

**NEW SILKROUTES GROUP LIMITED**
**Financial Statement and Dividend Announcement For The Year Ended 30 June 2016**
**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|                                                                                       | GROUP<br>4TH QUARTER ENDED |                      |             | GROUP<br>FULL YEAR ENDED |                      |             |
|---------------------------------------------------------------------------------------|----------------------------|----------------------|-------------|--------------------------|----------------------|-------------|
|                                                                                       | 30/06/16<br>US\$'000       | 30/06/15<br>US\$'000 | Change<br>% | 30/06/16<br>US\$'000     | 30/06/15<br>US\$'000 | Change<br>% |
| Revenue                                                                               | 35,020                     | 6,771                | 417%        | 54,296                   | 38,692               | 40%         |
| Other income                                                                          | 600                        | 368                  | 63%         | 1,547                    | 1,552                | 0%          |
| Purchases                                                                             | (34,829)                   | (6,685)              | 421%        | (53,680)                 | (38,058)             | 41%         |
| Personnel expenses                                                                    | (549)                      | (402)                | NM          | (2,303)                  | (1,735)              | 33%         |
| Depreciation of plant and equipment                                                   | (7)                        | (5)                  | NM          | (23)                     | (15)                 | NM          |
| Net loss on fair value of derivative financial instruments                            | (234)                      | -                    | NM          | (234)                    | -                    | NM          |
| Other operating expenses                                                              | (415)                      | (350)                | 18%         | (2,890)                  | (1,897)              | 52%         |
| Finance costs                                                                         | (14)                       | (7)                  | 96%         | (16)                     | (133)                | NM          |
| Profit / (Loss) before tax                                                            | (428)                      | (310)                | NM          | (3,303)                  | (1,594)              | NM          |
| Income tax expense                                                                    | -                          | -                    | NM          | -                        | -                    | NM          |
| Profit / (Loss) for the period / year from continuing operations                      | (428)                      | (310)                | NM          | (3,303)                  | (1,594)              | NM          |
| Profit / (Loss) for the period / year from discontinued operations, net of tax        | 160                        | (660)                | NM          | (213)                    | (979)                | NM          |
| <b>Profit / (Loss) for the period / year</b>                                          | <b>(268)</b>               | <b>(970)</b>         | <b>NM</b>   | <b>(3,516)</b>           | <b>(2,573)</b>       | <b>NM</b>   |
| Other comprehensive income:                                                           |                            |                      |             |                          |                      |             |
| Foreign currency translation                                                          | (397)                      | (3)                  | NM          | (246)                    | 177                  | NM          |
| <b>Total comprehensive income / (loss) for the period / year</b>                      | <b>(665)</b>               | <b>(973)</b>         | <b>NM</b>   | <b>(3,762)</b>           | <b>(2,396)</b>       | <b>NM</b>   |
| <b>Profit / (Loss) attributable to owners of the company</b>                          |                            |                      |             |                          |                      |             |
| Continuing operations, net of tax                                                     | (428)                      | (310)                | NM          | (3,149)                  | (1,594)              | NM          |
| Discontinued operations, net of tax                                                   | 160                        | (660)                | NM          | (213)                    | (979)                | NM          |
|                                                                                       | (268)                      | (970)                |             | (3,362)                  | (2,573)              |             |
| <b>Profit / (Loss) attributable to non-controlling interests:</b>                     |                            |                      |             |                          |                      |             |
| Continuing operations, net of tax                                                     | -                          | -                    |             | (154)                    | -                    |             |
|                                                                                       | (268)                      | (970)                |             | (3,516)                  | (2,573)              |             |
| <b>Total comprehensive income / (loss) attributable to owners of the company:</b>     |                            |                      |             |                          |                      |             |
| Continuing operations, net of tax                                                     | (796)                      | (300)                | NM          | (3,452)                  | (1,507)              | NM          |
| Discontinued operations, net of tax                                                   | 131                        | (673)                | NM          | (156)                    | (889)                | NM          |
|                                                                                       | (665)                      | (973)                |             | (3,608)                  | (2,396)              |             |
| <b>Total comprehensive income / (loss) attributable to non-controlling interests:</b> |                            |                      |             |                          |                      |             |
| Continuing operations, net of tax                                                     | -                          | -                    |             | (154)                    | -                    |             |
|                                                                                       | (665)                      | (973)                |             | (3,762)                  | (2,396)              |             |

