%	11	(145)	-108%
Loss for the year	**(2,710)**	**(1,150)**	**136%**	**(2,960)**	**(1,988)**	**49%**
Other comprehensive income after tax:						
Items that may be reclassified subsequently to profit or loss						
Net fair value loss on available-for-sale investment	(987)	-	NM	(987)	-	NM
Foreign currency translation	(36)	(22)	64%	72	5	1340%
Total comprehensive loss for the year	**(3,733)**	**(1,172)**	**219%**	**(3,875)**	**(1,983)**	**95%**
Profit/(Loss) attributable to:						
Owners of the company	(2,740)	(1,039)	164%	(3,124)	(1,794)	74%
Non-controlling interests	30	(111)	-127%	164	(194)	-185%
	(2,710)	**(1,150)**	**136%**	**(2,960)**	**(1,988)**	**49%**
Total comprehensive income/(loss) attributable to:						
Owners of the company	(3,748)	(1,057)	255%	(4,076)	(1,781)	129%
Non-controlling interests	15	(115)	-113%	201	(202)	-200%
	(3,733)	**(1,172)**	**219%**	**(3,875)**	**(1,983)**	**95%**
Notes (The expenses below are included in "Other operating expenses" above):						
Foreign exchange gain/(loss)	4	(10)	-140%	5	(49)	-110%
Allowance for impairment of trade and other receivables	(1,177)	-	NM	(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	
	30/06/2018 US$'000	30/06/2017 US$'000	30/06/2018 US$'000	30/06/2017 US$'000
ASSETS				
Non-current assets				
Plant and equipment	962	421	5	10
Intangible assets and goodwill	6,429	4,791	-	-
Subsidiaries	-	-	31,993	29,904
Associates	-	402	-	-
Available-for-sale investment	21,673	14,090	-	-
Deferred tax assets	37	-	-	-
Other receivables	1,900	-	1,900	-
Total non-current assets	31,001	19,704	33,898	29,914
Current assets				
Inventories	14,309	5,267	-	-
Trade and other receivables	26,877	26,517	5,629	11,200
Prepayments	76	5,475	19	27
Derivative financial instruments	-	136	-	-
Cash and cash equivalents	32,883	30,870	5,987	251
Total current assets	74,145	68,265	11,635	11,478
Total assets	**105,146**	**87,969**	**45,533**	**41,392**
EQUITY AND LIABILITIES				
Equity				
Share capital	78,076	71,179	78,076	71,179
Treasury shares	(863)	(510)	(863)	(510)
Other reserves	232	1,207	711	734
Accumulated losses	(35,852)	(32,728)	(37,329)	(31,979)
	41,593	39,148	40,595	39,424
Non-controlling interests	784	384	-	-
Total equity	42,377	39,532	40,595	39,424
Non-current liabilities				
Deferred tax liabilities	386	413	-	-
Borrowings	161	201	-	2
Convertible loan note	3,737	-	3,737	-
Total non-current liabilities	4,284	614	3,737	2
Current liabilities				
Trade and other payables	43,016	38,330	1,199	1,356
Borrowings	14,515	9,452	2	610
Income tax payable	72	41	-	-
Derivative financial instruments	882	-	-	-
Total current liabilities	58,485	47,823	1,201	1,966
Total liabilities	62,769	48,437	4,938	1,968
Total equity and liabilities	**105,146**	**87,969**	**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 2018		As at 30 June 2017	
	Secured	Unsecured	Secured	Unsecured
	US$'000	US$'000	US$'000	US$'000
Borrowings	7,521	6,994	8,418	1,034

Amount repayable after one year

	As at 30 June 2018		As at 30 June 2017	
	Secured	Unsecured	Secured	Unsecured
	US$'000	US$'000	US$'000	US$'000
Borrowings	2	159	4	197
Convertible loan note	-	3,737	-	-

Details of any collateral

The Group's secured borrowings of US$7.523m comprises:

i. US$0.005m: Finance lease secured by plant and equipment financed.

ii. US$6.492m: A floating charge on inventory and corporate guarantee on trade transactions financed.

iii. US$0.279m: This relates to a bank overdraft, the balance of which is secured on a fixed deposit and all sums in the current account of that bank of the subsidiary (Healthsciences International Pte. Ltd.) and on the personal guarantee from one of the director.

iv. US$0.747m: This relates to a Money Market Line ("MML") facility which includes an overdraft sublimit of S$200,000. The balance owing is secured on a pledged fixed deposit and a corporate guarantee from the ultimate holding company.

