



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

Condensed Interim Financial Statements  
For the Fourth Quarter  
and  
Full Year Ended 30 June 2021

## **NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

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**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

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

	Note	3 months ended 30 June 2021 US\$'000	3 months ended 30 June 2020 US\$'000 (Restated, note 8)	%	12 months ended 30 June 2021 US\$'000	12 months ended 30 June 2020 US\$'000 (Restated, note 8)	%
<b>Continuing operations:</b>							
Revenue	4	7,358	22,262	-67%	42,039	49,529	-15%
Other income		201	854	-76%	1,823	1,626	12%
Purchases of finished goods		(4,027)	(11,173)	-64%	(25,244)	(28,312)	-11%
Changes in inventories of finished goods		68	(471)	-114%	69	228	-70%
Employee benefits expense		(2,083)	(1,802)	16%	(8,290)	(8,608)	-4%
Amortisation of intangible assets		(23)	(68)	-66%	(106)	(274)	-61%
Depreciation of property, plant and equipment		23	246	-91%	(392)	(102)	284%
Depreciation of right-of-use assets		(698)	(239)	192%	(1,390)	(1,176)	18%
Other operating expenses		(1,465)	(12,685)	-88%	(7,139)	(14,218)	-50%
Finance costs		(528)	(101)	423%	(913)	(833)	10%
Share of results of an associate, net of tax		-	(7)	-100%	-	(7)	-100%
(Loss)/profit before taxation	6	(1,174)	(3,184)	-63%	457	(2,147)	-121%
Taxation	7	(87)	(108)	-19%	(399)	(457)	-13%
(Loss)/profit from continuing operations for the period/year		(1,261)	(3,292)	-62%	58	(2,604)	-102%
<b>Discontinued operation:</b>							
Loss from discontinued operation, net of tax	8	(4,814)	(6,096)	-21%	(23,625)	(5,590)	323%
Loss for the period/year		(6,075)	(9,388)	-35%	(23,567)	(8,194)	188%

See accompanying notes to condensed interim financial statements.

**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

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

	3 months ended 30 June 2021 US\$'000	3 months ended 30 June 2020 US\$'000 (Restated, note 8)	%	12 months ended 30 June 2021 US\$'000	12 months ended 30 June 2020 US\$'000 (Restated, note 8)	%
<b>Other comprehensive income/(loss) after tax:</b>						
<b>Item that will not be reclassified subsequently to profit or loss:</b>						
Fair value loss on equity investments at fair value through other comprehensive income	-	(2,545)	-100%	-	(2,545)	-100%
<b>Item that may be reclassified subsequently to profit of loss:</b>						
Foreign currency translation gain/(loss) on consolidation	52	(214)	-124%	1,622	(406)	-500%
<b>Other comprehensive income/(loss) for the financial period/year, net of tax</b>	<b>52</b>	<b>(2,759)</b>	<b>-102%</b>	<b>1,622</b>	<b>(2,951)</b>	<b>-155%</b>
<b>Total comprehensive loss for the financial period/year</b>	<b>(6,023)</b>	<b>(12,147)</b>	<b>-50%</b>	<b>(21,945)</b>	<b>(11,145)</b>	<b>97%</b>
<b>Loss attributable to:</b>						
Owners of the Company						
- Loss from continuing operations, net of tax	(1,454)	(3,562)	-59%	(1,029)	(3,409)	-70%
- Loss from discontinuing operation, net of tax	(4,814)	(6,096)	-21%	(23,625)	(5,590)	323%
	(6,268)	(9,658)	-35%	(24,654)	(8,999)	174%
- Non-controlling interests	193	270	-29%	1,087	805	35%
	<b>(6,075)</b>	<b>(9,388)</b>	<b>-35%</b>	<b>(23,567)</b>	<b>(8,194)</b>	<b>188%</b>
<b>Total comprehensive (loss)/income attributable to:</b>						
Owners of the Company						
- (Loss)/profit from continuing operations, net of tax	(1,267)	(3,725)	-66%	408	(3,761)	-111%
- Loss from discontinuing operation, net of tax	(4,814)	(8,641)	-44%	(23,625)	(8,135)	190%
	(6,081)	(12,366)	-51%	(23,217)	(11,896)	95%
- Non-controlling interests	58	219	-74%	1,272	751	69%
	<b>(6,023)</b>	<b>(12,147)</b>	<b>-50%</b>	<b>(21,945)</b>	<b>(11,145)</b>	<b>97%</b>
<b>Loss per share attributable to owners of the Company from continuing operations (US cent)</b>						
- Basic and diluted	(0.70)	(1.71)		(0.49)	(1.64)	

See accompanying notes to condensed interim financial statements.

**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		30 June 2021 US\$'000	30 June 2020 US\$'000	30 June 2021 US\$'000	30 June 2020 US\$'000
<b>Non-current assets</b>					
Property, plant and equipment		3,200	8,739	9	7
Intangible assets	10	19,433	18,524	215	-
Right-of-use assets		3,886	3,010	429	-
Subsidiaries		-	-	21,046	46,436
Financial asset at fair value through other comprehensive income		-	17,192	-	-
Long-term receivables	11	353	1,751	-	-
Deferred tax assets		37	183	-	-
<b>Total non-current assets</b>		<b>26,909</b>	<b>49,399</b>	<b>21,699</b>	<b>46,443</b>
<b>Current assets</b>					
Inventories		2,428	1,913	-	-
Trade and other receivables	11	7,672	16,993	1,361	3,687
Contract assets		-	3,933	-	-
Prepayments		210	596	30	15
Derivative financial instruments		-	1,495	-	-
Cash and bank balances		6,609	19,323	72	432
Fixed deposits		416	391	-	-
<b>Total current assets</b>		<b>17,335</b>	<b>44,644</b>	<b>1,463</b>	<b>4,134</b>
<b>Total assets</b>		<b>44,244</b>	<b>94,043</b>	<b>23,162</b>	<b>50,577</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	12	88,183	88,183	88,183	88,183
Treasury shares	13	(863)	(863)	(863)	(863)
Other reserves		(2,613)	(9,518)	45	45
Accumulated losses		(70,485)	(45,831)	(71,160)	(43,283)
		14,222	31,971	16,205	44,082
Non-controlling interests		1,048	1,099	-	-
<b>Total equity</b>		<b>15,270</b>	<b>33,070</b>	<b>16,205</b>	<b>44,082</b>
<b>Non-current liabilities</b>					
Borrowings	14	3,992	14,906	-	-
Lease liabilities		1,342	348	277	-
Deferred tax liabilities		151	387	-	-
Other payables	15	5,735	4,877	-	-
<b>Total non-current liabilities</b>		<b>11,220</b>	<b>20,518</b>	<b>277</b>	<b>-</b>

See accompanying notes to condensed interim financial statements.

