NEW SILKROUTES
GROUP LIMITED

EXPANDING OUR HORIZON

ANNUAL REPORT 2019

CONTENTS

CORPORATE PROFILE

New Silkroutes Group Limited ("New Silkroutes Group") is an investment holding company listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

New Silkroutes Group, together with its subsidiaries (the "Group"), operate in the Healthcare and Energy sectors.

HEALTHCARE

The Group's healthcare division focuses on the provision of healthcare and related services, and operates mainly under its subsidiary, Healthsciences International Pte. Ltd. ("HSI"). HSI owns and operates primary care medical and dental clinics in Singapore with plans to expand into Vietnam and other Southeast Asian countries through acquisitions and partnerships. It also has a team that specializes in hospital development and management, with a focus in Southeast Asia and China.

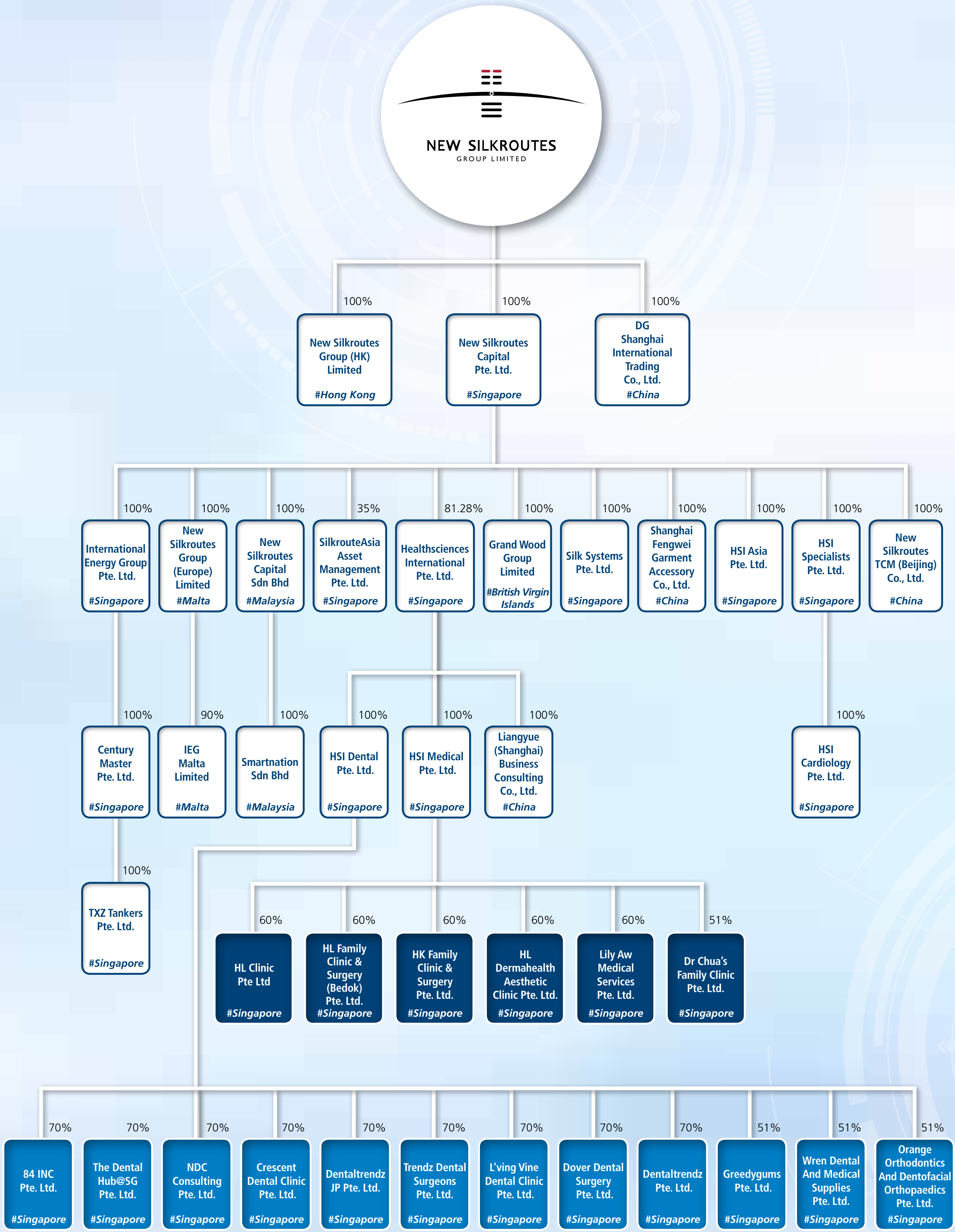
The Group has extended its healthcare portfolio into healthcare-related supplies, such as disposable medical consumables like hospital gowns and linen, which can complement its hospital development and management arm.

The Group now owns 16 clinics comprising one dental specialist clinic, eight dental clinics, five family medicine clinics, one aesthetic clinic and one traditional chinese medicine (TCM) clinic as well as two dental supplies companies.

ENERGY

The Group's energy division is through its wholly-owned oil trading subsidiary, International Energy Group Pte. Ltd. ("IEG"), which counts oil majors and national oil companies among its counterparties. Incorporated in 2014, IEG focuses on physical oil trades in the key markets of Southeast Asia and North Asia. To maintain efficiency, IEG charters and operates its own fleet of vessels to support the necessary logistics.

CORPORATE STRUCTURE



OUR FLAGSHIP OF CLINICS IN SINGAPORE

DENTAL CLINICS

1. **The Dental Hub (Alexandra)**
   Tel: 6274 9682
   460 Alexandra Road
   #02-16 PSA Building
   Alexandra Retail Centre
   Singapore 119963

2. **The Dental Hub (Bedok)**
   Tel: 6241 7088
   84 Bedok North Street 4 #01-07
   Singapore 460084

3. **The Dental Hub (Boon Lay)**
   Tel: 6794 0788
   1 Jurong West Central 2
   #01-16 (A&B) Jurong Point Shopping Centre, Singapore 648886

4. **The Dental Hub (Dover)**
   Tel: 6779 0233
   28 Dover Crescent, #01-87
   Singapore 130028

5. **The Dental Hub (Jurong West)**
   Tel: 6397 0284
   762 Jurong West Street 75
   #02-254 Gek Poh Shopping Centre
   Singapore 640762

6. **The Dental Hub (Telok Blangah)**
   Tel: 6270 0732
   12 Telok Blangah Crescent
   #01-115, Singapore 090012

7. **The Dental Hub (West Coast)**
   Tel: 6775 8385
   154 West Coast Road, #01-84/85
   West Coast Plaza, Singapore 127371

8. **The Dental Hub (Yew Tee)**
   Tel: 6634 2535
   21 Choa Chu Kang North 6
   #B1-24 Yew Tee Point
   Singapore 689578

DENTAL SPECIALIST

Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd.
Tel: 6737 0544
304 Orchard Road Lucky Plaza Suite
#05-44 Orchard Medical Specialists
Singapore 238863

AESTHETIC

HL Dermahealth Aesthetic Clinic Pte. Ltd.
Tel: 6276 9007
12 Telok Blangah Crescent
#01-111, Singapore 090012

