

NEW SILKROUTES GROUP LIMITED
Financial Statement and Dividend Announcement For The Year Ended 30 June 2017
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 | | |
|--|----------------------------|----------------------|-------------|--------------------------|----------------------|-------------|
| | 30/06/17 US\$'000 | 30/06/16 US\$'000 | Change % | 30/06/17 US\$'000 | 30/06/16 US\$'000 | Change % |
| Revenue | 114,581 | 35,020 | 227% | 433,036 | 54,296 | 698% |
| Other income | 204 | 442 | -54% | 921 | 1,547 | -40% |
| Changes in inventories | 3,907 | 1,320 | 196% | 3,893 | 1,320 | 195% |
| Purchases | (117,873) | (36,149) | 226% | (433,185) | (55,000) | 688% |
| Personnel expenses | (616) | (549) | 12% | (2,728) | (2,303) | 18% |
| Depreciation of plant and equipment | (10) | (7) | 43% | (64) | (23) | 178% |
| Amortisation of intangible assets | (38) | - | NM | (89) | - | NM |
| Net gain / (loss) on fair value of derivative financial instruments | 384 | (76) | NM | 439 | (234) | NM |
| Other operating expenses | (899) | (415) | 117% | (2,393) | (2,890) | -17% |
| Finance costs | (462) | (14) | 3200% | (1,216) | (16) | 7500% |
| Share of results of associates | (172) | - | NM | (457) | - | NM |
| Loss before tax | (994) | (428) | 132% | (1,843) | (3,303) | -44% |
| Income tax expense | (156) | - | NM | (145) | - | NM |
| Loss for the year from continuing operations | (1,150) | (428) | 169% | (1,988) | (3,303) | -40% |
| Profit / (Loss) for the year from discontinued operations, net of tax | - | 160 | NM | - | (213) | NM |
| Loss for the year | (1,150) | (268) | 329% | (1,988) | (3,516) | -43% |
| Other comprehensive income: | | | | | | |
| Foreign currency translation | (22) | (397) | -94% | 5 | (246) | NM |
| Total comprehensive loss for the year | (1,172) | (665) | 76% | (1,983) | (3,762) | -47% |
| Loss attributable to owners of the company | | | | | | |
| Continuing operations, net of tax | (1,039) | (428) | 143% | (1,794) | (3,149) | -43% |
| Discontinued operations, net of tax | - | 160 | NM | - | (213) | NM |
| | (1,039) | (268) | 288% | (1,794) | (3,362) | -47% |
| Loss attributable to non-controlling interests: | | | | | | |
| Continuing operations, net of tax | (111) | - | NM | (194) | (154) | 26% |
| | (1,150) | (268) | 329% | (1,988) | (3,516) | -43% |
| Total comprehensive loss attributable to owners of the company: | | | | | | |
| Continuing operations, net of tax | (1,057) | (796) | 33% | (1,781) | (3,452) | -48% |
| Discontinued operations, net of tax | - | 131 | NM | - | (156) | NM |
| | (1,057) | (665) | 59% | (1,781) | (3,608) | -51% |
| Total comprehensive loss attributable to non-controlling interests: | | | | | | |
| Continuing operations, net of tax | (115) | - | NM | (202) | (154) | 31% |
| | (1,172) | (665) | 76% | (1,983) | (3,762) | -47% |
| Notes (The expenses below are included in "Other operating expenses" of continuing operations above): | | | | | | |
| Foreign exchange (loss) / gain | (10) | 150 | -107% | (49) | (431) | -89% |

Results of the discontinued operations are as follows:

| | GROUP 4TH QUARTER ENDED | | | GROUP FULL YEAR ENDED | | |
|---|----------------------------|----------------------|-------------|--------------------------|----------------------|-------------|
| | 30/06/17 US\$'000 | 30/06/16 US\$'000 | Change % | 30/06/17 US\$'000 | 30/06/16 US\$'000 | Change % |
| Revenue and other income | - | 5,019 | NM | - | 24,451 | NM |
| Expenses | - | (5,879) | NM | - | (25,542) | NM |
| Finance costs | - | (45) | NM | - | (184) | NM |
| Finance income | - | 6 | NM | - | 45 | NM |
| Share in result of an associate | - | - | NM | - | (42) | NM |
| Loss from discontinued operations | - | (899) | NM | - | (1,272) | NM |
| Gain on disposal of subsidiaries | - | 1,059 | NM | - | 1,059 | NM |
| Total profit / (loss) attributable to discontinued operations | - | 160 | NM | - | (213) | NM |