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	
	30/06/2018 US$'000	**30/06/2017 US$'000**
OPERATING ACTIVITIES		
Loss before taxation	(2,971)	(1,843)
Adjustments for:-		
Amortisation of intangible assets	174	89
Consultancy fees paid by issuance of shares	-	50
Depreciation of plant and equipment	186	64
Gain on disposal of associate	(301)	-
Finance costs	1,682	1,216
Finance income	(5)	(568)
Impairment losses on trade and other receivables	1,177	-
Loss on disposal of subsidiaries	-	10
Net fair value loss/(gain) on derivative financial instruments	688	(439)
Unrealised foreign exchange differences	(46)	9
Plant and equipment written off	20	-
Share of results of associates	111	457
Operating profit/(loss) before working capital changes	**715**	**(955)**
Increase / decrease in:		
Inventories	(9,042)	(3,893)
Trade and other receivables	(6,667)	(4,229)
Prepayments	499	-
Trade and other payables	4,633	26,241
Cash (used in)/from operations	**(9,862)**	**17,164**
Income tax paid	(37)	(1)
Net cash flows (used in)/from operating activities	**(9,899)**	**17,163**
INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired (Note A, B & C)	178	(975)
Acquisition of plant and equipment	(310)	(7)
Disposal of subsidiaries, net of cash outflow (Note D)	-	(25)
Incorporation of an associate	-	(859)
Interest received	5	2
Proceeds from disposal of available-for-sale investment	-	36
Proceeds from disposal of associate	593	-
Net cash flows from/(used in) investing activities	**466**	**(1,828)**
FINANCING ACTIVITIES		
Cash restricted in use	3,284	(23,794)
Interest paid	(1,658)	(1,199)
Pledged fixed deposits	-	(4)
Proceeds from issuance of convertible loan note	3,737	-
Proceeds from issuance of shares pursuant to exercise of warrants	2	2,088
Proceeds from issuance of shares	4,813	2,042
Proceeds from short-term loans	58,940	34,274
Proceeds from disposal of treasury shares	318	457
Purchase of treasury shares	(694)	(577)
Repayment of finance lease payables	(2)	(2)
Repayment of short-term loans	(53,925)	(25,602)
Net cash flows from/(used in) financing activities	**14,815**	**(12,317)**
Net increase in cash and cash equivalents	5,382	3,018
Cash and cash equivalents at beginning of the year	6,581	3,563
Effect of exchange rate differences in cash and cash equivalents	10	-
Cash and cash equivalents at end of financial year	**11,973**	**6,581**
Cash and cash equivalents comprise the following:		
Cash and cash equivalents	32,883	30,870
Less: Bank overdrafts	(279)	(379)
Less: Fixed deposits pledged	(121)	(116)
Less: Restricted cash	(20,510)	(23,794)
Cash and cash equivalents at end of financial year	**11,973**	**6,581**

Note A

On 10 October 2017, the Company and its subsidiary HSI Dental Pte. Ltd. (formerly known as HSI Nominees A Pte. Ltd.), entered into a share sale and purchase agreement with Dr Toh Teck Kiong, Ainsley and Dr Foong Siew Hong, to acquire an aggregate of 70% of the shares in each of 84 INC Pte. Ltd., The Dental Hub@SG Pte. Ltd., and NDC Consulting Pte. Ltd..

Completion took place on 30 October 2017.

The aggregate consideration for the sale and purchase of the Sale Shares was S$2,827,841 (US$2,081,856) in shares, based on 7,159,090 shares at the Company's closing share price of S$0.395 on 30 October 2017.

	2018 At fair value US$'000
ASSETS	
Plant and equipment	418
Intangible assets	89
Trade and other receivables	145
Cash and cash equivalents	178
Total assets	830
LIABILITIES	
Borrowings	106
Trade and other payables	46
Income tax payables	15
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)

Note B

The Company had on 15 September 2016 entered into a sale and purchase agreement with the existing shareholders of Healthsciences International Pte. Ltd. (“HSI”) to acquire 510,000 ordinary shares in the capital of HSI, comprising 51% of the issued and paid-up share capital of HSI, for an aggregate cash consideration of S$2,167,500 (US$1,522,000).

Completion took place on 7 December 2016.