**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Note	Group		Company	
		30 June 2021 US\$'000	30 June 2020 US\$'000	30 June 2021 US\$'000	30 June 2020 US\$'000
<b>Current liabilities</b>					
Trade and other payables	15	7,815	26,025	6,517	6,495
Contract liabilities		153	157	-	-
Borrowings	14	8,582	12,455	-	-
Lease liabilities		842	728	163	-
Derivative financial instruments		-	350	-	-
Current income tax payable		362	740	-	-
<b>Total current liabilities</b>		<b>17,754</b>	<b>40,455</b>	<b>6,680</b>	<b>6,495</b>
<b>Total liabilities</b>		<b>28,974</b>	<b>60,973</b>	<b>6,957</b>	<b>6,495</b>
<b>Total equity and liabilities</b>		<b>44,244</b>	<b>94,043</b>	<b>23,162</b>	<b>50,577</b>

See accompanying notes to condensed interim financial statements.

**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<----- Attributable to owners of the Company ----->

Group	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Other reserves US\$'000	Accumulated losses US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Balance as at 1 July 2020</b>	88,183	(863)	(500)	45	(5,468)	(3,595)	(45,831)	31,971	1,099	33,070
Loss for the financial year	-	-	-	-	-	-	(24,654)	(24,654)	1,087	(23,567)
Other comprehensive income										
- Foreign currency translation differences	-	-	1,437	-	-	-	-	1,437	185	1,622
<b>Total comprehensive loss for the financial year</b>	-	-	1,437	-	-	-	(24,654)	(23,217)	1,272	(21,945)
Contributions by and distributions to owners										
- Loss of control of subsidiaries	-	-	-	-	5,468	-	-	5,468	-	5,468
- Capital reduction	-	-	-	-	-	-	-	-	(62)	(62)
- Dividends	-	-	-	-	-	-	-	-	(1,261)	(1,261)
<b>Transactions with owners in their own capacity as owners</b>	-	-	-	-	5,468	-	-	5,468	(1,323)	4,145
<b>Balance as at 30 June 2021</b>	88,183	(863)	937	45	-	(3,595)	(70,485)	14,222	1,048	15,270

See accompanying notes to condensed interim financial statements.

**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

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

<----- Attributable to owners of the Company ----->

Group	Share capital	Treasury shares	Foreign currency translation reserve	Capital reserve	Fair value reserve	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
<b>Balance as at 1 July 2019</b>	88,183	(863)	(148)	45	(2,923)	(3,596)	(36,864)	43,834	1,338	45,172
Loss for the financial year	-	-	-	-	-	-	(8,999)	(8,999)	805	(8,194)
Other comprehensive loss:										
- Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	(2,545)	-	-	(2,545)	-	(2,545)
- Foreign currency translation differences	-	-	(352)	-	-	-	-	(352)	(54)	(406)
<b>Total comprehensive loss for the financial year</b>	-	-	(352)	-	(2,545)	-	(8,999)	(11,896)	751	(11,145)
Contributions by and distributions to owners										
- Effects of acquiring of non-controlling interest in a subsidiary	-	-	-	-	-	-	32	32	(132)	(100)
- Deregistration/disposal of subsidiaries	-	-	-	-	-	1	-	1	-	1
- Dividends	-	-	-	-	-	-	-	-	(858)	(858)
<b>Transactions with owners in their own capacity as owners</b>	-	-	-	-	-	1	32	33	(990)	(957)
<b>Balance as at 30 June 2020</b>	88,183	(863)	(500)	45	(5,468)	(3,595)	(45,831)	31,971	1,099	33,070

See accompanying notes to condensed interim financial statements.



**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

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

	<b>Share capital US\$'000</b>	<b>Treasury shares US\$'000</b>	<b>Capital reserve US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
<b>Company</b>					
<b>Balance as at 1 July 2020</b>	88,183	(863)	45	(43,283)	44,082
Loss for the year, representing total comprehensive loss for the financial year	-	-	-	(27,877)	(27,877)
<b>Balance as at 30 June 2021</b>	<u>88,183</u>	<u>(863)</u>	<u>45</u>	<u>(71,160)</u>	<u>16,205</u>
<b>Company</b>					
<b>Balance as at 1 July 2019</b>	88,183	(863)	45	(39,310)	48,055
Loss for the year, representing total comprehensive loss for the financial year	-	-	-	(3,973)	(3,973)
<b>Balance as at 30 June 2020</b>	<u>88,183</u>	<u>(863)</u>	<u>45</u>	<u>(43,283)</u>	<u>44,082</u>

See accompanying notes to condensed interim financial statements.

**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group</b>	
	<b>12 months ended 30 June 2021 US\$'000</b>	<b>12 months ended 30 June 2020 US\$'000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation:		
- from continuing operations	457	(2,147)
- from discontinuing operation	(23,637)	(5,626)
	(23,180)	(7,773)
<b>Adjustments for:</b>		
Amortisation of intangible assets	106	274
Depreciation of property, plant and equipment	1,904	1,300
Depreciation of right-of-use assets	1,475	1,346
Impairment loss on intangible assets	-	1,004
Interest expense	1,920	2,769
Interest income	(125)	(94)
Net fair value (gain)/loss on derivative financial instruments	(2)	233
Net present value change of the call and put option liability	858	1,281
Reversal of allowance for inventories obsolescence	-	(254)
Impairment losses recognised on trade and other receivables	537	7,289
Fair value loss on financial assets at fair value through profit or loss	21,079	-
Plant and equipment written off	24	-
Share of results of associates	-	7
Unrealised foreign exchange differences	108	(385)
	4,704	6,997
Operating cash flows before working capital changes:		
Changes in inventories	(629)	(3)
Changes in trade and other receivables	5,386	5,698
Changes in contract assets	3,933	14,355
Changes in prepayments	256	230
Changes in trade and other payables	(16,685)	(20,287)
Changes in contract liabilities	(5)	2
	(3,040)	6,992
Cash (used in)/from operations		
Income tax paid	(855)	(400)
	<b>(3,895)</b>	<b>6,592</b>
<b>Net cash (used in)/generated from operating activities</b>		

See accompanying notes to condensed interim financial statements.