Notes (The expenses below are included in "Expenses" of discontinued operations above):

| | | | | | | |
|--|---|-------|----|---|-------|----|
| Foreign exchange gain / (loss) | - | 16 | NM | - | (63) | NM |
| Allowance of inventory to net realisable value | - | - | NM | - | (4) | NM |
| Allowance for trade and other receivables | - | (434) | NM | - | (488) | NM |
| Allowance for refundable deposit | - | (182) | NM | - | (182) | 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 | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 30/06/2017 | 30/06/2016 | 30/06/2017 | 30/06/2016 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Plant and equipment | 421 | 49 | 10 | 16 |
| Intangible assets and goodwill | 4,791 | - | - | - |
| Subsidiaries | - | - | 29,904 | 25,764 |
| Associates | 402 | - | - | - |
| Available-for-sale investment | 14,090 | 36 | - | - |
| Long-term deposits | 57 | - | - | - |
| Total non-current assets | 19,761 | 85 | 29,914 | 25,780 |
| Current assets | | | | |
| Inventories | 5,267 | 1,320 | - | - |
| Trade and other receivables | 26,987 | 35,146 | 11,200 | 9,774 |
| Prepayments | 4,948 | 4,941 | 27 | 30 |
| Derivative financial instruments | 136 | 285 | - | - |
| Cash and cash equivalents | 30,870 | 3,563 | 251 | 804 |
| Total current assets | 68,208 | 45,255 | 11,478 | 10,608 |
| Total assets | 87,969 | 45,340 | 41,392 | 36,388 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 71,179 | 63,958 | 71,179 | 63,958 |
| Treasury shares | (510) | (322) | (510) | (322) |
| Capital reserve | 68 | - | 68 | - |
| Other reserves | 1,139 | 1,548 | 666 | 1,088 |
| Accumulated losses | (32,728) | (30,934) | (31,979) | (29,138) |
| | 39,148 | 34,250 | 39,424 | 35,586 |
| Non-controlling interests | 384 | (43) | - | - |
| Total equity | 39,532 | 34,207 | 39,424 | 35,586 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 413 | - | - | - |
| Borrowings | 201 | 3 | 2 | 3 |
| Total non-current liabilities | 614 | 3 | 2 | 3 |
| Current liabilities | | | | |
| Trade and other payables | 38,330 | 11,128 | 1,356 | 797 |
| Borrowings | 9,452 | 2 | 610 | 2 |
| Income tax payable | 41 | - | - | - |
| Total current liabilities | 47,823 | 11,130 | 1,966 | 799 |
| Total liabilities | 48,437 | 11,133 | 1,968 | 802 |
| Total equity and liabilities | 87,969 | 45,340 | 41,392 | 36,388 |

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 2017 | | As at 30 June 2016 | |
|---------------------|-----------------------|---------------------|-----------------------|
| Secured US\$'000 | Unsecured US\$'000 | Secured US\$'000 | Unsecured US\$'000 |
| 8,418 | 1,034 | 2 | - |

Amount repayable after one year

| As at 30 June 2017 | | As at 30 June 2016 | |
|---------------------|-----------------------|---------------------|-----------------------|
| Secured US\$'000 | Unsecured US\$'000 | Secured US\$'000 | Unsecured US\$'000 |
| 4 | 197 | 3 | - |

Details of any collateral

The Group's secured borrowings of US\$8.422m comprises:

- i. US\$0.007m: Finance lease secured by plant and equipment financed.
- ii. US\$8.017m: A floating charge on inventory and corporate guarantee on trade transactions financed.
- iii. US\$0.398m: This relates to the bank loan and bank overdraft of newly acquired subsidiary, Healthsciences International Pte Ltd. The balances are secured on the fixed deposits and all sums in the current account of that bank of the mentioned subsidiary, and on the personal guarantees of two directors who are also shareholders of the subsidiary.