	2017 At fair value US$'000
ASSETS	
Plant and equipment	57
Intangible assets	1,556
Long-term deposits	55
Inventories	25
Trade and other receivables	27
Prepayments	6
Fixed deposits	113
Cash and cash equivalents	117
Total assets	1,956
LIABILITIES	
Borrowings	534
Trade and other payables	232
Deferred tax liabilities	269
Total liabilities	1,035
Total identifiable net assets	921
Less: Non-controlling interests	(451)
Total identifiable net assets attributable to the Group	470
Add: Goodwill arising from acquisition	1,052
	1,522
Less: Consideration payable	(529)
Consideration paid for the acquisition	993
Less: Cash and cash equivalents of subsidiaries acquired	(117)
Add: Bank overdrafts of subsidiary acquired	272
Cash outflow on acquisition per consolidated statement of cash flows	1,148

Note C

On 26 May 2017, the Company and its 51% owned subsidiary, HSI entered into separate share sale and purchase agreements with Dr Keith Alan Liew and Dr Kee Keng Hsiung, to acquire an aggregate of 70% of the shares in each of Crescent Dental Clinic Pte. Ltd., DentalTrendz JP Pte. Ltd., Trendz Dental Surgeons Pte. Ltd., L'ving Vine Dental Clinic Pte. Ltd., Dover Dental Surgery Pte. Ltd., and DentalTrendz Pte. Ltd..

In addition, the Company and its 51% owned subsidiary, HSI, on 26 May 2017, entered into a share sale and purchase agreement with Dr VicPearly Wong to acquire 51% of the shares in each of GreedyGums Pte. Ltd., Wren Dental and Medical Supplies Pte. Ltd., and Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd..

On 30 June 2017, the Group completed the acquisition via the wholly-owned subsidiary of HSI, HSI Dental Pte. Ltd..

The aggregate consideration for the sale and purchase of the Sale Shares is S$3,626,613 (US$2,619,139) in shares, based on 7,181,411 shares at the Company's share price of S$0.505 on 29 June 2017.

Cash of S$84,000 (US$60,665) was paid and 137,632 shares amounting to S$69,504 (US$50,196) were issued in consideration of the consultancy services provided by the consultants.

	2017 At fair value US$'000
ASSETS	
Plant and equipment	371
Inventories	30
Trade and other receivables	505
Prepayments	1
Cash and cash equivalents	178
Total assets	1,085
LIABILITIES	
Borrowings	310
Trade and other payables	201
Income tax payables	41
Total liabilities	552
Total identifiable net assets	533
Less: Non-controlling interests	(186)
Total identifiable net assets attributable to the Group	347
Add: Goodwill arising from acquisition	2,272
Total consideration	2,619
Consideration paid by issuance of shares	(2,619)
Less: Cash and cash equivalents of subsidiaries acquired	(178)
Add: Bank overdrafts of subsidiary acquired	5
Cash inflow on acquisition per consolidated statement of cash flows	(173)

Note D

i) On 30 June 2017, the Company's wholly owned subsidiary, Digiland Pte. Ltd. transferred 26,000 ordinary shares representing its entire 65% shareholding interest in the capital of IBase Technology International Pte. Ltd. to IBase Technology Pte Ltd (the "IBase Disposal") for a consideration of S$20,000 (US$14,444); and
ii) the Company has transferred its entire shareholding in Digiland Pte. Ltd. to Globalports Pte. Ltd. for a consideration of S$1.00 upon completion of the IBase Disposal.

Completion took place on 30 June 2017.

	2017 US$'000
ASSETS	
Cash and cash equivalents	25
Total assets	25
LIABILITIES	
Accruals	2
Total liabilities	2
Net assets	23
Consideration receivable	14
Net assets disposed of (as above)	(23)
Non-controlling interest	8
Currency translation reserve	(9)
Loss on disposal	(10)
Cash and cash equivalents in subsidiaries disposed of represent net cash outflow on disposal	(25)