**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

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

	<b>Group</b>	
	<b>12 months ended 30 June 2021 US\$'000</b>	<b>12 months ended 30 June 2020 US\$'000</b>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(215)	-
Interest received	125	61
Purchase of property, plant and equipment	(2,345)	(150)
<b>Net cash used in investing activities</b>	<b>(2,435)</b>	<b>(89)</b>
<b>Cash flows from financing activities</b>		
Acquisition of non-controlling interests in a subsidiary	-	(101)
Capital reduction paid to non-controlling interests of the subsidiaries	(62)	-
Dividends paid to the non-controlling interests of the subsidiaries	(1,261)	(858)
Fixed deposits pledged	-	49
Interest paid	(1,210)	(2,669)
Proceeds from loans	4,768	36,323
Proceeds from financing of vessel, net of transaction costs	-	4,614
Restricted cash	2,258	8,827
Repayment of loans	(8,973)	(41,299)
Repayment of lease liabilities	(1,242)	(1,046)
<b>Net cash (used in)/generated from financing activities</b>	<b>(5,722)</b>	<b>3,840</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(12,052)</b>	<b>10,343</b>
Cash and cash equivalents at beginning of financial year	17,065	6,821
Exchange differences on translation of cash and cash equivalents	1,596	(99)
<b>Cash and cash equivalents at end of financial year</b>	<b>6,609</b>	<b>17,065</b>

See accompanying notes to condensed interim financial statements.

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 1 Corporate information

New Silkroutes Group Limited (the “Company”) (Co. Reg. No. 199400571K) is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 456 Alexandra Road, #19-02 Fragrance Empire Building, Singapore 119962. The Company is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the three months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

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

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

#### 2 Basis of preparation

The condensed interim financial statements are for the three months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the year ended 30 June 2020.

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

The condensed interim financial statements are presented in United States dollars (“USD” or “US\$”), which is the Company’s functional currency and all values in the tables are rounded to the nearest thousand (US\$’000), except when otherwise indicated.

##### *Going concern assumptions*

The condensed interim financial statements have been prepared on a going concern basis notwithstanding that the Group’s current liabilities exceeds its current assets by US\$419,000 as at 30 June 2021 as the Directors are of the view that the Group will continue to operate as a going concern after considering the following:

- (a) The Group contributed US\$42,039,000 to the revenue for the financial year ended 30 June 2021. The Group can continue to grow its healthcare operations based on the financials from its operating subsidiaries.
- (b) The Group’s current liabilities comprised the guaranteed profit of US\$3,024,000 (S\$4,000,000) was received by the Company which is accounted as an advance receipt under other payables in the statement of financial position and does not constitute an actual cash or payable obligation on the Group.

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 2 Basis of preparation (cont'd)

#### *Going concern assumptions (cont'd)*

- (c) As at the reporting period end, the Group has undrawn borrowings facilities of US\$756,000 that is available.

The Directors are of the opinion that the above considerations would allow the Group to generate sufficient cash flows from its operations and meet its obligations as and when they fall due.

If the Group is unable to continue operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these interim financial statements.

#### 2.1 New and amended standards adopted by the Group

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

#### 2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2020.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements:

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

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

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 2 Basis of preparation (cont'd)

#### 2.2 Use of judgements and estimates (cont'd)

- Control over Shanghai Fengwei (cont'd)

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

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

- Impairment of trade and other receivables and contract assets

The Group and the Company shall recognise in profit or loss the expected credit losses on its trade and other receivables and contract assets which involves management's estimation on the probability of default and loss given default. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The identification of the loss allowance requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying amount of the trade and other receivables and contract assets and loss allowance in the period in which such estimate has been changed.

- Impairment test for cash-generating unit containing goodwill and intangible assets

A cash-generating unit ("CGU") to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs of disposal and its value in use. Where the recoverable amount of the CGU is less than its carrying amount, such impairment loss is recognised in profit or loss.

Significant judgement and estimates by management are required in assessing: (i) whether the carrying amount of the CGU can be supported by its market value based on comparable assets or the net present value of future cash flows which are estimated based upon the continued use of the assets in the business; and (ii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are extrapolated using a suitable growth rate and then discounted using an appropriate discount rate. Changing the assumptions selected by management to determine the level of impairment, including the growth rate and discount rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amounts of the Group's intangible assets, including goodwill, at the end of the reporting period, and the basis and assumptions used to determine the recoverable amount of the CGU, are disclosed in Note 10.

## **NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

### **3 Seasonal operations**

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

### **4 Segment and revenue information**

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- Healthcare - owns and operates clinics in Singapore providing complementary integrative therapies, runs employee healthcare benefits programmes, offers systems integration services to hospitals and healthcare facilities, owns and operates clinics in Singapore providing dental services, and distributes dental and medical supplies, and manufacturing of healthcare consumables.
- Others - general corporate activities and others
- Trading of oil and gas - trading in petrochemical products, power generation, investments in strategic petrochemical assets globally, and to develop a trading hub for energy products between Europe and Asia. This segment has been classified as discontinued operation in current financial year (Note 8).

The Group's executive directors monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included in the following table. Performance is measured based on segment profit/(loss) before taxation, as included in the internal management reports that are regularly reviewed by the Group's executive directors. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 4 Segment and revenue information (cont'd)

#### 4.1 Reportable segments

	Healthcare US\$'000	Others US\$'000	Oil and gas (Discontinued operation) US\$'000	Adjustments US\$'000	Per consolidated financial statements US\$'000
<b>1 April 2021 to 30 June 2021</b>					
Segment revenue					
- Sales to external customers	7,358	-	-	-	7,358
Segment results					
- Other income	182	19	-	-	201
- Amortisation of intangible assets	(23)	-	-	-	(23)
- Depreciation of property, plant and equipment *	(401)	42	-	-	(359)
- Depreciation of rights-of-use assets	(612)	(86)	-	-	(698)
- Other non-cash items	(224)	(62)	(2,839)	2,839	(286)
- Finance costs	(122)	(406)	-	-	(528)
Segment loss	(675)	(586)	(4,814)	4,814	(1,261)
Segment assets and liabilities					
- Segment assets	42,343	1,901	-	-	44,244
- Segment liabilities	22,475	6,499	-	-	28,974
- Capital expenditure	(18)	(1)	-	-	(19)

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



## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 4 Segment and revenue information (cont'd)