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 | |
| | 30/06/2017 | 30/06/2016 |
| | US\$'000 | US\$'000 |
| OPERATING ACTIVITIES | | |
| Loss before tax | | |
| from continuing operations | (1,843) | (3,303) |
| from discontinued operations | - | (213) |
| Total loss before tax | (1,843) | (3,516) |
| Adjustments for:- | | |
| Amortisation of intangible assets | 89 | - |
| Depreciation of plant and equipment | 64 | 41 |
| Loss / (Gain) on disposal of subsidiaries | 10 | (1,059) |
| Finance costs | 1,216 | 200 |
| Finance income | (568) | (45) |
| Allowance for impairment of receivables, net | - | 488 |
| Allowance for impairment of refundable deposit, net | - | 182 |
| Allowance for written-down of inventories, net | - | 4 |
| Consultancy fees paid by issuance of shares | 50 | - |
| Unrealised fair value loss on derivative financial instruments | 63 | 234 |
| Unrealised foreign exchange differences | 9 | 170 |
| Share of results of associates | 457 | 42 |
| Operating loss before working capital changes | (453) | (3,259) |
| Increase / decrease in: | | |
| Inventories | (3,893) | (1,108) |
| Trade and other receivables | (4,731) | (7,605) |
| Prepayments | - | (4,775) |
| Trade and other payables | 26,241 | 7,408 |
| Restricted cash | (15,049) | - |
| Cash from / (used in) operations | 2,115 | (9,339) |
| Income tax paid | (1) | - |
| Net cash flows from / (used in) operating activities | 2,114 | (9,339) |
| INVESTING ACTIVITIES | | |
| Interest received | 2 | 26 |
| Acquisition of available-for-sale investment | - | (36) |
| Incorporation of associates | (859) | - |
| Acquisition of plant and equipment | (7) | (27) |
| Acquisition of subsidiaries, net of cash outflow (Note A & B) | (975) | - |
| Disposal of subsidiaries, net of cash (outflow) / inflow (Note C & D) | (25) | 25 |
| Proceeds from disposal of available-for-sale investment | 36 | - |
| Net cash flows used in investing activities | (1,828) | (12) |
| FINANCING ACTIVITIES | | |
| Capital contributions from non-controlling interests of subsidiaries | - | 101 |
| Interest paid | (1,199) | (200) |
| Proceeds from issuance of shares pursuant to exercise of warrants | 2,088 | 33 |
| Proceeds from issuance of shares | 2,042 | 3,575 |
| Proceeds from short-term loans | 34,274 | 6,020 |
| Proceeds from disposal of treasury shares | 457 | - |
| Purchase of treasury shares | (577) | (322) |
| Repayment of short-term loans | (25,573) | (6,231) |
| Repayment of finance lease payables | (32) | (13) |
| Pledged fixed deposits | (4) | (406) |
| Net cash flows from financing activities | 11,476 | 2,557 |
| Net increase / (decrease) in cash and cash equivalents | 11,762 | (6,794) |
| Cash and cash equivalents at beginning of the year | 3,563 | 10,378 |
| Effect of exchange rate differences in cash and cash equivalents | - | (21) |
| Cash and cash equivalents at end of financial year | 15,325 | 3,563 |
| Cash and cash equivalents comprise the following: | | |
| Cash and cash equivalents | 30,870 | 3,563 |
| Less: Bank overdrafts | (379) | - |
| Less: Fixed deposits pledged | (117) | - |
| Less: Restricted cash | (15,049) | - |
| Cash and cash equivalents at end of financial year | 15,325 | 3,563 |
| Cash flows attributable to the discontinued operations: | | |
| Operating activities | - | 163 |
| Investing activities | - | (16) |
| Financing activities | - | (624) |
| Net cash out flows | - | (477) |

Note A

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 B

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 Nominees A 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 C

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) |

Note D

On 9 February 2015, the Company entered into a conditional sale and purchase agreement to dispose of its entire 100% equity interest in the subsidiaries, Infonet Systems and Services Pte Ltd ("ISS") and Digiland (Thailand) Ltd ("DTL") ("Proposed Disposal"). In a supplemental agreement signed on 3 June 2016 (as announced on the same date) the consideration was amended to constitute the following:

- i) payment of S\$200,000 in cash at completion of the Proposed Disposal (the "Completion"); and
- ii) payment of an amount equivalent to the sum of (aa) amounts of invoices issued by DTL to its customers during the 60 days period ending on and including the date of Completion; and (bb) costs of unsold inventory of DTL with aging of no more than 60 days as at the date of Completion, such payment to be made on the date falling 12 months from Completion.