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 US$'000	Treasury shares US$'000	Warrant reserve US$'000	Capital reserve US$'000	Fair value reserve US$'000	Translation reserve US$'000	Accumulated losses US$'000	Equity attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
GROUP										
Balance as at 1 July 2017	71,179	(510)	666	68	-	473	(32,728)	39,148	384	39,532
(Loss)/Profit for the year	-	-	-	-	-	-	(3,124)	(3,124)	164	(2,960)
Other comprehensive income										
- Net fair value loss on available-for-sale investment	-	-	-	-	(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 in their capacity as owners	6,897	(353)	-	(23)	-	-	-	6,521	199	6,720
Balance as at 30 June 2018	**78,076**	**(863)**	**666**	**45**	**(987)**	**508**	**(35,852)**	**41,593**	**784**	**42,377**
Balance as at 1 July 2016	63,958	(322)	1,088	-	-	460	(30,934)	34,250	(43)	34,207
Loss for the year	-	-	-	-	-	-	(1,794)	(1,794)	(194)	(1,988)
Other comprehensive income										
- Foreign currency translation	-	-	-	-	-	13	-	13	(8)	5
Total comprehensive income/ (loss) for the year	-	-	-	-	-	13	(1,794)	(1,781)	(202)	(1,983)
Contributions by and distributions to owners										
- Issue of shares	2,042	-	-	-	-	-	-	2,042	-	2,042
- Exercise of warrants	2,510	-	(422)	-	-	-	-	2,088	-	2,088
- Disposal of treasury shares	-	389	-	68	-	-	-	457	-	457
- Purchase of treasury shares	-	(577)	-	-	-	-	-	(577)	-	(577)
Changes in ownership interests in subsidiaries										
- Acquisition of subsidiaries	2,619	-	-	-	-	-	-	2,619	637	3,256
- Consultancy fees paid through shares	50	-	-	-	-	-	-	50	-	50
- Disposal of subsidiaries	-	-	-	-	-	-	-	-	(8)	(8)
Transactions with owners in their capacity as owners	7,221	(188)	(422)	68	-	-	-	6,679	629	7,308
Balance as at 30 June 2017	**71,179**	**(510)**	**666**	**68**	**-**	**473**	**(32,728)**	**39,148**	**384**	**39,532**

	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 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**
Balance as at 1 July 2016	63,958	(322)	1,088	-	(29,138)	35,586
Issue of shares	2,042	-	-	-	-	2,042
Exercise of warrants	2,510	-	(422)	-	-	2,088
Disposal of treasury shares	-	389	-	68	-	457
Purchase of treasury shares	-	(577)	-	-	-	(577)
Acquisition of subsidiaries	2,619	-	-	-	-	2,619
Consultancy fees paid through shares	50	-	-	-	-	50
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(2,841)	(2,841)
Balance as at 30 June 2017	**71,179**	**(510)**	**666**	**68**	**(31,979)**	**39,424**

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.

The movement of the Company's share capital, treasury shares reserve and warrant reserve is as follows:

	No of issued shares	Amount US$'000
Balance as at 1 April 2018	165,232,295	78,126
Purchase of treasury shares	(1,033,800)	(247)
Balance as at 30 June 2018	164,198,495	77,879

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:

	As at 30 June 2018	As at 30 June 2017
Warrants Total number of shares that may be issued on conversion of the Company's outstanding warrants	15,301,568	15,309,068
Convertible loan note Total number of shares that may be issued on conversion of the Company's convertible loan note (1)	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 (equivalents to US$3,736,500) as at 30 June 2018. 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 2018, the Company held 3,444,200 (30 June 2017: 1,481,100) 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 164,198,495 (30 June 2017: 144,563,187).

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.

The movement of the Company's treasury shares is as follows:

	No. of shares	Amount US$'000
Balance as at 1 April 2018	2,410,400	616
Purchase of treasury shares	1,033,800	247
Balance as at 30 June 2018	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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year as compared with those of the audited financial statements for 30 June 2017 except for the adoption of new or amended FRS and interpretations to FRS, which took effect from financial year beginning on or after 1 July 2017.

The adoption of the new or amended standards did not have any material effect on the financial performance or position of the Group and the Company.

5 If there are any changes in the accounting polices 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.

There were no changes in the accounting policies and methods of computation.

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	
	30/06/2018	30/06/2017
	US$	US$
(i) Basic	(2.013) cents	(1.382) cents
(ii) Diluted	(2.013) cents	(1.382) cents

The basic and diluted earnings per ordinary share for the financial year ended 30 June 2018 was calculated based on the weighted average number of issued shares 155,238,628. For comparison, earnings per share for the corresponding period was computed based on the weighted average number of shares of 129,844,580.