TCM CLINIC

HSI Chinese Medicine
Tel: 6836 3637
304 Orchard Road Lucky Plaza Suite
#05-33 Orchard Medical Specialists
Singapore 238863

GP CLINICS

1. **HL Clinic Pte Ltd**
   Tel: 6272 1986
   9 Telok Blangah Crescent, #01-135
   Singapore 090009

2. **HL Family Clinic & Surgery (Bedok) Pte. Ltd.**
   Tel: 64420494
   89 Bedok North Street 4, #01-83
   Singapore 460089

3. **HK Family Clinic & Surgery Pte. Ltd.**
   Tel: 6552 8757
   410 Ang Mo Kio Ave 10, #01-817
   Singapore 560410

4. **Dr Chua's Family Clinic Pte. Ltd.**
   Tel: 6792 8505
   Blk 638 Jurong West Street 61
   #02-04 Pioneer Mall,
   Singapore 640638

5. **Lily Aw Medical Services Pte Ltd**
   Tel: 6582 2122
   446 Pasir Ris Drive 6 #01-116
   Singapore 510446

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

Our financial year ended 30 June 2019 ("FY2019") has seen our Company gradually transform from an oil trading business into a more healthcare-focused Group. In so doing, New Silkroutes Group Limited ("NSG") achieved a full-year profit of USD107,000 compared to a loss of USD2.96 million in the prior financial year.

GROWTH OF HEALTHCARE BUSINESS

This transformation started in August 2018 with the acquisition of a majority stake in a network of 6 medical clinics to complement the 9 dental clinics that were already held by Healthsciences International Pte. Ltd., the healthcare division of NSG.

Our next phase of growth will be to vertically integrate our primary care clinics with specialist clinics, as well as to expand our services geographically in Southeast Asia. In preparation for this, we have incorporated HSI Specialists Pte. Ltd. and HSI Asia Pte. Ltd. respectively.

Following the acquisition of the medical clinics, we acquired the entire stake in Shanghai Fengwei Garment Accessory Co., Ltd. ("Shanghai Fengwei"), which is a producer of non-woven biodegradable linen sold mainly for use in the China domestic healthcare sector. Adding Shanghai Fengwei to the Group is strategic in giving us a foothold in the China healthcare market, albeit through the sale of healthcare-related products. Through this business, we hope to better feel the pulse of the healthcare industry in China, which will, in turn, enable us to better control the costs of running hospitals in the country should we secure hospital management contracts there in the future.

As the acquisition of Shanghai Fengwei was financed entirely by the issuance of shares in NSG, we believe the interests of our Chinese shareholders are fully aligned with the other shareholders of our Company.

As a result of these developments, our Company's healthcare-related businesses contributed USD1.7 million, or about 60% of the Group's net profit, excluding HQ expenses; with the remaining 40% (USD1.1 million) contributed by International Energy Group Pte. Ltd. ("IEG").

CHAIRMAN'S STATEMENT

STABLE OIL TRADING BUSINESS

IEG continues to be an integral part of the Group. Nonetheless, we had contemplated divesting this business during the financial year when we were approached and were made an offer, because we recognised that in the longer term increasing our banking facilities for oil trading would necessitate a significant injection of fresh capital, which the management will need to deploy in the acquisition of healthcare assets. Our management team, however, remains focused on growing the business amidst a volatile and challenging oil market, whilst searching for a strong strategic partner to work with us.

BOARD CHANGES

Towards the end of FY2019, Mr Ho Sheng stepped down as the Group's Chairman after 2.5 years at the helm, due to health reasons. Together with the other Board members and staff of NSG, I thank him for his relentless pursuit of excellence in our growth and we wish him all the best. Having taken over from Mr Ho as Chairman, it is now my responsibility and commitment to ensure that our Company continues to grow from strength to strength.

We have been blessed that Dr Andrew Chua stepped forward in June this year to serve on our Board as a non-executive, non-independent director. Dr Chua has many years of industry experience, which will add to the depth of our collective wisdom, as we continue to drive the strategic direction of the Group during this period of transformative growth.

A BOLDER FUTURE

We are now at an exciting crossroads for our Company. We believe we can grow exponentially through targeted acquisitions, which will then lift our market capitalisation significantly. We will look to financing these acquisitions primarily via the capital markets and we seek shareholders' continued support for our plans for this growth.

Thank you for supporting us as we write the next chapter.

Pao Kiew Tee

Chairman of the Board of Directors

BOARD OF DIRECTORS

MR PAO KIEW TEE

Independent Non-Executive Chairman

Mr Pao was appointed as Independent Director on 31 October 2016 and as Independent, Non-Executive Chairman on 25 May 2019.

Mr Pao was a senior government auditor. The last post he held before his retirement in July 2016 after serving the Civil Service for 37 years was Senior Group Director. As a senior auditor, he was the overall-in-charge of a group responsible for carrying out financial statements and operation audits of government ministries and statutory boards. Prior to joining the Singapore Government, he was with two accounting firms in New Zealand between October 1976 and September 1978. From March 1975 to September 1976, he worked as an analyst for the Commercial Bank of Australia in New Zealand.

Mr Pao is currently an independent director of three other public listed companies in Singapore, namely, Boldtek Holdings Limited, Mary Chia Holdings Limited and Wong Fong Industries Limited. He is also a Trustee of the Serangoon Gardens Country Club and a member of the Audit Committee of the Seletar Country Club.

Mr Pao graduated with a Bachelor of Commerce (Accounting) degree from the University of Otago, Dunedin, New Zealand in 1974. He is a Fellow of the Institute of Chartered Accountants of Singapore and a member of the Singapore Institute of Directors.

DR GOH JIN HIAN

Executive Director and Chief Executive Officer

Dr Goh has served as Executive Director and Chief Executive Officer of the Group since 24 June 2015 and 7 July 2015 respectively.

Prior to joining New Silkroutes Group, Dr Goh was a C-suite executive in ParkwayHealth from 1999 to 2011 and has been an entrepreneur since leaving the latter. He is currently also the chairman and independent director of SGX-listed Cordlife Group Limited and a non-executive director of FINMA-licensed SEBA Bank in Switzerland.

He had also served on the Council of the Singapore Human Resources Institute from 2007 to 2017 and the Council of the Singapore Medical Association from 1996 to 2000.

Dr Goh obtained his Bachelor of Medicine and Bachelor of Surgery from the National University of Singapore in 1992. He also holds a Master of Business Administration from The University of Hull. In addition, Dr Goh completed The Wharton Advanced Management Program in 2005 and is now pursuing a Belt and Road EMBA with Tsinghua-PBCSF.

MR OO CHEONG KWAN KELVYN

Executive Director and Chief Corporate Officer

Mr Oo joined the Company as Independent Non-Executive Director on 24 June 2015 and subsequently became an Executive Director and the Chief Corporate Officer on 1 June 2017.

He was a lawyer by training and practiced for almost 20 years in several of the large local as well as international law firms. Prior to joining us, Mr Oo was a partner of an international law firm. His area of practice was mainly in corporate finance, particularly mergers and acquisitions (public and private, including reverse take-overs), joint ventures, equity capital markets and corporate restructuring. He also advised on fund formation as well as securities, compliance and regulatory matters. Mr Oo is also an independent director of Teho International Inc Ltd., a company listed on the Singapore Exchange Securities Trading Limited, and an advisory board member of Viridian Asset Advisors Pvt Ltd.