**Notes (The expenses below are included in "Other operating expenses" of continuing operations above):**

|                                |     |      |    |       |       |    |
|--------------------------------|-----|------|----|-------|-------|----|
| Foreign exchange gain / (loss) | 150 | (38) | NM | (431) | (991) | NM |
|--------------------------------|-----|------|----|-------|-------|----|

**Results of the discontinued operations are as follows:**

|                                                             | GROUP<br>4TH QUARTER ENDED |                      |             | GROUP<br>FULL YEAR ENDED |                      |             |
|-------------------------------------------------------------|----------------------------|----------------------|-------------|--------------------------|----------------------|-------------|
|                                                             | 30/06/16<br>US\$'000       | 30/06/15<br>US\$'000 | Change<br>% | 30/06/16<br>US\$'000     | 30/06/15<br>US\$'000 | Change<br>% |
| Revenue and other income                                    | 5,019                      | 6,910                | -27%        | 24,451                   | 34,219               | -29%        |
| Expenses                                                    | (5,879)                    | (7,418)              | -21%        | (25,542)                 | (35,013)             | -27%        |
| Finance costs                                               | (45)                       | (66)                 | -32%        | (184)                    | (201)                | -9%         |
| Finance income                                              | 6                          | 21                   | -73%        | 45                       | 77                   | -42%        |
| Share in result of an associate                             | -                          | (107)                | NM          | (42)                     | (61)                 | NM          |
| Loss from discontinued operations                           | (899)                      | (660)                | NM          | (1,272)                  | (979)                | NM          |
| Gain on disposal of subsidiaries                            | 1,059                      | -                    | NM          | 1,059                    | -                    | NM          |
| Total profit/(loss) attributable to discontinued operations | 160                        | (660)                | NM          | (213)                    | (979)                | NM          |

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

|                                                               |       |       |    |       |       |    |
|---------------------------------------------------------------|-------|-------|----|-------|-------|----|
| Foreign exchange (loss) / gain                                | 16    | (84)  | NM | (63)  | (16)  | NM |
| Write back / (allowance) of inventory to net realisable value | -     | (28)  | NM | (4)   | (28)  | NM |
| Write back / (allowance) for trade and other receivables      | (434) | (219) | NM | (488) | (335) | NM |
| Write back / (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.**

|                                                                                 | <b>GROUP</b>      |                   | <b>COMPANY</b>    |                   |
|---------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                 | <b>30/06/2016</b> | <b>30/06/2015</b> | <b>30/06/2016</b> | <b>30/06/2015</b> |
|                                                                                 | <b>US\$'000</b>   | <b>US\$'000</b>   | <b>US\$'000</b>   | <b>US\$'000</b>   |
| <b>ASSETS</b>                                                                   |                   |                   |                   |                   |
| <b>Non-current assets</b>                                                       |                   |                   |                   |                   |
| Plant and equipment                                                             | 49                | 61                | 16                | 11                |
| Investment in subsidiaries                                                      | -                 | -                 | 25,764            | 5,400             |
| Available-for-sale investment                                                   | 36                | -                 | -                 | -                 |
| <b>Total non-current assets</b>                                                 | <b>85</b>         | <b>61</b>         | <b>25,780</b>     | <b>5,411</b>      |
| <b>Current assets</b>                                                           |                   |                   |                   |                   |
| Inventories                                                                     | 1,320             | -                 | -                 | -                 |
| Trade and other receivables                                                     | 35,146            | 24,346            | 9,774             | 27,180            |
| Prepayments                                                                     | 4,941             | 42                | 30                | 39                |
| Derivative financial instrument                                                 | 285               | -                 | -                 | -                 |
| Cash and cash equivalents                                                       | 3,563             | 9,761             | 804               | 649               |
|                                                                                 | 45,255            | 34,149            | 10,608            | 27,868            |
| Assets of disposal group classified as held for sale                            | -                 | 10,092            | -                 | -                 |
| <b>Total current assets</b>                                                     | <b>45,255</b>     | <b>44,241</b>     | <b>10,608</b>     | <b>27,868</b>     |
| <b>Total assets</b>                                                             | <b>45,340</b>     | <b>44,302</b>     | <b>36,388</b>     | <b>33,279</b>     |
| <b>EQUITY AND LIABILITIES</b>                                                   |                   |                   |                   |                   |
| <b>Equity</b>                                                                   |                   |                   |                   |                   |
| Share capital                                                                   | 63,958            | 61,438            | 63,958            | 61,438            |
| Treasury shares                                                                 | (322)             | -                 | (322)             | -                 |
| Reserves                                                                        | 1,548             | 706               | 1,088             | -                 |
| Accumulated losses                                                              | (30,934)          | (27,572)          | (29,138)          | (29,378)          |
|                                                                                 | 34,250            | 34,572            | 35,586            | 32,060            |
| Non-controlling interests                                                       | (43)              | 10                | -                 | -                 |
| <b>Total equity</b>                                                             | <b>34,207</b>     | <b>34,582</b>     | <b>35,586</b>     | <b>32,060</b>     |
| <b>Non-current liability</b>                                                    |                   |                   |                   |                   |
| Borrowings                                                                      | 3                 | 5                 | 3                 | 5                 |
| <b>Total non-current liability</b>                                              | <b>3</b>          | <b>5</b>          | <b>3</b>          | <b>5</b>          |
| <b>Current liabilities</b>                                                      |                   |                   |                   |                   |
| Trade and other payables                                                        | 11,128            | 3,861             | 797               | 1,212             |
| Borrowings                                                                      | 2                 | 2                 | 2                 | 2                 |
|                                                                                 | 11,130            | 3,863             | 799               | 1,214             |
| Liabilities directly associated with disposal group classified as held for sale | -                 | 5,852             | -                 | -                 |
| <b>Total current liabilities</b>                                                | <b>11,130</b>     | <b>9,715</b>      | <b>799</b>        | <b>1,214</b>      |
| <b>Total liabilities</b>                                                        | <b>11,133</b>     | <b>9,720</b>      | <b>802</b>        | <b>1,219</b>      |
| <b>Total equity and liabilities</b>                                             | <b>45,340</b>     | <b>44,302</b>     | <b>36,388</b>     | <b>33,279</b>     |