#### 4.1 Reportable segments (cont'd)

	Healthcare US\$'000	Others US\$'000	Oil and gas (Discontinued operation) US\$'000	Adjustments US\$'000	Per consolidated financial statements US\$'000
<b>1 April 2020 to 30 June 2020</b>					
Segment revenue					
- Sales to external customers	22,262	-	34,623	(34,623)	22,262
Segment results					
- Other income	722	132	836	(836)	854
- Amortisation of intangible assets	(68)	-	-	-	(68)
- Depreciation of property, plant and equipment *	212	(1)	(410)	410	211
- Depreciation of rights-of-use assets	(239)	-	(43)	43	(239)
- Net fair value on derivative financial instruments	-	207	(156)	156	207
- Other non-cash items	(808)	(1,315)	(5,599)	5,599	(2,123)
- Finance costs	(241)	140	(588)	588	(101)
Segment loss	(176)	(3,116)	(6,096)	6,096	(3,292)
Segment assets and liabilities					
- Segment assets	46,419	1,572	46,052	-	94,043
- Segment liabilities	27,549	4,999	28,425	-	60,973
- Capital expenditure	-	-	(1)	1	-

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

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 4 Segment and revenue information (cont'd)

#### 4.1 Reportable segments (cont'd)

	Healthcare US\$'000	Others US\$'000	Oil and gas (Discontinued operation) US\$'000	Adjustments US\$'000	Per consolidated financial statements US\$'000
<b>1 July 2020 to 30 June 2021</b>					
Segment revenue					
- Sales to external customers	42,039	-	18,397	(18,397)	42,039
Segment results					
- Other income	1,736	87	45	(45)	1,823
- Amortisation of intangible assets	(106)	-	-	-	(106)
- Depreciation of property, plant and equipment *	(1,601)	(4)	(299)	299	(1,605)
- Depreciation of rights-of-use assets	(1,304)	(86)	(85)	85	(1,390)
- Net fair value on derivative financial instruments	-	-	2	(2)	-
- Other non-cash items	(529)	(342)	(2,755)	2,755	(871)
- Finance costs	(495)	(418)	(1,008)	1,008	(913)
Segment profit/(loss)	744	(686)	(23,625)	23,625	58
Segment assets and liabilities					
- Segment assets	42,343	1,901	-	-	44,244
- Segment liabilities	22,475	6,499	-	-	28,974
- Capital expenditure	(2,003)	(5)	(336)	336	(2,008)

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

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 4 Segment and revenue information (cont'd)

#### 4.1 Reportable segments (cont'd)

	Healthcare US\$'000	Others US\$'000	Oil and gas (Discontinued operation) US\$'000	Adjustments US\$'000	Per consolidated financial statements US\$'000
<b>1 July 2019 to 30 June 2020</b>					
Segment revenue					
- Sales to external customers	49,529	-	325,439	(325,439)	49,529
Segment results					
- Other income	1,453	173	1,504	(1,504)	1,626
- Amortisation of intangible assets	(274)	-	-	-	(274)
- Depreciation of property, plant and equipment *	(590)	(2)	(709)	709	(592)
- Depreciation of rights-of-use assets	(1,176)	-	(170)	170	(1,176)
- Net fair value on derivative financial instruments	1	-	(234)	234	1
- Other non-cash items	(838)	(1,234)	(5,642)	5,642	(2,072)
- Finance costs	(933)	100	(1,936)	1,936	(833)
Segment profit/(loss)	1,786	(4,390)	(5,590)	5,590	(2,604)
Segment assets and liabilities					
- Segment assets	46,419	1,572	46,052	-	94,043
- Segment liabilities	27,549	4,999	28,425	-	60,973
- Capital expenditure	(139)	(7)	(4)	-	(150)

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

#### 4.2 Disaggregation of revenue

	3 months ended 30 June 2021 US\$'000	3 months ended 30 June 2020 US\$'000	12 months ended 30 June 2021 US\$'000	12 months ended 30 June 2020 US\$'000
Continuing operations:				
Healthcare products	4,444	20,350	28,992	37,913
Healthcare services	2,914	1,912	13,047	11,616
	7,358	22,262	42,039	49,529

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 4 Segment and revenue information (cont'd)

#### 4.2 Disaggregation of revenue (cont'd)

##### Geographical information:

	<b>3 months ended 30 June 2021</b>	<b>3 months ended 30 June 2020</b>	<b>12 months ended 30 June 2021</b>	<b>12 months ended 30 June 2020</b>
	US\$'000	US\$'000	US\$'000	US\$'000
Australia	13	-	89	67
Bahrain	-	-	774	-
Cambodia	-	19,248	16,809	108,089
China	4,444	20,436	28,999	38,011
India	-	6	-	2,454
Portugal	-	-	814	-
Singapore	2,901	15,834	12,950	221,928
South Korea	-	35	-	722
Switzerland	-	1,326	-	1,326
United Arab Emirates	-	-	-	2,367
Vietnam	-	-	1	4
Discontinued operation	-	(34,623)	(18,397)	(325,439)
	<u>7,358</u>	<u>22,262</u>	<u>42,039</u>	<u>49,529</u>

##### A breakdown of sales and operating loss after tax:

	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>Increase /(Decrease)</b>
	US\$'000	US\$'000	%
<i>Sales reported for the first half year:</i>			
- Continuing operations	25,562	17,192	49%
- Discontinuing operation	18,397	217,140	(92%)
<i>Operating loss after tax before deducting non-controlling interests reported for first half year:</i>			
- Continuing operations	1,009	367	175%
- Discontinuing operation	(2,337)	232	(1107%)
<i>Sales reported for the second half year:</i>			
- Continuing operations	16,477	32,337	(49%)
- Discontinuing operation	-	108,299	(100%)
<i>Operating loss after tax before deducting non-controlling interests reported for second half year:</i>			
- Continuing operations	(951)	(2,971)	(68%)
- Discontinuing operation	(21,288)	(5,822)	266%

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 5 Financial assets and financial liabilities

#### 5.1 Categories of financial instruments

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 30 June 2020:

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Financial assets</b>				
Derivative financial instruments	-	1,495	-	-
Financial asset at fair value through other comprehensive income	-	17,192	-	-
Financial assets at amortised cost	15,050	38,458	1,433	4,119
<b>Financial liabilities</b>				
Derivative financial instruments	-	350	-	-
Lease liabilities	2,184	1,076	440	-
Financial liabilities at fair value through profit or loss	5,735	4,877	-	-
Financial liabilities at amortised cost	20,389	53,386	6,517	6,495