He graduated from The University of Buckingham with LLB (Honours) and subsequently obtained his LL.M (Financial Services) from The University of New South Wales.

BOARD OF DIRECTORS

MRS CHEN CHOU MEI MEI VIVIEN

Independent Non-Executive Director

Mrs Chen was appointed as Independent Non-Executive Director on 24 June 2015.

She graduated with a Bachelor of Arts degree from the University of Colorado in the United States of America and has over 30 years of experience in investments, in particular, property investments, and in garment manufacturing and aircraft maintenance businesses. She is also currently a non-executive director of SEHK-listed Wing Tai Properties Limited and an executive director of Winsor Industrial Corporation Ltd., HK.

Mrs Chen is a director of Farnham Group Ltd. and Gala Land Investment Co. Ltd., which are the substantial shareholders of Wing Tai Properties Limited within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong. She is also director of Lian Thai Apparel Co. Ltd., Bangkok, Thailand, and a director or advisory member of various non-profit organisations. She is the president of the Modernized Chinese Medicine International Association and the vice-president of The Hong Kong Health Food Association Ltd. She is also a Gold member of the Young President Organization (YPO), HK Chapter.

DR CHUA SOON KIAN ANDREW

Non-Executive Non-Independent Director

Dr Chua was appointed as Non-Executive Non-Independent Director on 17 June 2019.

Dr Chua is currently the principal and chairman of the management council of the East Asia Institute of Management ("EAIM"), formerly known as the East Asia School of Business (EASB), which he founded in 2001. He is also the immediate past president of the Association of Private Schools and Colleges (APSC) in Singapore and a former advisor to the Institute of Management Consultants, Singapore.

Dr Chua holds a Master of Business Administration (MBA) from Leicester University, UK and was conferred an Honorary Doctorate degree of Education (D.Edu.) by the Queen Margaret University, Edinburgh. He is also an Honorary Fellow of the Cardiff Metropolitan University, a Fellow of the Chartered Institute of Marketing, UK, and a Fellow of the Royal Society of Arts, UK. He is a senior member of the Singapore Computer Society and the Singapore Institute of Management.

Prior to founding EAIM, Dr Chua was the founding managing director of Dell Computer Corporation – South Asia and PRC from 1995 to 2001. Before Dell, he was the General Manager – Asia Pacific Operations of a subsidiary of the public-listed Wearnes Technology Group in Singapore. Prior to that, he was a senior management consultant at Coopers & Lybrand Associates.

Dr Chua is also a patron of the Yew Tee Citizens' Consultative Committee (CCC), the Community Club Management Committee (CCMC), and the Constituency Sports Club. He also served as the chairman of the Yew Tee CCC Community Development Welfare Fund Committee.

He was conferred the Public Service Medal (PBM) in the 2013 National Day Awards by the President of the Republic of Singapore.

EXECUTIVE MANAGEMENT

MR TEO THIAM CHUAN WILLIAM

Finance Director

Mr Teo was appointed as the Finance Director on 30 April 2018.

He has more than 18 years of experience in the banking and finance industry with extensive exposure to the treasury, capital market and corporate advisory function.

He then moved on to join a mainboard-listed company where he was the senior manager of business development and the chief operating officer.

He graduated with a Bachelor of Commerce from the University of Toronto and holds a Master of Applied Finance degree from Macquarie University.

MR WU GUOLIANG

Executive Director, International Energy Group Pte. Ltd. ("IEG")

Mr Wu was appointed as Executive Director of IEG on 17 October 2016.

Mr Wu has more than 15 years of corporate experience in the energy and investment industries, namely energy logistics, medical, wellness and real estate. He graduated from the University of Heriot-Watt with a Bachelor in Construction Management, and from Reading University with a Master in Real Estate Finance and Economics. He attended the Senior Management Programme on Internationalisation by the Lee Kuan Yew School of Public Policy and is currently pursuing a Finance EMBA with TsingHua University focusing on Belt & Road Initiatives.

MR ARTUN GURSEL

Trading Manager and Book Leader, International Energy Group Pte. Ltd. ("IEG")

Mr Gursel joined IEG as Trading Manager and Book Leader in September 2015.

He has been in the oil industry since 2003. In the early stages of his career, while based in Europe, he ran supply operations and terminals, managed chartering activities of a major European oil distributor and played a key role in its global expansion.

Following that, from 2007 to 2009, he was also in charge of developing structured price risk management models for the refining arm of the European group.

Since 2008, he has been trading in Asia-Pacific markets and managing oil asset investments in the Far East. Proficient in both physical and derivative trading, his focus was global fuel oil & feedstock trading prior to IEG.

Mr Gursel holds a bachelor degree in business administration from Galatasaray College, a francophone University, with a major in statistics.

MS LEE LUNA

Chief Executive Officer, Healthsciences International Pte. Ltd. ("HSI")

Ms Lee was appointed as Chief Executive Officer of HSI on 9 April 2018.

Ms Lee has more than 20 years of extensive experience in the private and public healthcare sectors. She held several key C-suite executive positions including being the first lay female chief executive officer of Mount Alvernia Hospital, and first chief operating officer of Mount Elizabeth Novena Hospital. She was the pioneer member and was instrumental in the development, commissioning and operations of Mount Elizabeth Novena Hospital, primed to set benchmarks in medical technology, innovation and healing environment in healthcare. Ms Lee had held leadership appointments in National University Hospital and the Parkway group of Hospitals, with responsibilities in operations, quality and service excellence.

Prior to joining HSI, Ms Lee was the chief operating officer of SingHealth Polyclinics, the primary healthcare services provider of Singapore's largest public healthcare group.

Ms Lee graduated from the National University of Singapore with a Bachelor of Science degree and majored in Mathematics.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Dr Goh Jin Hian
(Executive Director and Chief Executive Officer)

Mr Oo Cheong Kwan Kelvyn
(Executive Director and Chief Corporate Officer)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Pao Kiew Tee *(Chairman)*

Mrs Chen Chou Mei Mei Vivien

NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Dr Chua Soon Kian Andrew

AUDIT AND RISK COMMITTEE

Mr Pao Kiew Tee *(Chairman)*

Mrs Chen Chou Mei Mei Vivien

Dr Chua Soon Kian Andrew

NOMINATING COMMITTEE

Mrs Chen Chou Mei Mei Vivien *(Chairman)*

Mr Pao Kiew Tee

Dr Chua Soon Kian Andrew

REMUNERATION COMMITTEE

Mrs Chen Chou Mei Mei Vivien *(Chairman)*

Mr Pao Kiew Tee

Dr Chua Soon Kian Andrew

COMPANY SECRETARY

Ms Ong Beng Hong

REGISTERED OFFICE

456 Alexandra Road
#19-02 Fragrance Empire Building
Singapore 119962
Tel: (65) 6377 0100 Fax: (65) 6377 0600
www.newsilkroutes.org

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

INDEPENDENT AUDITOR

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809
Audit Partner-in-charge: Mr Lee Boon Teck
Date of Appointment: 31 October 2018