**Statement of financial position of discontinued operations**

|                                                                                                                                           | <b>GROUP</b>      |                   |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                                                           | <b>30/06/2016</b> | <b>30/06/2015</b> |
|                                                                                                                                           | <b>US\$'000</b>   | <b>US\$'000</b>   |
| <b>ASSETS</b>                                                                                                                             |                   |                   |
| Plant and equipment                                                                                                                       | -                 | 50                |
| Associate                                                                                                                                 | -                 | 44                |
| Refundable deposit                                                                                                                        | -                 | 193               |
| Inventories                                                                                                                               | -                 | 1,584             |
| Trade and other receivables                                                                                                               | -                 | 4,115             |
| Prepayments                                                                                                                               | -                 | 210               |
| Fixed deposits                                                                                                                            | -                 | 3,279             |
| Cash and cash equivalents                                                                                                                 | -                 | 617               |
| <b>Total assets</b>                                                                                                                       | -                 | 10,092            |
| <b>LIABILITIES</b>                                                                                                                        |                   |                   |
| Borrowings                                                                                                                                | -                 | 3,073             |
| Trade and other payables                                                                                                                  | -                 | 2,779             |
| <b>Total liabilities</b>                                                                                                                  | -                 | 5,852             |
| Net assets of disposal group classified<br>as held for sale                                                                               | -                 | <b>4,240</b>      |
| <b>Cumulative income recognised directly<br/>in other comprehensive income relating to<br/>disposal group classified as held for sale</b> |                   |                   |
| Foreign currency translation reserve                                                                                                      | -                 | 293               |

**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 2016 |           | As at 30 June 2015 |           |
|--------------------|-----------|--------------------|-----------|
| Secured            | Unsecured | Secured            | Unsecured |
| US\$'000           | US\$'000  | US\$'000           | US\$'000  |
| 2                  | -         | 2                  | -         |

**Amount repayable after one year**

| As at 30 June 2016 |           | As at 30 June 2015 |           |
|--------------------|-----------|--------------------|-----------|
| Secured            | Unsecured | Secured            | Unsecured |
| US\$'000           | US\$'000  | US\$'000           | US\$'000  |
| 3                  | -         | 5                  | -         |

**Details of any collateral**

Borrowings was secured by plant and equipment.