Completion took place on 30 June 2016.

| | 2016 US\$'000 |
|---|--------------------------------|
| ASSETS | |
| Plant and equipment | 78 |
| Inventories | 1,368 |
| Trade and other receivables | 3,390 |
| Prepayments | 85 |
| Fixed deposits | 3,519 |
| Cash and cash equivalents | 120 |
| Total assets | 8,560 |
| LIABILITIES | |
| Borrowings | 2,728 |
| Trade and other payables | 2,920 |
| Total liabilities | 5,648 |
| Net assets | 2,912 |
| | |
| Cash proceeds from disposal | 145 |
| Consideration receivable | 3,476 |
| Net assets disposed of (as above) | (2,912) |
| – Currency translation reserve | 350 |
| Gain on disposal | 1,059 |
| | |
| Cash proceeds from disposal | 145 |
| Less: Cash and cash equivalents in subsidiaries disposed of | (120) |
| Net cash inflow 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 | Translation reserve US\$'000 | Capital reserve US\$'000 | Other 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 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 loss for the year | - | - | - | 13 | - | - | (1,794) | (1,781) | (202) | (1,983) |
| Contributions by and distributions to owners | | | | | | | | | | |
| - Issuance 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 interest in subsidiaries | | | | | | | | | | |
| - Acquisition of subsidiaries | 2,619 | - | - | - | - | - | - | 2,619 | 637 | 3,256 |
| - Issuance of shares as consultancy fees | 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 | 473 | 68 | - | (32,728) | 39,148 | 384 | 39,532 |
| Balance as at 1 July 2015 | 61,438 | - | - | 413 | - | 293 | (27,572) | 34,572 | 10 | 34,582 |
| Loss for the year | - | - | - | - | - | - | (3,362) | (3,362) | (154) | (3,516) |
| Other comprehensive income | | | | | | | | | | |
| - foreign currency translation | - | - | - | 47 | - | (293) | - | (246) | - | (246) |
| Total comprehensive loss for the year | - | - | - | 47 | - | (293) | (3,362) | (3,608) | (154) | (3,762) |
| Contributions by and distributions to owners | | | | | | | | | | |
| - Issuance of shares | 2,480 | - | 1,095 | - | - | - | - | 3,575 | - | 3,575 |
| - Exercise of warrants | 40 | - | (7) | - | - | - | - | 33 | - | 33 |
| - Purchase of treasury shares | - | (322) | - | - | - | - | - | (322) | - | (322) |
| Changes in ownership interest in subsidiaries | | | | | | | | | | |
| - Contribution of non-controlling interest | - | - | - | - | - | - | - | - | 101 | 101 |
| Transactions with owners in their capacity as owners | 2,520 | (322) | 1,088 | - | - | - | - | 3,286 | 101 | 3,387 |
| Balance as at 30 June 2016 | 63,958 | (322) | 1,088 | 460 | - | - | (30,934) | 34,250 | (43) | 34,207 |
| | 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 2016 | 63,958 | (322) | 1,088 | - | (29,138) | 35,586 | | | | |
| Issuance 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 | | | | |
| Issuance of shares as consultancy fees | 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 | | | | |
| Balance as at 1 July 2015 | 61,438 | - | - | - | (29,378) | 32,060 | | | | |
| Issuance of shares | 2,480 | - | 1,095 | - | - | 3,575 | | | | |
| Exercise of warrants | 40 | - | (7) | - | - | 33 | | | | |
| Purchase of treasury shares | - | (322) | - | - | - | (322) | | | | |
| Profit for the year, representing total comprehensive profit for the year | - | - | - | - | 240 | 240 | | | | |
| Balance as at 30 June 2016 | 63,958 | (322) | 1,088 | - | (29,138) | 35,586 | | | | |