PRINCIPAL BANKERS

CIMB Bank Berhad

Malayan Banking Berhad

United Overseas Bank Limited

EXECUTIVE MANAGEMENT

Dr Goh Jin Hian
Executive Director and Chief Executive Officer

Mr Oo Cheong Kwan Kelvyn
Executive Director and Chief Corporate Officer

Mr Teo Thiam Chuan William
Finance Director

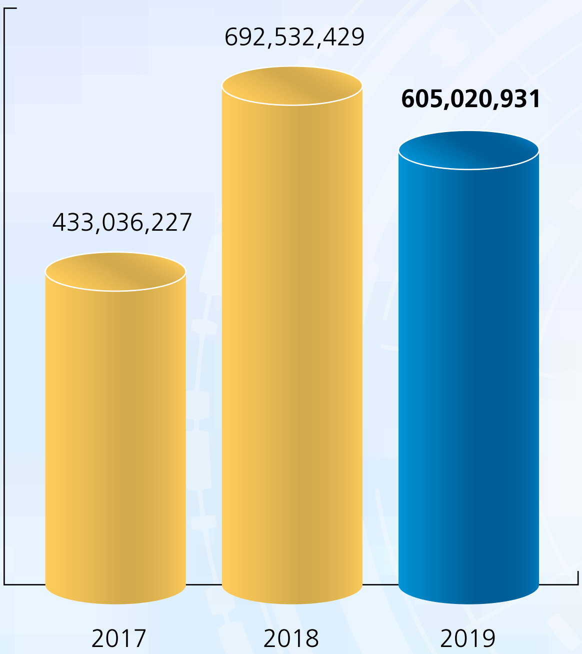
Mr Wu Guoliang
Executive Director of International Energy Group Pte. Ltd.

Mr Artun Gursel
Trading Manager and Book Leader of International Energy Group Pte. Ltd.

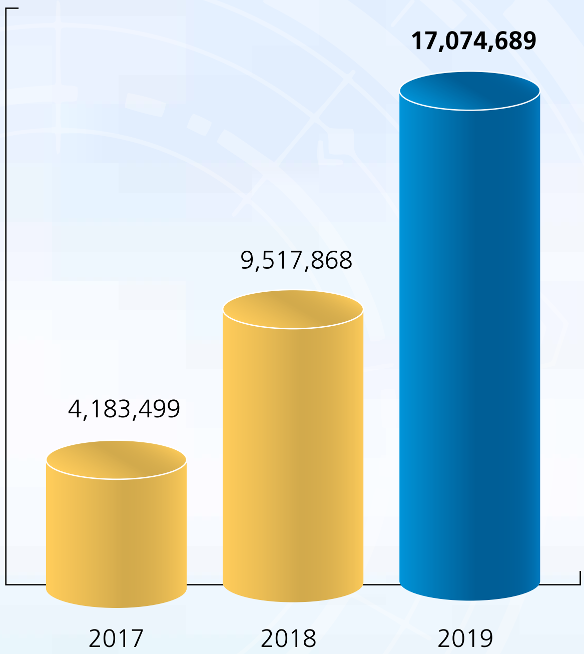
Ms Lee Luna
Chief Executive Officer of Healthsciences International Pte. Ltd.

FINANCIAL HIGHLIGHTS

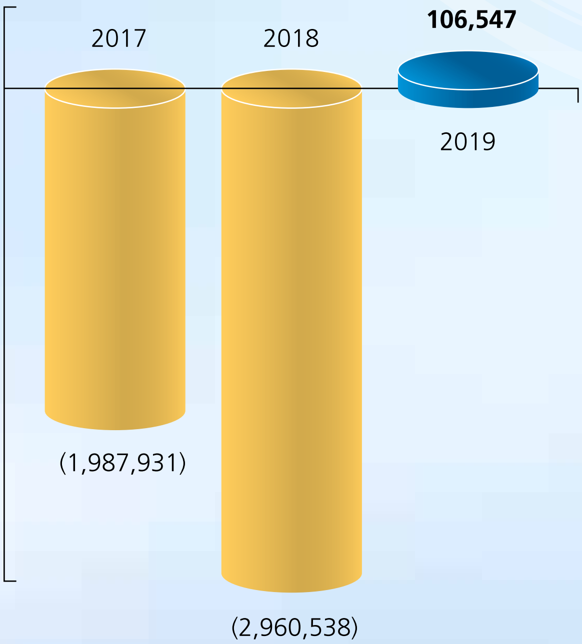
REVENUE



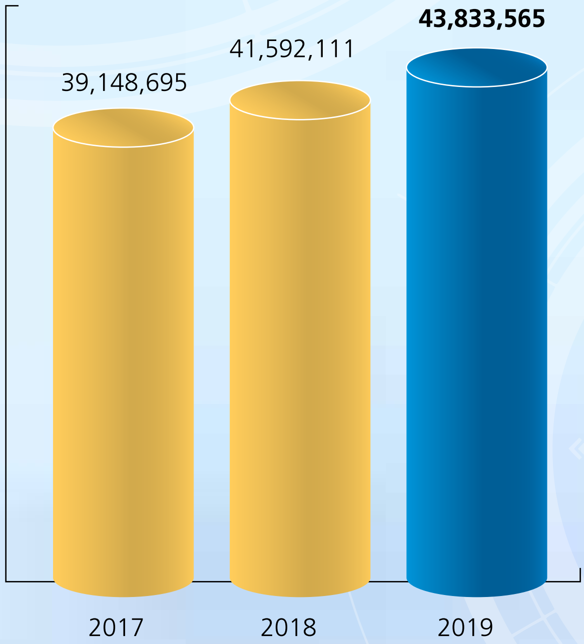
GROSS PROFIT



PROFIT/(LOSS) AFTER TAX



SHAREHOLDERS' EQUITY



OPERATIONS AND FINANCIAL REVIEW

New Silkroutes Group Limited ("**NSG**") together with its subsidiaries' (the "**Group**") operate their key operating divisions in the Healthcare and Energy sectors.

OPERATIONS REVIEW

The healthcare landscape in Singapore is evolving due to fast-paced changes social demographics and population. NSG's vision to focus more on healthcare business started this financial year.

HEALTHCARE

The significant growth in the healthcare division of NSG, Healthsciences International Pte. Ltd. ("HSI") includes the acquisition of a majority stake in a network of 6 medical clinics in August 2018. This increased our primary care portfolio to 16 clinics in Singapore. In the same month, we signed a collaboration MOU with EGroup Education Group Joint Stock Company, an education leader in Vietnam, to elevate the standard of dental services in Vietnam under our brand name 'The Dental Hub International'. We aspire to build a network of clinics starting with 2 flagship clinics in Hanoi and Ho Chi Minh City.

Building on our healthcare strategy, NSG successfully acquired Shanghai Fengwei Garment Accessories Co., Ltd ("Shanghai Fengwei"), a China manufacturer of nonwoven biodegradable linen whose business is concentrated in the China domestic healthcare market. This strategic acquisition provided the Group a foothold in the China market, one of the potential targets for our hospital development and management business growth. Shanghai Fengwei also complements our potential Hospital management contracts, where managing the cost efficiency of hospital operations is critical.