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

|                                                                   | <b>GROUP</b>           |                   |
|-------------------------------------------------------------------|------------------------|-------------------|
|                                                                   | <b>FULL YEAR ENDED</b> |                   |
|                                                                   | <b>30/06/2016</b>      | <b>30/06/2015</b> |
|                                                                   | <b>US\$'000</b>        | <b>US\$'000</b>   |
| <b>OPERATING ACTIVITIES</b>                                       |                        |                   |
| Profit / (Loss)                                                   |                        |                   |
| from continuing operations                                        | (3,303)                | (1,594)           |
| from discontinued operations                                      | (213)                  | (979)             |
| Profit / (Loss) before tax                                        | (3,516)                | (2,573)           |
| Adjustments for :-                                                |                        |                   |
| Depreciation of plant and equipment                               | 41                     | 31                |
| Loss on disposal of plant and equipment                           | -                      | 5                 |
| Gain on disposal of subsidiaries                                  | (1,059)                | -                 |
| Finance costs                                                     | 200                    | 334               |
| Finance income                                                    | (45)                   | (1,604)           |
| Allowance / (Write back) of receivables, net                      | 488                    | 335               |
| Allowance / (Write back) of refundable deposit, net               | 182                    | -                 |
| Allowance / (Write back) of inventories, net                      | 4                      | 28                |
| Write-off of goodwill                                             | -                      | 2                 |
| Changes in value of derivative financial instruments              | 234                    | -                 |
| Exchange difference                                               | 170                    | 106               |
| Share of (profit) / loss from equity-accounted associate          | 42                     | 61                |
| <b>Operating cash flows before movements in working capital</b>   | <b>(3,259)</b>         | <b>(3,275)</b>    |
| Increase / decrease in:                                           |                        |                   |
| Inventories                                                       | (1,108)                | 291               |
| Trade and other receivables                                       | (7,605)                | 1,903             |
| Prepayments                                                       | (4,775)                | 5                 |
| Trade and other payables                                          | 7,408                  | 1,600             |
| <b>Cash from / (used in) operations</b>                           | <b>(9,339)</b>         | <b>524</b>        |
| Income tax paid                                                   | -                      | -                 |
| <b>Net cash flows from / (used in) operating activities</b>       | <b>(9,339)</b>         | <b>524</b>        |
| <b>INVESTING ACTIVITIES</b>                                       |                        |                   |
| Interest received                                                 | 26                     | 395               |
| Acquisition of available-for-sale investment                      | (36)                   | -                 |
| Acquisition of plant and equipment                                | (27)                   | (78)              |
| Proceeds from disposal of subsidiaries (Note A)                   | 25                     | -                 |
| <b>Net cash flows from / (used in) investing activities</b>       | <b>(12)</b>            | <b>317</b>        |
| <b>FINANCING ACTIVITIES</b>                                       |                        |                   |
| Capital contributions from non-controlling interests              | 101                    | 75                |
| Interest paid                                                     | (200)                  | (334)             |
| Proceeds from issuance of shares                                  | 3,575                  | 5,485             |
| Proceeds from issuance of shares pursuant to exercise of warrants | 33                     | -                 |
| Proceeds from short term loans                                    | 6,020                  | 5,844             |
| Repayment of short term loans                                     | (6,231)                | (7,440)           |
| Repayment of finance lease payables                               | (13)                   | (6)               |
| Pledged fixed deposits                                            | (406)                  | 20                |
| Purchase of treasury shares                                       | (322)                  | -                 |
| <b>Net cash flows from / (used in) financing activities</b>       | <b>2,557</b>           | <b>3,644</b>      |
| Net increase / (decrease) in cash and cash equivalents            | (6,794)                | 4,485             |
| Cash and cash equivalents at beginning of the year                | 10,378                 | 5,907             |
| Effect of exchange rate differences in cash and cash equivalents  | (21)                   | (14)              |
| <b>Cash and cash equivalents at end of financial year</b>         | <b>3,563</b>           | <b>10,378</b>     |
| Cash and cash equivalents comprising of the following:            |                        |                   |
| Continuing operations                                             | 3,563                  | 9,761             |
| Discontinued operations                                           | -                      | 617               |
| <b>Cash and cash equivalents at end of financial year</b>         | <b>3,563</b>           | <b>10,378</b>     |
| Cash flows attributable to the discontinued operations:           |                        |                   |
| Operating activities                                              | 163                    | 320               |
| Investing activities                                              | (16)                   | (7)               |
| Financing activities                                              | (624)                  | (79)              |
| <b>Net cash in / (out) flows</b>                                  | <b>(477)</b>           | <b>234</b>        |

## Note A

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 3 June 2016.

