NEW SILKROUTES GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199400571K)

DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The board of directors (the "**Board**") of New Silkroutes Group Limited (the "**Company**") refers to its unaudited full year financial results announcement for the 12-month period ended 30 June 2021 ("**FY2021**") released via SGXNET on 27 August 2021 (the "**Unaudited Financial Statements**").

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight and clarify the material differences between the Unaudited Financial Statements and the audited financial statements for FY2021 contained in the Annual Report. The material differences and the reasons for such material differences are set out in the explanatory notes below.

	As per unaudited financial statements	**As per audited financial statements**	**Variance**	**Note**
	US$'000	US$'000	US$'000	
Group				
Consolidated statement of profit or loss and other comprehensive income				
Discontinued operation				
Loss from discontinued operation, net of tax	(23,625)	(18,157)	(5,468)	(i)
Consolidated statement of financial position				
Non-current assets				
Prepayments	-	750	(750)	(ii)
Current assets				
Trade and other receivables	7,672	6,722	950	(ii)
Prepayments	210	410	(200)	(ii)
Non-current liabilities				
Borrowings	3,992	1,540	2,452	(iii)
Current liabilities				
Borrowings	8,582	11,034	(2,452)	(iii)
Company				
Statement of financial position				
Non-current assets				
Prepayments	-	750	(750)	(ii)
Current assets				
Trade and other receivables	1,361	411	950	(ii)
Prepayments	30	230	(200)	(ii)

Explanatory notes for the material differences:

(i) The cumulative loss on financial asset at fair value through other comprehensive income of US$5,468,000 arising from discontinued operation, should not have been reclassified to profit or loss upon deconsolidation from the Group, instead, it should be transferred to retained earnings. Adjustment has been made to reverse the reclassification to profit or loss and to recognsie a transfer from fair value reserve to accumulated losses.

(ii) On 23 November 2020, the Company entered into an agreement with the buyer to offset the remaining amount against collaboration projects at a service fee of US$200,000 per annual for a period of 5 years. The service fee from project shall be offset from the outstanding amount on the 31 August of each year. Accordingly, consideration receivables amounting to US$950,000 is reclassified to prepayment as this is no longer meet the definition of financial asset. US$750,000 has been reclassified as prepayment under non-current assets and US$200,000 has been reclassified as prepayment under current assets.

(iii) The Group breached a non-financial covenant for a loan from a financial institution, which was confirmed by the financial institution on 4 October 2021 as not waived. Accordingly, the non-current portion of this loan amounting to US$2,452,000 has been reclassified to current liabilities.

BY ORDER OF THE BOARD

Dr VicPearly Wong Hwei Pink
CEO & Executive Director

14 October 2021