Over the past year, we have made major strides in improving quality and safety, as well as patient experience. We are equipping and sharpening our focus through better governance, cost efficiency and operational effectiveness to provide affordable and safe care for our patients.

We carried out cost improvement measures to our TCM business, and we completed our makeover of the dental practice in Dover, one of the older clinics.

The collaboration and synergy between our medical professionals with our TCM physicians: complementary western and eastern medicine further expands our expertise and solidifies our vision to provide the best care for our community under one roof.

The Company's healthcare-related businesses contributed a healthy US$1.7 million, or about 60% of the Group's net profit in FY2019 compared to prior's year of US$0.1 million, or about 8% of the Group's net profit.

ENERGY

International Energy Group Pte. Ltd. ("IEG"), with its focus on physical oil trades in the key markets of Southeast Asia and North Asia, continues to be an integral part of the Group. The energy business continues to generate good revenue stream and managed to achieve a profit of US$1.1 million i.e. about 40% of the Group's net profit.

Notwithstanding, the Group does recognize that IEG would require a significant injection of fresh capital and more banking facilities to grow this business and thus has to constantly manage the deployment of funds within the Group as it continues to grow on its healthcare business via acquisitions and joint ventures. It is for this reason that the Group did contemplate divesting this business when it was approached with an offer.

The Group remains focused on growing this business amidst volatile and challenging oil market, whilst searching for a good strategic partner who can lower the financing cost or provide strategic logistic capabilities.

OPERATIONS AND FINANCIAL REVIEW

FINANCIAL REVIEW

GROUP FINANCIAL PERFORMANCE

The Group achieved revenue of US$605.0 million in FY2019, a decrease of 12.6% from US$692.5 million in FY2018, amid lower trading activities. This was despite significant growth in its core healthcare businesses.

Overall, the Group registered a net profit of US$0.1 million for FY2019, overturning a loss of US$3.0 million in FY2018. This turn around for the Group was attributed mainly to the strong contribution from its acquisition of the six medical clinics as well as Shanghai Fengwei during FY2019.

SEGMENTAL FINANCIAL PERFORMANCE

The commitment of the Group to developing its healthcare and healthcare-related business has proven fruitful. The Group's healthcare business recorded a net profit of US$1.7 million in FY2019, which represented an increase of 1,600% as compared to a net profit of US$0.1 million in FY2018. Revenue rose by 233% to US$21.3 million from US$6.4 million the year before mainly due to the additional contributions from the 6 medical clinics and Shanghai Fengwei.

The Group's oil trading business, IEG, reported a net profit US$1.1 million on revenue of US$583.7 million in FY2019, a decline of 15.4% and 14.9% from a net profit of US$1.3 million and revenue of US$686.2 million posted in FY2018 respectively. The decrease in the revenue and net profit was mainly due to lower oil trading activities.

FINANCIAL POSITION

As at 30 June 2019, the Group had total assets of US$122.9 million and total liabilities of US$77.7 million. Net assets stood at US$43.8 million at the end of FY2019 and this translated into a net asset value per share of 21.03 US cents.

Current assets decreased 6.3% to US$69.5million as at 30 June 2019 mainly due to a decrease in cash and bank balances of US$14.9 million and inventories of US$12.7 million, though the decline was mitigated by an increase in contract assets of US$18.2 million and trade receivables of US$6.3 million.

Current liabilities increased 22.9% to US$71.9 million as at 30 June 2019. This was mainly due to an increase of US$9.6 million in trade and other payables and an increase of US$12.0 million in borrowings despite being offset by a decrease of US$7.7 million in contract liabilities. This increase of borrowings was mainly due to the inclusion of Shanghai Fengwei's borrowings, a convertible loan of USD3.7 million as well as a reclassification of a term loan of US$3.6 million from non-current to current. The reclassification of the term loan was due to SFRS (1) 1-1 notwithstanding that a waiver has been obtained from the financial institution for the breach of a financial covenant.

Non-current assets increased 72.3% to US$53.4 million as at 30 June 2019. The increase of US$9.0 million in property plant and equipment and US$13.7 million in intangible assets and goodwill were mainly due to the acquisition of Shanghai Fengwei and the 6 medical clinics during the year. Arising from the adoption of SFRS (1) 9, there is a reclassification of the available-for-sale investment to financial assets at fair value through other comprehensive which showed a decline of US$1.9 million in fair value. The increase of US$1.5 million in long-term receivables was mainly due to a prepaid lease from a related party arising from the acquisition of Shanghai Fengwei.

Non-current liabilities increased 36.5% to US$5.8 million as at 30 June 2019. This was mainly due to an increase of US$5.0 million in other payables. The other payables mainly arose from the acquisition of the 6 medical clinics whereby there are call and put option obligations pursuant to the balance shareholdings which the partners of the 6 medical clinics still own. The options allow either the partners or NSG, a right to sell or buy respectively, the remaining shareholdings of the partners upon reaching certain milestones in the future.

CORPORATE GOVERNANCE REPORT

New Silkroutes Group Limited (the "Company", and together with its subsidiaries, the "Group") is committed to maintaining a high standard of corporate governance to protect the interest as well as to enhance the long-term value of its shareholders. This is in line with the Code of Corporate Governance 2012 (the "Code"). This statement describes the corporate governance policies and practices that have been adopted by the Company together with appropriate explanations where there are deviations from the Code.

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance ("2018 Code"), which will take effect for annual reports covering financial years commencing from 1 January 2019. The Company will review and implement measures to comply with the 2018 Code, where appropriate, for the Company's annual report for the financial year ending 30 June 2020.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Board of Directors of the Company (the "Board" or "Directors") is entrusted with the overall management of the business affairs of the Company and sets the overall strategy and policies on the Group's business direction.

The principal functions of the Board include:

a) approving the overall policies, strategic plans, key operational initiatives, major investments and funding decisions;
b) approving the budget and monitoring the performance of the business;
c) approving the financial results of the Group for release to shareholders;
d) ensuring the implementation of appropriate control systems to manage the Group's business and financial risks; and
e) considering and approving the nominations and re-nominations to the Board as well as the appointment of key personnel.

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company.

The Board holds at least four (4) regular scheduled meetings throughout the year to coincide with the Company's results announcements and convenes ad-hoc meetings as and when required. The Constitution of the Company allows the Directors to participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. In addition to holding meetings, important matters concerning the Company are also put to the Board for its decision by way of written resolutions.

During the financial year ended 30 June 2019 ("FY2019"), the Board convened five (5) meetings. Board members were present at the meetings, either in person or via teleconferencing. The table below shows the attendance of the Directors at the Board and respective Board Committee meetings during FY2019:

	Board		Audit and Risk Committee#		Nominating Committee		Remuneration Committee	
	Number of Meetings		Number of Meetings		Number of Meetings		Number of Meetings	
Name of Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Ho Sheng *(resigned on 25 May 2019)*	5	5	4	4	1	1	2	2
Pao Kiew Tee	5	5	4	4	1	1	2	2
Goh Jin Hian	5	5	4	4*	1	1*	2	2*
Oo Cheong Kwan Kelvyn	5	5	4	4*	1	1*	2	1*
Chen Chou Mei Mei Vivien	5	4	4	3	1	0	2	2
Chua Soon Kian Andrew^ *(appointed on 17 June 2019)*	-	-	-	-	-	-	-	-

 # The Audit Committee was renamed as the "Audit and Risk Committee" with effect from 3 September 2018 to better reflect the scope and responsibilities of the committee.
^ Dr Chua Soon Kian Andrew was only appointed on 17 June 2019. No Board or Board Committee meeting was convened during the period 17 June 2019 to 30 June 2019.
** By invitation*

While the Board considers Directors' attendance at Board meetings to be important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

In the discharge of its function, the Board is supported by specialty Board Committees that provide independent oversight on the Management, and which also serve to ensure that there are appropriate checks and balances. The key committees are the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee. These Board Committees function within clearly defined terms of reference and operating procedures. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board. In particular, the Board notes that it has overall responsibility for putting in place a framework of good corporate governance in the Group, including the processes for financial reporting and compliance.