- 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 and treasury share reserve were as follows:

| | No of issued shares | Amount US\$'000 |
|--|----------------------------|----------------------------|
| Balance as at 1 April 2017 | 134,128,544 | 67,856 |
| Issuance of new ordinary shares pursuant to exercise of warrants | 2,000,000 | 430 |
| Issuance of new ordinary shares for acquisition of subsidiaries | 7,319,043 | 2,669 |
| Disposal of treasury shares | 1,132,100 | 389 |
| Purchase of treasury shares | (16,500) | (9) |
| Balance as at 30 June 2017 | <u>144,563,187</u> | <u>71,335</u> |

The number of shares that may be issued on conversion of the Company's outstanding warrants as at the end of the financial year was 15,309,068 (30 June 2016: 25,022,385).

As at 30 June 2017, the Company held 1,481,100 (30 June 2016: 1,441,700) 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 144,563,187 (30 June 2016: 124,570,227).

- 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 are as follows:

| | No. of shares | Amount US\$'000 |
|-----------------------------|----------------------|----------------------------|
| Balance as at 1 April 2017 | 2,596,700 | 890 |
| Disposal of treasury shares | (1,132,100) | (389) |
| Purchase of treasury shares | 16,500 | 9 |
| Balance as at 30 June 2017 | <u>1,481,100</u> | <u>510</u> |

- 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 2016 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 2016.

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 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.**

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 | |
|--|------------------------|-------------------|
| | 30/06/2017 | 30/06/2016 |
| | US\$ | US\$ |
| (i) Basic | (1.382) cents | (3.143) cents |
| (ii) Diluted | (1.382) cents | (3.143) cents |

The basic and diluted earnings per ordinary share for the financial year ended 30 June 2017 was calculated based on the weighted average number of issued shares 129,844,580. For comparison, earnings per share for the corresponding period was computed based on the weighted average number of shares of 106,939,537.

At the end of the reporting year, the 15,309,068 outstanding warrants 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 | |
|---|--------------|--------------|--------------|--------------|
| | 30/06/2017 | 30/06/2016 | 30/06/2017 | 30/06/2016 |
| | US\$ | US\$ | US\$ | US\$ |
| Net asset value per ordinary share based on the issued share capital at the end of the year | 27.081 cents | 27.495 cents | 27.272 cents | 28.567 cents |

Net asset value per ordinary share as at 30 June 2017 and 30 June 2016 was calculated based on the number of shares in issue excluding treasury shares of 144,563,187 and 124,570,227 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

Revenue increased from US\$35.020m for the fourth quarter ended 30 June 2017 ("4Q16") to US\$114.581m for the fourth quarter ended 30 June 2017 ("4Q17"). This is mainly attributable to International Energy Group Pte. Ltd. ("IEG"), NSG's wholly-owned oil trading subsidiary turning in another strong quarter. Accordingly, purchases increased correspondingly from US\$36.149m in 4Q16 to US\$117.873m in 4Q17.

Other income dropped from US\$0.442m in 4Q16 to US\$0.204m in 4Q17, substantially because the deposit for the acquisition of Thai GNCC no longer attracted interest (income) due to the conversion of the deposit to equity during 4Q17.

Personnel expenses increased from US\$0.549m for 4Q16 to US\$0.616m for 4Q17. The increase is mainly due to the personnel expenses of the newly acquired subsidiary, Healthsciences International Pte. Ltd. ("HSI") on 7 December 2016.

Amortisation of intangible assets of US\$0.038m in 4Q17 is attributable to the clinic management system of HSI.

Other operating expenses increased from US\$0.415m for 4Q16 to US\$0.899m for 4Q17.

The increase is primarily due to:

- Consultancy/Introducer fees of approx US\$0.100m for the acquisition of dental companies (completed on 30 June 2017).
- Listing costs and professional fees approx US\$0.100m for the issuance of consideration and consultant shares relating to the acquisition of dental companies.
- Exchange gains of US\$0.15m in 4Q16 compared to exchange losses of US\$0.010m in 4Q17, the 4Q16 gains arising mainly from the amount owing from the subsidiary which disposal was completed in 4Q16.
- Inspection fees related to the oil business of IEG, and other operating expenses incurred by the newly acquired subsidiary, HSI.
- Listing and professional fees relating to the Company's various corporate actions.