#### 5.2 Fair value of financial assets and financial liabilities

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

#### 5.3 Financial assets and liabilities measured at fair value

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 5 Financial assets and financial liabilities (cont'd)

#### 5.3 Financial assets and liabilities measured at fair value (cont'd)

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Financial assets:</b>				
<b>30 June 2021</b>				
Derivative financial instruments:				
- Oil commodity futures	-	-	-	-
Financial asset at fair value through other comprehensive income	-	-	-	-
<b>30 June 2020</b>				
Derivative financial instruments:				
- Oil commodity futures	-	1,495	-	1,495
Financial asset at fair value through other comprehensive income	-	17,192	-	17,192
<b>Financial liability:</b>				
<b>30 June 2021</b>				
Derivative financial instruments:				
- Oil commodity futures	-	-	-	-
Financial asset at fair value through profit or loss	-	-	5,735	5,735
- Other payables	-	-	-	-
<b>30 June 2020</b>				
Derivative financial instruments:				
- Oil commodity futures	-	350	-	350
Financial asset at fair value through profit or loss	-	-	4,877	4,877
- Other payables	-	-	-	-

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 6 (Loss)/profit before taxation from continuing operations

#### 6.1 Significant items

<u>Group</u>	<b>3 months ended 30 June 2021</b> US\$'000	<b>3 months ended 30 June 2020</b> US\$'000	<b>12 months ended 30 June 2021</b> US\$'000	<b>12 months ended 30 June 2020</b> US\$'000
Impairment loss recognised on trade and other receivables	537	1,192	537	1,192
Impairment loss on intangible assets	-	1,004	-	1,004
Net present value change of the call and put option liability	858	1,281	858	1,281
Reversal of allowances for inventories obsolescence	-	-	-	(254)
Consultancy and marketing fees	-	7,683	3,990	7,683

#### 6.2 Related party transactions

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

<u>Group</u>	<b>3 months ended 30 June 2021</b> US\$'000	<b>3 months ended 30 June 2020</b> US\$'000	<b>12 months ended 30 June 2021</b> US\$'000	<b>12 months ended 30 June 2020</b> US\$'000
Lease payments (rental)	(139)	(85)	(454)	(256)
Consideration received on behalf by a shareholder	-	-	-	2,828

### 7 Taxation

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

<u>Group</u>	<b>3 months ended 30 June 2021</b> US\$'000	<b>3 months ended 30 June 2020</b> US\$'000	<b>12 months ended 30 June 2021</b> US\$'000	<b>12 months ended 30 June 2020</b> US\$'000
Current taxation:				
- Current period	121	189	535	628
- Changes in estimates related to prior years	(22)	117	(57)	117
	99	306	478	745
Deferred taxation:				
- Origination and reversal of temporary differences	(19)	(198)	(86)	(288)
Withholding tax expense	7	-	7	-
	87	108	399	457

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 8 Loss from discontinued operation, net of tax

On 5 January 2021, the Company has commenced the winding up process of its wholly owned indirect subsidiary, International Energy Group Pte. Ltd. (“IEG”) by way of creditors’ voluntary liquidation, which was previously reported in the oil and gas segment. As such, the Group has lost control of IEG. Accordingly, the IEG and its subsidiaries were classified as discontinued operation of the Group and its assets and liabilities, deconsolidated from the Group. The comparative statements of comprehensive income are represented to show the discontinued operation separately from continuing operations.

#### Income statement disclosures

The results of IEG are as follows:

	<b>3 months ended 30 June 2021</b>	<b>3 months ended 30 June 2020</b>	<b>12 months ended 30 June 2021</b>	<b>12 months ended 30 June 2020</b>
	US\$’000	US\$’000	US\$’000	US\$’000
Revenue and other income	-	35,459	18,442	326,943
Expenses	-	(34,894)	(19,992)	(324,535)
Profit/(loss) from operations	-	565	(1,550)	2,408
Finance costs	-	(588)	(1,008)	(1,936)
Impairment loss from trade and other receivables	-	(6,098)	-	(6,098)
Fair value loss on financial assets at fair value through profit or loss	(4,814)	-	(21,079)	-
Loss before tax from discontinued operation	(4,814)	(6,121)	(23,637)	(5,626)
Taxation	-	25	12	36
<b>Loss from discontinued operation, net of tax</b>	<b>(4,814)</b>	<b>(6,096)</b>	<b>(23,625)</b>	<b>(5,590)</b>

#### Loss per share disclosures

	<b>3 months ended 30 June 2021</b>	<b>3 months ended 30 June 2020</b>	<b>12 months ended 30 June 2021</b>	<b>12 months ended 30 June 2020</b>
	US\$	US\$	US\$	US\$
Loss per share from discontinued operation attributable to owners of the Company (US cent)				
Basic and diluted	(2.31)	(2.92)	(11.33)	(2.68)

### 9 Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Net asset value per ordinary share (US cent)	6.82	15.34	7.77	21.15



**NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

**10 Intangible assets**

<b>Group</b>	<b>Goodwill</b> US\$'000	<b>Customer relationship</b> US\$'000	<b>Development costs</b> US\$'000	<b>Service right</b> US\$'000	<b>Trademark</b> US\$'000	<b>Development cost work in progress</b> US\$'000	<b>Total</b> US\$'000
<b>Cost:</b>							
<b>At 1 July 2019</b>	18,353	274	1,544	88	330	-	20,589
Exchange difference on translation	(297)	-	-	(2)	-	-	(299)
<b>At 30 June 2020 and 1 July 2020</b>	18,056	274	1,544	86	330	-	20,290
Additions	-	-	-	-	-	215	215
Exchange difference on translation	800	-	-	6	-	-	806
<b>At 30 June 2021</b>	18,856	274	1,544	92	330	215	21,311
<b>Accumulated amortisation and impairment:</b>							
<b>At 1 July 2019</b>	-	25	386	46	33	-	490
Amortisation	-	26	154	28	66	-	274
Impairment loss	-	-	1,004	-	-	-	1,004
Exchange difference on translation	-	-	-	(2)	-	-	(2)
<b>At 30 June 2020 and 1 July 2020</b>	-	51	1,544	72	99	-	1,766
Amortisation	-	26	-	14	66	-	106
Exchange difference on translation	-	-	-	6	-	-	6
<b>At 30 June 2021</b>	-	77	1,544	92	165	-	1,878
<b>Carrying amount:</b>							
<b>At 30 June 2021</b>	18,856	197	-	-	165	215	19,433
<b>At 30 June 2020</b>	18,056	223	-	14	231	-	18,524