The Executive Directors are primarily responsible for the management of the business and affairs of the Company and endeavours to reduce the administrative time, inconvenience and the expenses associated with the convening of Board meetings through the circulation of resolutions in writing of the Board, without compromising the Group's corporate objectives and adversely affecting the day-to-day operations of the Company. Meetings of the Board are still held and/or resolutions in writing of the Board are circulated for matters which are reserved for the Board's decision, including but not limited to the following:

a) review of the annual budget and the performance of the Group;

b) review of the key activities and business strategies;

c) approval of the corporate strategy and direction of the Group;

d) approval of transactions involving a conflict of interest for a substantial shareholder or a Director or interested person transactions;

e) material acquisitions and disposals;

f) corporate or financial restructuring and share issuances;

g) declaration of dividends and other returns to shareholders;

h) appointment of new Directors or key personnel.

All newly appointed Directors are given briefings by the Management on the history and business operations of the Group. The Company will, if necessary, organise briefing sessions or circulate memoranda to the Directors to enable them to keep pace with regulatory changes, where such changes have a material bearing on the Group. In FY2019, the Directors were kept abreast of the risks faced by the Company through briefings by the Management at Board meetings. The Directors were also updated on the latest changes to the Companies Act (Cap. 50), the Listing Manual, the Code of Corporate Governance and the Accounting Standards by the relevant professionals at quarterly Board meetings. The Company will also provide the newly-appointed Director with a formal letter setting out his/her duties and obligations. The Directors are also provided with information on and encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as Directors to the Company. Dr Chua Soon Kian Andrew, who was appointed to the Board as Non-Executive Non-Independent Director on 17 June 2019, had attended and completed the Listed Company Director Programme conducted by the Singapore Institute of Directors and supported by the SGX-ST, prior to joining the Company as Non-Executive Non-Independent Director.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

As at the date of this Annual Report, the Board comprises five members, of whom two (including the Chairman) are Independent Non-Executive Directors, one is a Non-Executive Non-Independent Director and two are Executive Directors. As such, there is a strong and independent element on the Board, with Independent Non-Executive Directors making up at least one-third of the Board. Non-executive directors make up a majority of the Board. Further, all the members of each specialty Board Committee are independent and/or non-executive Directors. The list of Directors is as follows:

Mr Pao Kiew Tee	(Independent Non-Executive Chairman)
Dr Goh Jin Hian	(Executive Director and Chief Executive Officer)
Mr Oo Cheong Kwan Kelvyn	(Executive Director and Chief Corporate Officer)
Mrs Chen Chou Mei Mei Vivien	(Independent Non-Executive Director)
Dr Chua Soon Kian Andrew	(Non-Executive Non-Independent Director)

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies, and experience for the Group, regardless of age or gender. The Board is of the view that the current Board members comprise persons whose diverse skills, experience, knowledge, attributes and gender (with one female Independent Non-Executive Director on the Board) provide for effective direction of the Group. The Board's structure, size and composition are reviewed annually by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making. The Nominating Committee, with the concurrence of the Board, is of the view that, given the scope and nature of the Group's operations, the present size of the Board is appropriate in facilitating effective decision-making.

The independent and/or non-executive members of the Board comprise seasoned professionals with management, financial, and industry backgrounds. This enables the Management to benefit from their external and objective perspectives of issues that are brought before the Board. The independent and/or non-executive Directors constructively challenge and help develop proposals on strategy, assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. The independent and/or non-executive Directors, led by the Independent Non-Executive Chairman, meet regularly without the presence of the other Directors and the Management.

The Nominating Committee assesses the suitability of each new Director based on the standing, character and relevance of a candidate's expertise, skills and experience to the Group, before recommending the appointment to the Board.

A Director who is not an employee of the Group and who has no relationship with the Group or its officers or its substantial shareholders which could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company, is considered to be independent. The Board has identified each of the Company's Independent Non-Executive Directors to be independent, after determining, taking into account the views of the Nominating Committee, whether the Director is independent in conduct, character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when they arise.

None of the Independent Non-Executive Directors has served on the Board for an aggregate period of more than nine (9) years. In the event that any Independent Non-Executive Director has served on the Board for nine (9) years or more, the Nominating Committee will subject the independence of such a Director to particularly rigorous review and explain why such a Director should still be considered independent in the Annual Report. In addition, the Company will seek the approval of (i) shareholders excluding the Directors, the CEO and the associates of the Directors and CEO and (ii) all shareholders in separate resolutions for the continued appointment of such Independent Non-Executive Directors.

Key information regarding the Directors is given in the "Board of Directors" section of this Annual Report.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a distinct separation of responsibilities between the Chairman and the Chief Executive Officer ("CEO") to ensure an appropriate balance of power and authority at the top of the Company and no one individual has considerable concentration of power. The positions of the Chairman and the CEO are kept separate and are held by Mr Pao Kiew Tee and Dr Goh Jin Hian respectively. The Board appointed Mr Pao Kiew Tee as the Independent Non-Executive Chairman on 25 May 2019.

As the Chairman, Mr Pao bears the following responsibilities:

a) leading the Board to ensure its effectiveness on all aspects of its role, stimulating and engendering a robust yet collegiate setting and setting the right ethical and behavioral tone;

b) setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

c) promoting a culture of openness and debate at the Board by encouraging full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views around the boardroom table;

d) ensuring that the Directors receive complete, adequate and timely information;

e) ensuring effective communication with shareholders;

f) encouraging constructive relations within the Board and between the Board and Management, in particular, between the Board and the CEO;

g) facilitating the effective contribution of independent and/or non-executive Directors towards the Company; and

h) together with the Audit and Risk Committee, promoting high standards of corporate governance.

The CEO is responsible for the day-to-day management of the Group's affairs. He executes the strategic plans set by the Board and ensures that the Directors are kept updated and informed of the Group's business through management reports. Major decisions made by the CEO are reviewed by the Audit and Risk Committee and approved by the Board.