At the end of the reporting year, the outstanding warrants and 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	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	US$	US$	US$	US$
Net asset value per ordinary share based on the issued share capital at the end of the year	25.330 cents	27.081 cents	24.723 cents	27.272 cents

Net asset value per ordinary share as at 30 June 2018 and 30 June 2017 was calculated based on the number of shares in issue excluding treasury shares of 164,198,495 and 144,563,187 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$193.41m in fourth quarter ended 30 June 2018 ("4Q18") which was 69% higher than US$114.58m in fourth quarter ended 30 June 2017 ("4Q17"). This is mainly due to the increase in the oil trades (US$77.37m), and contribution from the newly acquired healthcare subsidiaries (US$1.46m).

Other income increased to US$1.11m in 4Q18 as compared to US$0.20m in 4Q17. This is mainly due to demurrage income from the oil trading activities.

Employee benefits expense increased to US$1.90m in 4Q18 as compared to US$0.62m in 4Q17 mainly due to the employee benefits expense of the newly acquired dental companies (acquisition of 9 companies completed on 30 June 2017 and 3 companies completed on 30 October 2017).

Depreciation of plant and equipment increased to US$0.06m in 4Q18 as compared to US$0.01m in 4Q17 due to depreciation of equipment of the newly acquired dental companies.

Other operating expenses increased to US$2.29m in 4Q18 as compared to US$0.90m in 4Q17.
The increase is mainly due to other operating expenses incurred by the newly acquired healthcare subsidiaries and the following one-off expenses:
i. Written off US$0.28m as partial consideration receivable for the disposal of subsidiaries, Digiland (Thailand) Ltd. and Infonet Systems and Services Pte Ltd and US$0.90m for the other receivable from Tianjin General Nice Coke & Chemicals Co., Ltd.
ii. Professional fees of US$0.90m due to the Group's various corporate actions.

Finance costs increased to US$0.54m in 4Q18 as compared to US$0.46m in 4Q17, largely due to increased in oil trading activities - interest incurred from discounting of letters of credit and short-term loans.

The share of results of associates decreased to US$0.05m in 4Q18 as compared to US$0.17m in 4Q17. The decrease is due to the disposal of New Silkroutes Asset Management Pte Ltd ("NSAM") on 22 September 2017.

Financial Position Review
Plant and equipment increased to US$0.96m as at 30 June 2018 as compared to US$0.42m as at 30 June 2017.
The increase was mainly due to the equipment of the 3 newly acquired dental companies on 30 October 2017.

Intangible assets and goodwill increased to US$6.43m as at 30 June 2018 as compared to US$4.79m as at 30 June 2017.
The increase was mainly due to the goodwill arising from the acquisition of the 3 dental companies on 30 October 2017.

Investments in associates is nil as at 30 June 2018 as compared to US$0.40m as at 30 June 2017, this is due to the divestment of NSAM on 22 September 2017 and share of loss of SilkrouteAsia Asset Management Pte. Ltd.

Available-for-sale investment increased to US$21.67m as at 30 June 2018 as compared to US$14.09m as at 30 June 2017. This is due to the increase in the shareholding of Thai General Nice Coal and Coke Co., Ltd from 2.82% to 4.53% with the consideration of US$8.57m. The loss on fair value changes is US$0.99m. The consideration was satisfied by US$3.67m accrued interest and prepayments of US$4.90m.

The deferred tax assets of US$0.04m was due to unutilised tax losses in HSI.

The non-current other receivable of US$1.90m is reclass from the current other receivable for the consideration receivable for the disposal of subsidiaries, Digiland (Thailand) Ltd. and Infonet Systems and Services Pte Ltd.

As at 30 June 2018, the increase/decrease of the following items is primarily due to the increase in oil trading activities:
i. Inventories increased to US$14.31m as compared to US$5.27m.
ii. Derivative financial instruments (for oil price hedging purposes) recorded a net liability of US$0.88m as compared to a net asset of US$0.14m.
iii. Trade and other payables increased to US$43.02m as compared to US$38.33m.
iv. Total borrowings increased to US$14.68m as compared to US$9.65m mainly due to short-term loans used to finance the oil trades.
v. Cash and cash equivalents increased to US$32.89m as compared to US$30.87m.

The convertible loan note of US$3.74m arising from the convertible loan agreement with Haitong International Financial Products (Singapore) Pte. Ltd. (the "Lender") on 30 May 2018, 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 (equivalents to US$3,736,500) as at 30 June 2018.

Cash Flow Statement Review
The movement in the net cash flows used in operating activities was mainly due to the increased oil trading activities.