Finance costs increased from US\$0.014m for 4Q16 to US\$0.462m for 4Q17. This is largely due to its oil trading activities - interest costs relating to the discounting of letters of credit and loan interest on short-term loans secured by IEG to finance its oil trades.

The share of results of associates amounting to US\$0.172m relates to the Group's share of the loss in New Silkroutes Asset Management Pte. Ltd., the Company's 30% investment, announced on 7 October 2016.

Financial Position Review

Plant and equipment increased from US\$0.049m for the financial year ended 30 June 2016 ("FY2016") to US\$0.421m for the financial year ended 2017 ("FY2017"). The increase pertains to the plant and equipment from the newly acquired dental companies.

Intangible assets and goodwill of US\$4.791m: Intangible assets refer to the clinic management system of newly acquired subsidiary HSI, while goodwill arose from the acquisition of HSI and the dental companies.

Investments in associates amounting to US\$0.402m relates to the Group's investments in New Silkroutes Asset Management Pte. Ltd. (less losses to date) and SilkrouteAsia Asset Management Pte. Ltd.

Available-for-sale investment increased from US\$0.036m in FY2016 to US\$14.090m in FY2017. The increase is mainly due to the completion of the acquisition of 2.82% of Thai General Nice Coal and Coke Co., Ltd. ("TGNCC") on 22 May 2017. This resulted from the capitalising of a US\$14.090m deposit with TGNCC. The increase was slightly reduced by the divestment of 10% equity in MB9 Pte. Ltd. on 30 August 2016.

Long-term deposits mainly pertain to the rental deposit from the newly acquired subsidiary, HSI.

In 4Q17, the increase/decrease in the following items is primarily due to the increase in oil trading activities:

- i. Inventories increased from US\$1.32m to US\$5.267m.
- ii. Trade and other receivables decreased from US\$35.146m to US\$26.987m.
- iii. Derivative financial instruments (for oil price hedges) decreased from US\$0.285m to US\$0.136m.
- iv. Trade and other payables increased from US\$11.128m to US\$38.33m.
- v. Cash and cash equivalents increased from US\$3.563m to US\$30.87m.
- vi. Total borrowings increased from US\$0.005m to US\$9.653m - the increase being mainly due to a short-term loans secured by IEG to finance its oil trading activities.

The increase in deferred tax liabilities arose from the fair value of the clinic management system of newly acquired subsidiary HSI, and from the interest income on the deposit paid to TGNCC.

Cash Flow Statement Review

In FY2017, the Group recorded net cash generated from operating activities of US\$2.114m as compared to net cash used of US\$9.339m in FY2016. The turnaround is predominantly due to increased oil trading activities, and prudent cash management.

The net cash inflows from financing activities of US\$11.476m in the current financial year are principally due to the proceeds from the short-term loans secured by IEG, exercise of warrants and issuance of shares in the Company's share placement exercise.

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.

Going forward, the Group will continue to work on strengthening its oil business.

The acquisition of dental clinics was completed on 30 June 2017, as announced. It represents the Group's rolling out its plans to expand its healthcare business, augmenting capabilities of its newly acquired subsidiary HSI. It plans to continue this initiative of strengthening its healthcare arm as a core pillar.

On 21 July 2017, the Company obtained shareholders' approval at its EGM, for the proposed acquisition of Capital Group Investments Pte. Ltd. The acquisition is pending certain conditions precedent being met.

Utilisation of placement proceeds

Total placement proceeds of US\$2.042m on 23 December 2016 were utilised for the following purposes

| | As at 30 June 2017 USD'000 |
|--|---------------------------------------|
| Placement Proceeds | 2,042 |
| Less Placement Costs | (40) |
| Net Proceeds | <u>2,002</u> |
| Less utilised: | |
| A portion of the cost in the acquisition of a subsidiary | (718) |
| Investment in an associate company | (702) |
| Working capital (for a subsidiary's oil inventory purchases) | <u>(582)</u> |
| | <u><u>-</u></u> |

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 2017.