PRINCIPLE 4: BOARD MEMBERSHIP

PRINCIPLE 5: BOARD PERFORMANCE

The Nominating Committee comprises the following members, the majority of whom (including the chairman of the Nominating Committee) are independent:

Mrs Chen Chou Mei Mei Vivien	(Independent Non-Executive Director; chairman of the Nominating Committee)
Mr Pao Kiew Tee	(Independent Non-Executive Director)
Dr Chua Soon Kian Andrew	(Non-Executive Non-Independent Director)

The Nominating Committee has written Terms of Reference that describe the responsibilities of its members. The duties are as follows:

a) to recommend all Board appointments, including making recommendations on the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board;

b) to recommend to the Board re-nomination of Directors for re-election at the Company's annual general meeting ("AGM"), having considered the Directors' contribution and performance. All Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years;

c) to review the independence of the Independent Non-Executive Directors;

d) to ensure that Directors who have multiple board representations give sufficient time and attention to the Company's affairs;

e) to recommend to the Board the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

f) to assess the contribution of each individual Board member to the effectiveness of the Board;

g) to assess the effectiveness of the Board as a whole and the Board Committees;

h) to recommend to the Board succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

i) to review and recommend to the Board training and professional development programmes for the Board and its Directors; and

j) to ensure complete disclosure of information of Directors as required under the Code.

New Directors are appointed by way of a Board resolution after the Nominating Committee has approved their nomination. These new Directors must submit themselves for re-election at the next AGM of the Company in accordance with Article 97 of the Company's Constitution. The Nominating Committee would through various avenues, source for suitable candidates as new Director(s) and appraise the candidates to ensure that they have the relevant experience and calibre to contribute effectively to the Group. These avenues include the Directors' personal contacts, search companies or internal assessments conducted on any suitable candidates within the Group. As and when necessary, the Company will release announcements on the appointments or cessations of its Directors via SGXNET.

The Nominating Committee evaluates the contribution and performance of each Director based on assessment parameters set out in a Director Evaluation Form. The evaluation covers a range of qualities and factors and takes into consideration the knowledge and experience of Directors, their attendance and participation at meetings of the Board and Board Committees, and availability for consultation.

The Nominating Committee has assessed the independence of the Independent Non-Executive Directors and is satisfied that there are no relationships which would deem any of the Independent Non-Executive Directors not to be independent.

All Directors are required to declare their board representations in other companies to the Board and the Management. As a guide, Directors should not have more than six (6) listed company board representations. After conducting reviews, the Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group and that the Directors have been adequately carrying out their duties as Directors of the Company.

Key information on Directors of the Company can be found on pages 8 to 9 of this Annual Report. The Board has set up a formal assessment process to evaluate the effectiveness of the Board as a whole and the effectiveness of each Board Committee.

The Board is of the view that the financial indicators set out in the Code as performance criteria for the evaluation of Directors' performance are more a measure of the Management's performance and hence less appropriate for independent or non-executive Directors and the Board's performance as a whole.

The Company's Constitution provides for regular retirement of Directors by rotation. At each AGM, one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third), with the exception of the Managing Director, will submit themselves for re-nomination and re-election.

Details of the appointment of Directors including date of initial appointment, date of last re-election and directorships in other listed companies are set out below:

Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present Directorships in Other Listed Companies
Pao Kiew Tee	69	31 October 2016	31 October 2017	Boldtek Holdings Limited[(3)] Mary Chia Holdings Limited[(4)] Wong Fong Industries Limited[(5)]
Goh Jin Hian	50	24 June 2015	31 October 2018	Cordlife Group Limited[(6)]
Oo Cheong Kwan Kelvyn[(1)]	49	24 June 2015	29 October 2015	Teho International Inc Ltd.[(7)]
Chen Chou Mei Mei Vivien[(1)]	70	24 June 2015	31 October 2017	Wing Tai Properties Limited[(8)]
Chua Soon Kian Andrew[(2)]	68	17 June 2019	-	-

Notes:
(1) Mr Oo Cheong Kwan Kelvyn and Mrs Chen Chou Mei Mei Vivien will retire at the forthcoming AGM pursuant to Article 91 of the Company's Constitution and will be eligible for re-election.
(2) Dr Chua Soon Kian Andrew will retire at the forthcoming AGM pursuant to Article 97 of the Company's Constitution and will be eligible for re-election.
(3) Mr Pao Kiew Tee is an independent director and the non-executive chairman of Boldtek Holdings Limited, a Singapore-incorporated company listed on the Catalist Board of the SGX-ST.
(4) Mr Pao Kiew Tee is an independent director of Mary Chia Holdings Limited, a Singapore-incorporated company listed on the Catalist Board of the SGX-ST.
(5) Mr Pao Kiew Tee is the independent chairman of Wong Fong Industries Limited, a Singapore-incorporated company listed on the Catalist Board of the SGX-ST.
(6) Dr Goh Jin Hian is an independent director and the chairman of Cordlife Group Limited, a Singapore-incorporated company listed on the Main Board of the SGX-ST.
(7) Mr Oo Cheong Kwan Kelvyn is an independent director of Teho International Inc Ltd., a Singapore-incorporated company listed on the Catalist Board of the SGX-ST.
(8) Mrs Chen Chou Mei Mei Vivien is a non-executive director of Wing Tai Properties Limited, a Bermuda-incorporated company listed on the Hong Kong Stock Exchange.

The Company recognises that its Executive Directors may be invited to become non-executive directors of other companies and that exposure to such appointments can broaden the experience and knowledge of its Executive Directors which will benefit the Company. Executive Directors are therefore allowed, with the Board's consent, to accept non-executive appointments, as long as these are non-competing companies and are not likely to lead to conflicts of interests.

PRINCIPLE 6: ACCESS TO INFORMATION

The Management provides Board members with complete, adequate and timely information prior to Board meetings. In addition, all relevant information on budgets, forecasts, monthly internal financial statements, material events and transactions complete with background and explanations are circulated to Directors as and when they arise.

For good practice, each business unit head or the key management (or who have submitted proposal to the Board meeting for approval) will be invited to attend and brief the Board on business development and exposure for their respective business units including any material issue, at each Board meeting held quarterly, at the relevant time during the Board meeting.

The Directors have separate and independent access to the Company's senior management, the advice and services of the Company Secretary as well as those of the Company's external advisers (where necessary) at the Company's expense. The Company Secretary and/or representatives from the Company Secretary's office attends meetings of the Board and the Board Committees. The Company Secretary will assist to ensure that Board procedures are followed and that the Company complies with the requirements of the relevant regulations, including the requirements of the Companies Act (Cap. 50) and the Listing Manual of the SGX-ST. The appointment and removal of the Company Secretary is a decision of the Board as a whole. Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs.

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

The Remuneration Committee comprises the following members:

Mrs Chen Chou Mei Mei Vivien	(Independent Non-Executive Director; chairman of the Remuneration Committee)
Mr Pao Kiew Tee	(Independent Non-Executive Director)
Dr Chua Soon Kian Andrew	(Non-Executive Non-Independent Director)

All the members of the Remuneration Committee are non-executive Directors, the majority of whom (including the chairman of the Remuneration Committee) are independent. The Remuneration Committee is empowered to engage from time to time human resource professional firms to advise on executive remuneration. The Remuneration Committee will ensure that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the Remuneration Committee. The Company did not appoint any remuneration consultant during FY2019 to provide consulting services in relation to remuneration and compensation matters.