|                                                             | <b>2016</b><br><b>US\$'000</b> |
|-------------------------------------------------------------|--------------------------------|
| <b>ASSETS</b>                                               |                                |
| Plant and equipment                                         | 78                             |
| Inventories                                                 | 1,368                          |
| Trade and other receivables                                 | 3,390                          |
| Prepayments                                                 | 85                             |
| Fixed deposits                                              | 3,519                          |
| Cash and cash equivalents                                   | 120                            |
| <b>Total assets</b>                                         | <b>8,560</b>                   |
| <b>LIABILITIES</b>                                          |                                |
| Borrowings                                                  | 2,728                          |
| Trade and other payables                                    | 2,920                          |
| <b>Total liabilities</b>                                    | <b>5,648</b>                   |
| <b>Net assets</b>                                           | <b>2,912</b>                   |
| Net assets disposed of (as above)                           | 2,912                          |
| – Currency translation reserve                              | (350)                          |
| Consideration receivable                                    | (3,476)                        |
|                                                             | (914)                          |
| 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<br>US\$'000 | Treasury shares<br>US\$'000 | Warrant reserve<br>US\$'000 | Translation reserve<br>US\$'000 | Other reserve<br>US\$'000 | Accumulated losses<br>US\$'000 | Equity attributable to owners of the Company<br>US\$'000 | Non-controlling interests<br>US\$'000 | Total equity<br>US\$'000 |
|---------------------------------------------------------------------------|---------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------|--------------------------------|----------------------------------------------------------|---------------------------------------|--------------------------|
| <b>GROUP</b>                                                              |                           |                             |                             |                                 |                           |                                |                                                          |                                       |                          |
| Balance as at 1 July 2015                                                 | 61,438                    | -                           | -                           | 413                             | 293                       | (27,572)                       | 34,572                                                   | 10                                    | 34,582                   |
| Issuance of shares                                                        | 2,480                     | -                           | 1,095                       | -                               | -                         | -                              | 3,575                                                    | -                                     | 3,575                    |
| Issuance of shares pursuant to exercise of warrants                       | 40                        | -                           | (7)                         | -                               | -                         | -                              | 33                                                       | -                                     | 33                       |
| Purchase of treasury shares                                               | -                         | (322)                       | -                           | -                               | -                         | -                              | (322)                                                    | -                                     | (322)                    |
| Contribution of non-controlling interest                                  | -                         | -                           | -                           | -                               | -                         | -                              | -                                                        | 101                                   | 101                      |
| 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)                  |
| <b>Balance as at 30 June 2016</b>                                         | <b>63,958</b>             | <b>(322)</b>                | <b>1,088</b>                | <b>460</b>                      | <b>-</b>                  | <b>(30,934)</b>                | <b>34,250</b>                                            | <b>(43)</b>                           | <b>34,207</b>            |
|                                                                           |                           |                             |                             |                                 |                           |                                |                                                          |                                       |                          |
| Balance as at 1 July 2014                                                 | 55,953                    | -                           | -                           | 529                             | -                         | (25,064)                       | 31,418                                                   | -                                     | 31,418                   |
| Issuance of shares                                                        | 5,485                     | -                           | -                           | -                               | -                         | -                              | 5,485                                                    | -                                     | 5,485                    |
| Acquisition of subsidiary                                                 | -                         | -                           | -                           | -                               | -                         | -                              | -                                                        | 10                                    | 10                       |
| Incorporation of subsidiaries with non-controlling interests              | -                         | -                           | -                           | -                               | -                         | 65                             | 65                                                       | -                                     | 65                       |
| Loss for the year                                                         | -                         | -                           | -                           | -                               | -                         | (2,573)                        | (2,573)                                                  | -                                     | (2,573)                  |
| Other comprehensive income - foreign currency translation                 | -                         | -                           | -                           | 177                             | -                         | -                              | 177                                                      | -                                     | 177                      |
| Total comprehensive loss for the year                                     | -                         | -                           | -                           | 177                             | -                         | (2,573)                        | (2,396)                                                  | -                                     | (2,396)                  |
| Reserve attributable to disposal group classified as held for sale        | -                         | -                           | -                           | (293)                           | 293                       | -                              | -                                                        | -                                     | -                        |
| <b>Balance as at 30 June 2015</b>                                         | <b>61,438</b>             | <b>-</b>                    | <b>-</b>                    | <b>413</b>                      | <b>293</b>                | <b>(27,572)</b>                | <b>34,572</b>                                            | <b>10</b>                             | <b>34,582</b>            |
|                                                                           |                           |                             |                             |                                 |                           |                                |                                                          |                                       |                          |
|                                                                           | Share capital<br>US\$'000 | Treasury shares<br>US\$'000 | Warrant reserve<br>US\$'000 | Accumulated losses<br>US\$'000  | Total equity<br>US\$'000  |                                |                                                          |                                       |                          |
| <b>COMPANY</b>                                                            |                           |                             |                             |                                 |                           |                                |                                                          |                                       |                          |
| Balance as at 1 July 2015                                                 | 61,438                    | -                           | -                           | (29,378)                        | 32,060                    |                                |                                                          |                                       |                          |
| Issuance of shares                                                        | 2,480                     | -                           | 1,095                       | -                               | 3,575                     |                                |                                                          |                                       |                          |
| Issuance of shares pursuant to 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                       |                                |                                                          |                                       |                          |
| <b>Balance as at 30 June 2016</b>                                         | <b>63,958</b>             | <b>(322)</b>                | <b>1,088</b>                | <b>(29,138)</b>                 | <b>35,586</b>             |                                |                                                          |                                       |                          |
|                                                                           |                           |                             |                             |                                 |                           |                                |                                                          |                                       |                          |
| Balance as at 1 July 2014                                                 | 55,953                    | -                           | -                           | (28,821)                        | 27,132                    |                                |                                                          |                                       |                          |
| Issuance of shares                                                        | 5,485                     | -                           | -                           | -                               | 5,485                     |                                |                                                          |                                       |                          |
| Loss for the year, representing total comprehensive loss for the year     | -                         | -                           | -                           | (557)                           | (557)                     |                                |                                                          |                                       |                          |
| <b>Balance as at 30 June 2015</b>                                         | <b>61,438</b>             | <b>-</b>                    | <b>-</b>                    | <b>(29,378)</b>                 | <b>32,060</b>             |                                |                                                          |                                       |                          |