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 10 Intangible assets (cont'd)

Company	Development cost work in progress US\$'000
<b>Cost:</b>	
At 1 July 2019, 30 June 2020 and 1 July 2020	-
Additions	215
At 30 June 2021	<u>215</u>
<b>Accumulated amortisation:</b>	
At 1 July 2019, 30 June 2020 and 1 July 2020	-
Amortisation	-
At 30 June 2021	<u>-</u>
<b>Carrying amount:</b>	
At 30 June 2021	<u>215</u>
At 30 June 2020	<u>-</u>

#### Impairment testing for a cash-generating unit containing goodwill

At the end of the reporting period, goodwill is attributable to the Group's cash-generating units ("CGUs") comprising (i) Healthsciences International Pte. Ltd. ("HSI"), (ii) 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., Dentaltrendz Pte. Ltd. (collectively, the "Trendz" companies), (iii) Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd., Greedygums Pte. Ltd., Wren Dental and Medical Supplies Pte. Ltd. (collectively, the "Orange" companies), (iv) 84 INC Pte. Ltd., The Dental Hub@SG Pte. Ltd. and NDC Consulting Pte. Ltd. (collectively, the "TDH" companies), (v) Dr Chua's Family Clinic Pte. Ltd., HL Clinic Pte Ltd, HL Family Clinic & Surgery Pte. Ltd., HK Family Clinic & Surgery Pte. Ltd., HL Dermahealth Aesthetic Clinic Pte. Ltd. and Lily Aw Medical Services Pte Ltd (collectively, the "HSI Medical" companies) and (vi) Shanghai Fengwei Garment Accessory Co., Ltd. (the "Shanghai Fengwei") as follows:

	30 June 2021 US\$'000	30 June 2020 US\$'000
<u>Cash-generating units</u>		
HSI	1,052	1,052
HSI Dental <sup>(i)</sup>	4,040	3,779
HSI Medical	8,333	7,794
Shanghai Fengwei	5,431	5,431
	<u>18,856</u>	<u>18,056</u>

<sup>(i)</sup> Including Trendz, Orange and TDH CGUs.

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 10 Intangible assets (cont'd)

For the financial year ended 30 June 2021

For HSI, the recoverable amounts of the CGUs are determined by management are based on value-in-use (“VIU”) calculations using management approved five-year cash flow forecasts. The key assumptions include average revenue growth of 11.5% (30.6.2020: 11.5%) and pre-tax discount 11.32% (30.6.2020: 9.66%), with 2% (30.6.2020: 2%) terminal growth rate.

HSI Dental sub-group, the recoverable amounts of the CGUs are determined by management are based on VIU calculations using management approved five-year cash flow forecasts. The key assumptions include average revenue growth of 6.5% (30.6.2020: 11.5%) and pre-tax discount 11.23% (30.6.2020: 9.66%), with 2% (30.6.2020: 2%) terminal growth rate.

For HSI Medical sub-group, the VIU calculation is based on the management approved five-year forecast of the Target Annual Audited Net Profit After Tax (“NPAT”) at a pre-tax discount rate of 11.51% (30.6.2020: 9.66%) with 2% (30.6.2020: 2%) terminal growth rate.

Shanghai Fengwei’s VIU calculation is determined based on management approved cash flow projections covering a five-year period, using an average growth rate of 7% (30.6.2020: 5%) pre-tax discount rate of 13.27% (30.6.2020: 12.82%) and a terminal growth rate of 2% (30.6.2020: 3%).

### 11 Trade and other receivables

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables from:				
Third parties	6,086	17,075	-	-
Less: Loss allowance				
Third parties	(75)	(4,167)	-	-
	<u>6,011</u>	<u>12,908</u>	<u>-</u>	<u>-</u>
Other receivables from:				
Former related party	-	2,621	-	7
Related parties	-	20	-	20
Subsidiaries	-	-	2,119	2,899
Loans to subsidiaries	-	-	-	632
Deposits	363	409	102	-
Consideration receivables	2,311	2,311	2,311	2,311
Margin and hedge accounts	-	278	-	-
Retention sum	-	1,625	-	-
Insurance recoverable	-	823	-	-
Other receivables	900	1,922	6	-
	<u>3,574</u>	<u>10,009</u>	<u>4,538</u>	<u>5,869</u>
Less: Loss allowance	(1,560)	(4,173)	(3,177)	(2,182)
	<u>2,014</u>	<u>5,836</u>	<u>1,361</u>	<u>3,687</u>
<b>Total trade and other receivables</b>	<u><b>8,025</b></u>	<u><b>18,744</b></u>	<u><b>1,361</b></u>	<u><b>3,687</b></u>
Represented by:				
Current	7,672	16,993	1,361	3,687
Non-current	353	1,751	-	-
	<u><b>8,025</b></u>	<u><b>18,744</b></u>	<u><b>1,361</b></u>	<u><b>3,687</b></u>

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 12 Share capital

Group and Company	30 June 2021		30 June 2020	
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000
<b><u>Issued and fully paid with no par value</u></b>				
At beginning and end of interim period	211,908,869	88,183	211,908,869	88,183

The number of issued shares excluding treasury shares as at the end of the interim period was 208,464,669 (30.6.2020: 208,464,669).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

The Company's subsidiaries do not hold any shares in the Company as of 30 June 2021 and 30 June 2020.

### 13 Treasury shares

Group and Company	30 June 2021		30 June 2020	
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000
<b><u>Issued and fully paid with no par value</u></b>				
At beginning and end of interim period	3,444,200	(863)	3,444,200	(863)

### 14 Borrowings

	Group	
	30 June 2021 US\$'000	30 June 2020 US\$'000
<b><u>Amount repayable within one year or on demand</u></b>		
Secured	8,582	12,455
Unsecured	-	-
<b><u>Amount repayable after one year</u></b>		
Secured	3,992	14,906
Unsecured	-	-
	<b>12,574</b>	<b>27,361</b>

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 14 Borrowings (cont'd)

Loan from financial institutions and other borrowings are secured by the following:

- i. Fixed deposits of the Group;
- ii. corporate guarantees by the Company and related parties;
- iii. charges over shares of certain subsidiaries of the Company;
- iv. personal guarantee(s) from a director of the Company and a former director of the Company and/or directors of subsidiaries;
- v. pledge over a director's land;
- vi. fixed and floating charge on all assets and undertakings of a subsidiary; and/or
- vii. certain property and equipment.