The net cash of US$14.82m from financing activities in the currrent year was resulted from:
i. Released of US$3.28m from the cash held in designated bank accounts and earmarking for letters of credit issued.
ii. Proceeds of US$4.81m from the issuance of shares.
iii. Increased in net borrowings of US$5.02m.
iv. Proceeds of US$3.74m from issuance of convertible loan note.

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

The results reported herein are in line with the announcements previously made.

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 Company expects demand for primary healthcare services in Singapore to remain strong, as the government continues to direct patients with chronic diseases from over-crowded hospital specialist departments to GPs and polyclinics. This should result in strong patient volumes for its newly acquired GP clinics.

To tap the strong economic growth and increasing affluence in the surrounding Southeast Asian countries, the Company signed a JV agreement with EGroup to establish a network of dental clinics in Vietnam under The Dental Hub brand. It believes this investment in Vietnam will enable the Company to establish itself as an international healthcare brand.

The Company is also pursuing regional hospital management contracts with a view to taking permanent equity in these hospitals as part of its long term strategy. In particular, to establish a foothold in China, the Company has signed a sale and purchase agreement for Shanghai Fengwei Garment Accessory Co. Ltd, which is a manufacturer of non-woven linen and gowns for hospital use. This acquisition will be synergistic to its hospital management services and the Company expects China to be a significant growth engine once the acquisition is completed.

Business activity in the Company's energy sector continues to show growth but the rising oil prices and stronger USD may deplete trading margins as financing costs are expected to increase accordingly. The Company will continue to seek more trade lines and financiers to lower its cost and to improve its overall margins.

Utilisation of placement and convertible loan proceeds

Total placement proceeds of US$3.82m on 8 March 2018 were utilised for the following purposes:

	As at 29 August 2018 US$'000
Placement proceeds	3,819
Less: Placement costs	(113)
Net proceeds	3,706
Less utilised:	
Working capital (staff salaries, professional fees and related expenses)	(1,297)
Investment through acquisitions	(2,409)
	-

Total convertible loan proceeds of US$3.74m on 30 May 2018 were utilised for the following purposes:

	As at 29 August 2018 US$'000
Convertible loan proceeds	3,737
Less: Issuance costs	(70)
Net proceeds	3,667
Less utilised:	
Investment through acquisitions	(3,667)
	-

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/recommended, a statement to that effect.

No dividend has been declared or recommended for the year ended 30 June 2018.

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 : -

- IT - Distribution of PCs, notebooks, servers & IT consumer electronic products; provision of IT-related repair services
- Trading of oil and gas
- Healthcare
- Others - all others

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

	IT	Trading of oil and gas	Healthcare	Others	Group
	US$'000	US$'000	US$'000	US$'000	US$'000
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)	-	1,314	95	(4,369)	(2,960)
Segment assets	-	86,313	9,666	9,167	105,146
Segment liabilities	-	55,447	2,593	4,729	62,769
2017					
Revenue	78	432,296	662	-	433,036
Results					
Other income	262	3	10	646	921
Capital expenditure	-	(4)	(1)	(2)	(7)
Depreciation and amortisation	-	(19)	(127)	(7)	(153)
Other non-cash (expenses)/income	(1)	442	-	(51)	390
Finance costs	-	(1,182)	(26)	(8)	(1,216)
Finance income	-	-	-	-	-
Segment gain/(loss)	110	1,011	(391)	(2,718)	(1,988)
Segment assets	17	72,294	6,317	9,341	87,969
Segment liabilities	16	44,908	1,784	1,729	48,437

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	
	2018	2017	2018	2017
	US$'000	US$'000	US$'000	US$'000
Australia	76	-	-	-
Cambodia	118,910	94,301	-	-
China	86	-	-	-
United Arab Emirates	27,587	-	-	-
Hong Kong	201,380	-	-	-
Myanmar	11,610	-	-	-
Singapore	235,752	134,840	2,346	5,212
South Korea	33,327	97,856	-	-
United Kingdom	63,804	9,185	-	-
Vietnam	-	96,854	-	-
	692,532	433,036	2,346	5,212

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		
	30/06/18	30/06/17	Change
	US$'000	US$'000	US$'000
Revenue reported for first half year	334,724	193,080	73%
Loss after tax reported for first half year	(390)	(490)	-20%
Revenue reported for second half year	357,808	239,956	49%
Loss after tax reported for second half year	(2,570)	(1,498)	72%

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
Specialised advice and services fee: Goodwood Associates Pte. Ltd.	249	Nil
Interest expenses: Goodwood Associates Pte. Ltd.	2	Nil

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
29 August 2018