- 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 was as follows:

|                                                                  | <b>No of issued shares</b> | <b>Amount<br/>US\$'000</b> |
|------------------------------------------------------------------|----------------------------|----------------------------|
| Balance as at 1 April 2016                                       | 125,861,927                | 65,013                     |
| Issuance of new ordinary shares pursuant to exercise of warrants | 150,000                    | 33                         |
| Purchase of treasury shares                                      | (1,441,700)                | (322)                      |
| Balance as at 30 June 2016                                       | <u>124,570,227</u>         | <u>64,724</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 25,022,385 (30 June 2015: Nil).

As at 30 June 2016, the Company held 1,441,700 (30 June 2015: Nil) 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 124,570,227 (30 June 2015: 50,345,118,640).

- 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.**

As at 30 June 2016, there were no sales, transfers, disposal, cancellation and/or use of treasury shares.

- 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 2015 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 2015.

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.**

| Profit / (loss) per ordinary share for the year based on net profit / (loss) | FULL YEAR ENDED |               |
|------------------------------------------------------------------------------|-----------------|---------------|
|                                                                              | 30/06/2016      | 30/06/2015    |
|                                                                              | US\$            | US\$          |
| (i) Basic                                                                    | (3.143) cents   | (2.555) cents |
| (ii) Diluted                                                                 | (3.143) cents   | (2.555) cents |

The basic and diluted earnings per ordinary share for the financial year ended 30 June 2016 was calculated based on the weighted average number of issued shares 106,939,537. For comparison, earning per share for the corresponding period was re-computed based on the revised weighted average number of shares of 100,689,542.

The computation of diluted loss per share did not include the number of outstanding warrants as the exercise of warrants would not result in any diluted earnings per share.

**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      |              |
|---------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|
|                                                                                             | 30/06/2016   | 30/06/2015   | 30/06/2016   | 30/06/2015   |
|                                                                                             | US\$         | US\$         | US\$         | US\$         |
| Net asset value per ordinary share based on the issued share capital at the end of the year | 27.495 cents | 34.335 cents | 28.567 cents | 31.840 cents |

Net asset value per ordinary share as at 30 June 2016 was calculated based on the number of shares in issue excluding treasury shares of 124,570,227. For comparison, NAV asset per ordinary share as at 30 June 2015 was recomputed based on the revised number of shares of 100,689,542.

**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.**

The commentaries below focuses on the "continuing operations" of the Group. The "discontinued operations" of the Group pertains to operations of 2 subsidiaries, which the Company had disposed, as announced on 30 June 2016.

**Income Statement Review**

Revenue increased from US\$6.771m for the fourth quarter ended 30 June 2015 ("4Q15") to US\$35.02m for the fourth quarter ended 30 June 2016 ("4Q16"). This is mainly attributable to the increased oil sales as the Group started expanding its oil market and continued its sales momentum.

Other operating expenses increased from US\$0.35m for 4Q15 to US\$0.415m for 4Q16. This is substantially due to professional fees incurred for incorporation of subsidiaries and day-to-day business operations.