### 15 Trade and other payables

	Group		Company	
	30 June 2021 US\$'000	30 June 2020 US\$'000	30 June 2021 US\$'000	30 June 2020 US\$'000
Trade payables from:				
Third parties	662	9,557	-	-
Subsidiaries	-	-	-	89
	<hr/> 662	<hr/> 9,557	<hr/> -	<hr/> 89
Other payables from:				
- Subsidiaries	-	-	2,381	1,589
- Former related party	35	35	35	35
- Accrued purchases	-	3,670	-	-
- Accrued operating expenses	1,183	765	180	191
- Accrued personnel expenses	401	176	183	50
- Deposit received	-	354	-	354
- Consideration payables	7,247	6,291	-	-
- Consultancy and marketing fees payable	-	4,485	-	1,268
- Advance receipt of profit guarantee	3,024	2,828	3,024	2,828
- Other payables	998	2,741	714	91
	<hr/> 12,888	<hr/> 21,345	<hr/> 6,517	<hr/> 6,406
Total trade and other payables	<hr/> 13,550	<hr/> 30,902	<hr/> 6,517	<hr/> 6,495
Represented by:				
Current	7,815	26,025	6,517	6,495
Non-current	5,735	4,877	-	-
	<hr/> 13,550	<hr/> 30,902	<hr/> 6,517	<hr/> 6,495

## **NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

### **16 Contingent liabilities**

The Company is alleged to be a corporate guarantor to a loan extended from OCAP Management Pte Ltd (“OCAP”) to IEG. In January 2021, the Company has received letters of demand in respect of US\$7,158,133.33 from the provisional liquidators of OCAP.

IEG is alleged to be a corporate guarantor (“NSG Guarantee”) to a lease financing arrangement of the bare boat charter agreement (the “BBC agreement”) entered into by its subsidiary, TXZ Tankers Pte Ltd. The Company is alleged to be a corporate guarantor to the lease financing arrangement and the contingent liabilities therein. The Company had received a letter of demand dated 7 June 2021 from Iolani Shipping Limited (“Iolani”) for an alleged sum of US\$10,695,760 plus any interest which is alleged to continue to accrue in accordance with the terms of the NSG Guarantee.

The Company has made no provision for any liability in connection with the foregoing claims in these interim financial statements. The management is in active discussion with OCAP and Iolani to reach an amicable conclusion.

### **17 Subsequent event**

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

#### 1. Review

The condensed consolidated statement of financial position of New Silkroutes Group Limited and its subsidiaries as of 30 June 2021 and the related condensed consolidated statement of comprehensive income for the three-month period and year then ended, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

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

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

The auditors have issued a disclaimer of opinion on the Group's financial statements for the financial year ended 30 June 2020 due to:

- i. Management service agreement and management agreement entered by the Company and its wholly owned subsidiary, Shanghai Fengwei Garment Accessory Co., Ltd ("Shanghai Fengwei") with Shanghai Minlin New Textile Materials Sales Centre ("Shanghai Minlin").
- ii. Outstanding audit issue concerning Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC"), a financial asset at fair value through other comprehensive income.

Please refer to page 49 & 50 of the Company's 2020 Annual Report for more information on these outstanding audit issues.

The Board has appointed KPMG Services Pte. Ltd. ("KPMG") as the independent reviewer to carry out an independent review into the above audit issues. The independent review is still ongoing as of the date of this announcement. After the conclusion of the independent review of KPMG, the Company will follow up with the appropriate accounting treatment on these outstanding audit issues.

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

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

#### 2. Review of performance of the Group

##### **Income Statement Review**

Group revenue decreased to US\$7.36 million in the fourth quarter ended 30 June 2021 ("4Q21") compared to US\$22.26 million in 4Q20 for the continuing operations. The Group's performance has been mainly affected by a decline in demand for non-woven material as a result of heightened competition as China's economy began to recover from the Covid-19 pandemic.

Other income decreased to US\$0.20 million in 4Q21 when compared to US\$0.86 million in 4Q20 mainly due to lower in value-added tax refund and government grants received in 4Q21.

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

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

#### Income Statement Review (cont'd)

Employee benefit expenses rose to US\$2.08 million in 4Q21 from US\$1.80 million in 4Q20 on higher staff cost in the medical and dental clinics to cope with an increase in business flow.

Amortisation of intangible assets fell from US\$0.07 million in 4Q20 to US\$0.02 million in 4Q21 as the clinic management system was fully impaired in the prior financial year.

Depreciation of property, plant and equipment decreased to US\$0.02 million against US\$0.25 million previously, following a reversal of over depreciated assets.

Other operating expenses decreased to US\$1.47 million in 4Q21, down from US\$12.69 million in 4Q20 mainly due to the following items in 4Q20:

- i. Impairment loss recognised on trade and other receivables of US\$1.19 million;
- ii. Impairment loss recognised on clinic management system of US\$1.00 million; and
- iii. Consultancy and marketing fees of US\$7.68 million.

Finance costs increased to US\$0.53 million in 4Q21 from US\$0.10 million in 4Q20 mainly due to accrued interest for consideration payable to a shareholder.

#### Financial Position Review

Property, plant and equipment decreased to US\$3.20 million as at 30 June 2021 compared to US\$8.74 million as at 30 June 2020, reflecting the absence such immovable assets totalling US\$6.41 million held by subsidiaries that are no longer controlled by the Group. The loss was offset by the addition of a new production line in Shanghai Fengwei of US\$1.63 million.

Financial asset at fair value through other comprehensive income decreased to nil due to the loss of control of subsidiaries.

Inventories increased to US\$2.43 million as at 30 June 2021 from US\$1.91 million in the last financial year mainly due to a stock up for non-woven materials in the healthcare and healthcare consumables segment.

Trade and other receivables and contract assets decreased to US\$7.67 million when compared to US\$20.93 million as at 30 June 2020 mainly due to the loss of control of subsidiaries.

Non-current borrowings decreased to US\$3.99 million as at 30 June 2021 from US\$14.91 million as at 30 June 2020, reflecting the absence of such borrowings totalling US\$11.79 million by subsidiaries no longer controlled by the Group.

Non-current lease liabilities increased to US\$1.34 million as at 30 June 2021 from US\$0.35 million as at 30 June 2020 following a renewal of tenancy agreements by clinics and office.