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
- Discontinued operations

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

| | IT | Trading of oil and gas | Healthcare | Others | Subtotal | Discontinued operations | Group |
|----------------------------------|----------|------------------------|------------|----------|----------|-------------------------|----------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| 2017 | | | | | | | |
| Revenue | 78 | 432,296 | 662 | - | 433,036 | - | 433,036 |
| Results | | | | | | | |
| Other income | 262 | 3 | 10 | 646 | 921 | - | 921 |
| Capital expenditure | - | (4) | (1) | (2) | (7) | - | (7) |
| Depreciation and amortisation | - | (19) | (127) | (7) | (153) | - | (153) |
| Other non-cash (expenses)/income | (1) | 442 | - | (51) | 390 | - | 390 |
| Finance costs | - | (1,182) | (26) | (8) | (1,216) | - | (1,216) |
| Finance income | - | - | - | - | - | - | - |
| Segment gain/(loss) | 110 | 1,011 | (391) | (2,718) | (1,988) | - | (1,988) |
| Segment assets | 17 | 72,294 | 6,317 | 9,341 | 87,969 | - | 87,969 |
| Segment liabilities | 16 | 44,908 | 1,784 | 1,729 | 48,437 | - | 48,437 |
| 2016 | | | | | | | |
| Revenue | 2,590 | 51,706 | - | - | 54,296 | 24,414 | 78,710 |
| Results | | | | | | | |
| Other income | 36 | 943 | - | 568 | 1,547 | 37 | 1,584 |
| Capital expenditure | (10) | (2) | - | - | (12) | (49) | (61) |
| Depreciation | (5) | (18) | - | - | (23) | (18) | (41) |
| Other non-cash expenses | (490) | (175) | - | - | (665) | (737) | (1,402) |
| Finance costs | (1) | (15) | - | - | (16) | (184) | (200) |
| Finance income | - | - | - | - | - | 45 | 45 |
| Segment (loss)/gain | (3,497) | 234 | - | (40) | (3,303) | (213) | (3,516) |
| Segment assets | 5,513 | 35,377 | - | 4,450 | 45,340 | - | 45,340 |
| Segment liabilities | 793 | 10,290 | - | 50 | 11,133 | - | 11,133 |

GEOGRAPHICAL SEGMENT

Revenue and assets are based on the location of those assets.

| | Revenue | | | | Assets | |
|--------------------------|-----------------------|------------------|-------------------------|------------------|-----------------------|------------------|
| | Continuing operations | | Discontinued operations | | Continuing operations | |
| | 2017 US\$'000 | 2016 US\$'000 | 2017 US\$'000 | 2016 US\$'000 | 2017 US\$'000 | 2016 US\$'000 |
| Singapore | 143,973 | 52,230 | - | 505 | 82,564 | 39,961 |
| Asia (exclude Singapore) | 289,063 | - | - | 23,909 | 4,495 | 9 |
| Australia | - | - | - | - | 4 | 16 |
| Other | - | 2,066 | - | - | 906 | 5,354 |
| | 433,036 | 54,296 | - | 24,414 | 87,969 | 45,340 |

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 | | | | | |
|---|-----------------------|----------------------|--------------------|-------------------------|----------------------|--------------------|
| | Continuing operations | | | Discontinued operations | | |
| | 30/06/17 US\$'000 | 30/06/16 US\$'000 | Change US\$'000 | 30/06/17 US\$'000 | 30/06/16 US\$'000 | Change US\$'000 |
| Revenue reported for first half year | 193,080 | 9,109 | 2020% | - | 13,233 | NM |
| Loss after tax reported for first half year | (490) | (1,503) | -67% | - | (308) | NM |
| Revenue reported for second half year | 239,956 | 45,187 | 431% | - | 11,181 | NM |
| (Loss) / Profit after tax reported for second half year | (1,498) | (1,800) | -17% | - | 95 | NM |

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. | 690 | Nil |
| Interest expenses: Goodwood Associates Pte. Ltd. | 32 | 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.

On behalf of Board of Directors

Goh Jin Hian
Director

Pao Kiew Tee
Audit Committee Chairman

BY ORDER OF THE BOARD

Lim Koon Hock
28 August 2017