**Financial Position Review**

Trade and other receivables increased from US\$24.346m for the financial year ended 2015 ("FY2015") to US\$35.146m for the financial year ended 2016 ("FY2016") reflecting the corresponding increase in revenue. It is also attributable to the increase in other receivables of US\$3.476m for the consideration receivable for the disposal of subsidiaries. The increase in trade payables from US\$3.861m for FY2015 to US\$11.128m for FY2016 roughly corresponds to the increase in trade receivables.

Prepayments increased from US\$0.042m to US\$4.941m. The increase pertains mainly to prepayments to suppliers of subsidiaries for inventory purchases. The prepayments, along with operating expenses for 2016, are the main reasons for the cash and cash equivalents decreasing from US\$9.761m to US\$3.563m.

**Cash Flow Statement Review**

Cash balance as at 30 June 2015 was US\$10.378m. During the year, the main cash outflows were:

- a) prepayment to suppliers of subsidiaries for inventory purchases
- b) payments towards operating expenses

As a result, the cash balance as at 30 June 2016 was US\$3.563m, and net cash flows used in operating activities increased to US\$9.339m.

The net cash flows from financing activities of US\$3.644m in the corresponding year decreased to US\$2.557m in the current year. This resulted mainly because the share placement proceeds in the corresponding year was higher than the rights issue proceeds in the current year.

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

Not applicable.

**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.**

On 30 June 2016, the Company announced the completion of the disposal of subsidiaries Digiland (Thailand) Ltd and Infonet Systems and Services Pte Ltd. With that, the transition away from the IT distribution business is complete, allowing it to focus on its other key verticals, in particular, in Energy. Its oil trading business has continued gaining pace in the quarter, as it gears up to achieve critical mass volumes for better economies of scale while minimising business risks. The Group is optimistic of achieving its business objectives despite the current volatile oil prices and potential slowdown in global growth.

**Use of Rights Issue and Share Placement proceeds**

Total Rights Issue proceeds of US\$3.575m, US\$9.740m and US\$16.763m were utilised for the following purposes as at 30 June 2016

|                                                                                                                                                      | <b>31-Mar-16<br/>US\$'000</b> | <b>Rights Issue<br/>19-May-14<br/>US\$'000</b> | <b>12-Dec-12<br/>US\$'000</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------|-------------------------------|
| Rights Issue Proceeds                                                                                                                                | 3,575                         | 9,740                                          | 16,763                        |
| Less utilised:                                                                                                                                       |                               |                                                |                               |
| 1. Rights Issue Expenses                                                                                                                             | (223)                         | (227)                                          | (341)                         |
| 2. Working capital facilities (for inventory purchases)                                                                                              | -                             | (3,160)                                        | (6,569)                       |
| 3. Transferred to Digiland (Thailand) Ltd's bank account and the deposit pledged to the bank for the latter's granting of working capital facilities | -                             | (1,596)                                        | -                             |
| 4. Additional Deposit# (SGD12M)                                                                                                                      | -                             | -                                              | (9,460)                       |
| 5. Payment for a subsidiary's oil inventory purchases (by cash and/or letters of credit)                                                             | (3,352)                       | -                                              | -                             |
| 6. Prepayment to suppliers of subsidiaries for inventory purchases                                                                                   | -                             | (4,757)                                        | (144)                         |
| 7. Payment to a supplier of a subsidiary for inventory purchase                                                                                      | -                             | -                                              | (249)                         |
| Unutilised Rights Proceeds as at 23 August 2016                                                                                                      | -                             | -                                              | -                             |

#paid to the vendor of the Company's intended acquisition of shares in Thai General Nice Coke and Coal Co., Ltd.

Total placement proceeds of US\$5.384m were utilised for the following as at 30 June 2016

|                                                                                         | <b>Placement<br/>28-Jan-15<br/>US\$'000</b> |
|-----------------------------------------------------------------------------------------|---------------------------------------------|
| Net Placement Proceeds                                                                  | 5,384                                       |
| Less utilised:                                                                          |                                             |
| 1. Cash used for operating expenses of subsidiary, International Energy Group Pte. Ltd. | (859)                                       |
| 2. Deposit paid to secure oil stocks for sale                                           | (1,145)                                     |
| 3. Paid up capital for subsidiary, IEG Malta Limited ("IEGML")                          | (1,000)                                     |
| 4. Professional fees pertaining to IEGML                                                | (8)                                         |
| 5. Working capital facilities (for inventory purchases)                                 | (2,372)                                     |
| Unutilised Rights Proceeds                                                              | -                                           |