Trade and other payables were lower at US\$7.82 million against US\$26.03 million as at 30 June 2020 mainly due to the loss of control of subsidiaries.

Current borrowings decreased to US\$8.58 million as at 30 June 2021 from US\$12.46 million before following the repayment of short-term loans.



## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

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

#### Cash Flow Statement Review

Net cash flows used in operating activities rose to US\$3.90 million mainly resulting from the repayment of management fees of US\$3.21 million to Shanghai Minlin and payment of accrued staff cost of approximately US\$1.86 million in Shanghai Fengwei.

Net cash flows used in investing activities amounted to US\$2.44 million mainly due to additions of property, plant and equipment and intangible assets.

Net cash flows used in financing activities of US\$5.72 million were mostly to repay borrowings.

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

No forecast has been issued for the current financial reporting period.

### 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

During the year under review, our medical clinics have supported the Government's programme to provide Covid 19 testings and vaccinations for local residents. This has helped to boost revenue at our healthcare subsidiary in Singapore. At the same time, we launched our Healthsciences International ("HSI") Wellness Program aimed at providing a one stop medical/dental and traditional Chinese medicine care to SMEs, family, and individuals. HSI is also exploring partnerships with other healthcare providers to complement this program to deliver a vertically integrated healthcare platform for our patients.

We are cautiously optimistic about the outlook as Singapore prepares to transition from a pandemic to an endemic mode and progressively opens up its economy and borders with easing of movement restrictions.

Overseas, our Chinese subsidiary's business has been affected by more intense competition with new players entering the healthcare non-woven manufacturing sector. Prices for non-woven materials have softened due to over-purchasing by our downstream partners. We envisage a recovery in the next quarter on a cyclical upturn in demand. The Group will also explore tapping growth opportunities in the Southeast Asia markets in the next quarter.

Management plans to launch our AI driven genomics platform in the next quarter. In conjunction with our partners, Huawei and Sensetime, we have completed proof of concept for our AI Genomics platform GEIA™ and look to converting this to a PaaS cloud computing model.

After reviewing the financial forecast and cashflow projections, the Board of Directors is in the opinion that the Company and the Group can continue as a going concern and have sufficient working capital and financial resources to meet their obligations as and when they fall due for the next twelve months on the following bases and assumption:

- (i) The Group had implemented several cost-cutting initiatives;

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months. (cont'd)

- (ii) The Company is alleged to be a corporate guarantor to a loan extended from OCAP Management Pte Ltd (“OCAP”) to IEG. In January 2021, the Company has received letters of demand in respect of US\$7,158,133.33 from the provisional liquidators of OCAP. The Company is currently discussions and negotiations with the provisional liquidators.
- (iii) IEG is alleged to be a corporate guarantor (“NSG Guarantee”) to a lease financing arrangement of the bare boat charter agreement (the “BBC agreement”) entered into by its subsidiary, TXZ Tankers Pte Ltd. The Company is alleged to be a corporate guarantor to the lease financing arrangement and the contingent liabilities therein. The Company had received a letter of demand dated 7 June 2021 from Iolani Shipping Limited (“Iolani”) for an alleged sum of US\$10,695,760 plus any interest which is alleged to continue to accrue in accordance with the terms of the NSG Guarantee. The Company is currently in discussions and negotiations with the counterparty.
- (iv) The Group’s healthcare operations generate sufficient operating cash flows to meet its working capital requirements. The health and healthcare subsidiaries of the Company contributed US\$7.36 million to the revenue of 4Q21. The Group can continue to grow its healthcare operations based on the financials from its operating subsidiaries.
- (v) The Group also looks to launching its AI driven genomics platform in the next quarter. In conjunction with our partners, Huawei and Sensetime, we have completed our proof of concept for our AI Genomics platform GEIA™ and look forward to converting this to a PaaS cloud computing model. GEIA™ is a complete and seamless, hybrid cloud-based workflow platform solution with AI-optimised analyses. The Group will continue to build relationships with leading tech players who can provide us with a full range of capabilities in data-driven diagnostics.
- (vi) The Group is currently in discussions for external financing from strategic investors to the Company from the ongoing restructuring of the Company into a fully integrated healthcare business.

## NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES

### 5. Dividend information

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding period of the immediate preceding financial year

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

None.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

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

No dividend has been declared or recommend for the year ended 30 June 2021 due to accumulated losses of the Company.

### 6. Interested person transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	US\$'000	US\$'000
Rental:		
Shanghai Fengwei Nonwovens Co., Ltd	454	-

For full disclosure, please note that there is an amount of US\$1.77M owing from Shanghai Fengwei Nonwovens Co., Ltd. ("SFNW") a company majority owned by Mr Shen Yuyun (a substantial shareholder of the Company) to Shanghai Fengwei Garment Accessory Co., Ltd. ("Shanghai Fengwei"), a wholly owned subsidiary of the Company, which amount was owing prior to the Group's acquisition of Shanghai Fengwei.

SFNW and New Silkroutes Capital Pte. Ltd. a wholly owned subsidiary has entered into a lease agreement and the amount owing from SFNW will be used to offset against the rental payable by Shanghai Fengwei for the use of the land.

## **NEW SILKROUTES GROUP LIMITED AND ITS SUBSIDIARIES**

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

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

### **8. Review of performance of the Group – turnover and earnings**

During the financial year, the Group announced that it has commenced a strategic review of the Group's energy division. The review was commenced as the energy division has experienced a significant reduction in trading volumes whilst lower oil prices have also contributed to the overall drop in its trade revenues during the pandemic. The global pandemic has disrupted maritime trade and disrupted supply chains that it has made our ship chartering business non-viable.

On 5 January 2021, the Group commenced the winding up process of the wholly owned indirect subsidiary of the Company, IEG by way of creditors' voluntary liquidation and thus the Group has lost control of IEG. Accordingly, the IEG and its subsidiaries are classified as discontinued operation of the Group.

Our Chinese subsidiary's business has taken a dip due to an increase in market forces with new competitors entering the healthcare non-woven manufacturing sector in China. As we continue to battle the ongoing pandemic, the Group will review its operation and marketing strategies and stay nimble to weather the challenges ahead.

Our healthcare subsidiary has experienced robust business during the economic recovery of Singapore in the financial year.

### **9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Pursuant to Rule 704(13) of the Listing Manual, New Silkroutes Group Limited confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**Ong Beng Hong**  
**Company Secretary**  
**27 August 2021**