**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 2016.

**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
- Others - all others
- Discontinued operations

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

|                            | IT       | Trading of oil and gas | Others   | Subtotal | Discontinued operations | Group    |
|----------------------------|----------|------------------------|----------|----------|-------------------------|----------|
|                            | US\$'000 | US\$'000               | US\$'000 | US\$'000 | US\$'000                | US\$'000 |
| <b>2016</b>                |          |                        |          |          |                         |          |
| <b>Revenue</b>             | 2,590    | 51,706                 | -        | 54,296   | 24,414                  | 78,710   |
| <b>Results</b>             |          |                        |          |          |                         |          |
| 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       |
| <b>Segment (loss)/gain</b> | (3,497)  | 234                    | (40)     | (3,303)  | (213)                   | (3,516)  |
| <b>Segment assets</b>      | 5,513    | 35,377                 | 4,450    | 45,340   | -                       | 45,340   |
| <b>Segment liabilities</b> | 793      | 10,290                 | 50       | 11,133   | -                       | 11,133   |
| <b>2015</b>                |          |                        |          |          |                         |          |
| <b>Revenue</b>             | 5,173    | 33,519                 | -        | 38,692   | 34,133                  | 72,825   |
| <b>Results</b>             |          |                        |          |          |                         |          |
| Other income               | 25       | 394                    | 1,133    | 1,552    | 86                      | 1,638    |
| Capital expenditure        | (6)      | (62)                   | -        | (68)     | (20)                    | (88)     |
| Depreciation               | (3)      | (12)                   | -        | (15)     | (16)                    | (31)     |
| Other non-cash expenses    | (1,013)  | 22                     | -        | (991)    | (379)                   | (1,370)  |
| Finance costs              | (119)    | (14)                   | -        | (133)    | (201)                   | (334)    |
| Finance income             | -        | -                      | -        | -        | 77                      | 77       |
| <b>Segment (loss)/gain</b> | (2,649)  | (78)                   | 1,133    | (1,594)  | (979)                   | (2,573)  |
| <b>Segment assets</b>      | 8,025    | 10,124                 | 16,061   | 34,210   | 10,092                  | 44,302   |
| <b>Segment liabilities</b> | 1,129    | 2,739                  | -        | 3,868    | 5,852                   | 9,720    |

**GEOGRAPHICAL SEGMENT**

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

|                          | Revenue               |          |                         |          | Assets                |          |                         |
|--------------------------|-----------------------|----------|-------------------------|----------|-----------------------|----------|-------------------------|
|                          | Continuing operations |          | Discontinued operations |          | Continuing operations |          | Discontinued operations |
|                          | 2016                  | 2015     | 2016                    | 2015     | 2016                  | 2015     | 2015                    |
|                          | US\$'000              | US\$'000 | US\$'000                | US\$'000 | US\$'000              | US\$'000 | US\$'000                |
| Singapore                | 52,230                | 38,692   | 505                     | 236      | 39,961                | 29,488   | 86                      |
| Asia (exclude Singapore) | -                     | -        | 23,909                  | 33,897   | 9                     | 9        | 10,006                  |
| Australia                | -                     | -        | -                       | -        | 16                    | 17       | -                       |
| Other                    | 2,066                 | -        | -                       | -        | 5,354                 | 4,696    | -                       |
|                          | 54,296                | 38,692   | 24,414                  | 34,133   | 45,340                | 34,210   | 10,092                  |

**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 |          |          |
|                                                         | 30/06/16              | 30/06/15 | Change   | 30/06/16                | 30/06/15 | Change   |
|                                                         | US\$'000              | US\$'000 | US\$'000 | US\$'000                | US\$'000 | US\$'000 |
| Revenue reported for first half year                    | 9,109                 | 26,629   | -66%     | 13,233                  | 20,051   | -34%     |
| Profit / (Loss) after tax reported for first half year  | (1,503)               | (507)    | 196%     | (308)                   | (205)    | 50%      |
| Revenue reported for second half year                   | 45,187                | 12,063   | 275%     | 11,181                  | 14,082   | -21%     |
| Profit / (Loss) after tax reported for second half year | (1,800)               | (1,087)  | 66%      | 95                      | (774)    | -112%    |

**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:**

International Energy Group Pte. Ltd. has entered into an IPT aggregating US\$0.056m with Goodwood Associates Pte Ltd.

**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

Frank Yu  
Audit Committee Chairman

**BY ORDER OF THE BOARD**

**Lim Koon Hock**  
23-Aug-16