The Remuneration Committee's Terms of Reference provide that the Remuneration Committee's function is primarily to review and make recommendations to the Board on the framework of remuneration for the Board and the key management personnel, as well as the specific remuneration packages for each Director and key management personnel. In particular, the Remuneration Committee reviews the service agreements of the CEO, the Chief Corporate Officer, the Finance Director and other key executives of the Group. The Remuneration Committee also administers any existing share option plan or performance share plan of the Company, and recommends to the Board, as and when appropriate, any other incentive share schemes or performance bonus schemes (whether long-term or short-term) which may be set up from time to time.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives, share awards and benefits-in-kind, are considered by the Remuneration Committee when reviewing and recommending the remuneration package of the Directors and key management personnel. The Remuneration Committee and the Board takes into account the remuneration and employment conditions within the same industry and of comparable companies when setting remuneration packages. The Remuneration Committee will also review the Company's obligations arising in the event of termination of the service agreements of the Executive Directors and the key management personnel, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. Each member of the Board and the Remuneration Committee abstains from voting on any resolution in respect of his/her remuneration package.

In reviewing and recommending the remuneration of the independent and/or non-executive Directors, the Remuneration Committee adopts a framework based on the guidelines recommended by the Singapore Institute of Directors. The remuneration of the independent and/or non-executive Directors comprises a base fee as well as fees for chairing Board Committees, taking into consideration the effort, time spent and responsibilities of the independent or non-executive Director and the fees paid in comparable companies. Directors' fees, which are only payable and paid to the independent and/or non-executive Directors of the Company, are subject to shareholders' approval at the AGM. The Executive Directors are remunerated in accordance with their service agreements and are not entitled to additional remuneration in the form of Directors' fees.

In reviewing and recommending the remuneration of the Executive Directors and key management personnel (including the key management personnel of the Company's subsidiaries), the Company adopts a remuneration policy comprising a fixed component and a performance-related variable component. The fixed component is in the form of a base salary while the variable component is in the form of a variable bonus that is linked to the performance of the Company (or that of the relevant subsidiary(/ies) within the Group in the case of key management personnel of the Company's subsidiaries) and the individual. In addition, long-term incentives, such as the New Silkroutes Performance Share Plan 2017 ("PSP") whereby eligible Directors and employees may be entitled to receive fully paid shares in the Company upon the achievement of prescribed performance targets, are in place to strengthen the pay-for-performance policy by rewarding and recognising the contributions of employees to the growth of the Company.

The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss, as the Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of any such breach of fiduciary duties.

The Remuneration Committee oversees the PSP and determines the eligibility of employees to participate in and the number of options and awards to be granted to each employee under the PSP. No award has been granted under the PSP for FY2019. Please refer to the Circular of the Company dated 5 July 2017 for more information on the PSP.

Details of the remuneration for FY2019 paid and/or payable to the Directors are set out below:

Directors Remuneration	**Salary & CPF %**	**Directors' Fees %**	**Bonus %**	**Other Benefits %**	**Total %**
S$250,000 to S$500,000					
Goh Jin Hian	92	-	8	-	100
Oo Cheong Kwan Kelvyn	89	-	11	-	100
Below S$250,000					
Ho Sheng *(resigned on 25 May 2019)*	-	100	-	-	100
Chen Chou Mei Mei Vivien	-	100	-	-	100
Pao Kiew Tee	-	100	-	-	100
Chua Soon Kian Andrew* *(appointed on 17 June 2019)*	-	-	-	-	-

**Dr Chua Soon Kian Andrew was only appointed on 17 June 2019 and therefore, no directors' fees are payable to Dr Chua Soon Kian Andrew for FY2019.*

Given the highly competitive industry conditions and the sensitivity and confidentiality of employee remuneration matters, the Company believes that the disclosure of the remuneration of individual Directors and executives as recommended by the Code, would be disadvantageous to the Group's interests.

Details of the remuneration for FY2019 paid and/or payable to the key management personnel (who are not Directors or the CEO) are set out below:

Key Executives Remuneration Band	**Salary & CPF %**	**Bonus %**	**Other Benefits %**	**Total %**
S$500,000 to S$750,000				
Artun Gursel	49	51	-	100
S$250,000 to S$500,000				
Lee Luna	90	10	-	100
Below S$250,000				
Teo Thiam Chuan William	86	14	-	100
Wu Guoliang	93	7	-	100

During the year under review, the Company considers these four (4) personnel as key management personnel (who are not Directors or the CEO) of the Company. Ms Lee Luna is the chief executive officer of Healthsciences International Pte. Ltd. and Mr Wu Guoliang is a director of International Energy Group Pte. Ltd., both of which are principal subsidiaries of the Company.

Given the highly competitive industry conditions and sensitivity and confidentiality of employee remuneration matters, the Company believes the disclosure of the remuneration individually and/or in aggregate of the key management personnel (who are not Directors or the CEO) would be disadvantageous to the Group's interests.

During FY2019, there were no employees who were substantial shareholders of the Company or who were immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year.

The Board is of the view that it is not necessary to present the remuneration policy at the AGM for shareholders' approval.

PRINCIPLE 10: ACCOUNTABILITY AND AUDIT

The Board recognises that it is accountable to shareholders and aims to provide shareholders with a balanced and understandable assessment of the Company's performance. Review of performance and prospects are provided to shareholders on a quarterly basis.

For effective monitoring of the Group's business and affairs, Management reports are provided to the Board on a regular basis.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Company carries out a risk assessment of its business and operations on an ongoing basis. The objectives of the continuous risk assessment are to identify and rank the processes most critical to the business and formulate plans to address the risks relating to these processes.

The exercise also aims to establish a proactive risk management environment. The risk assessment covers business operation risk, financial risk, legal risk and reputation risk.

The Company routinely reviews many non-financial factors, such as the quality of corporate governance; employee, vendor and customer management processes; crisis management processes; the Company's use of technology; and its deployment of best practices. Early identification of trends gives the Management time to react before the problems manifest themselves.

For a more detailed discussion of financial risk management, please refer to Note 4 in the Notes to the Financial Statements on pages 72 to 80.

Based on the internal controls established and maintained by the Company, work performed by the internal auditors and reviews by the Management, the Board, with the concurrence of the Audit and Risk Committee, is of the opinion that there are adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place within the Group to meet the needs of the Group in its current business environment.

The Board has received assurance from the CEO and the Finance Director that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances. The Board has also received assurance from the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board believes that the system of internal controls maintained by the Management and that was in place throughout the financial year and up to date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or loss, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of business risk. The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

PRINCIPLE 12: AUDIT AND RISK COMMITTEE

The Audit Committee was renamed as the "Audit and Risk Committee" in September 2018 to better reflect the scope and responsibilities of the committee. The Audit and Risk Committee comprises the following members:

Mr Pao Kiew Tee	(Independent Non-Executive Director; chairman of the Audit and Risk Committee)
Mrs Chen Chou Mei Mei Vivien	(Independent Non-Executive Director)
Dr Chua Soon Kian Andrew	(Non-Executive Non-Independent Director)

All the members of the Audit and Risk Committee are non-executive Directors, the majority of whom (including the chairman of the Audit and Risk Committee) are independent. The Board is of the opinion that the members of the Audit and Risk Committee are appropriately qualified to discharge their responsibilities. The Audit and Risk Committee does not comprise former partners or directors of the Company's existing audit firm.

The Audit and Risk Committee has full access to the external auditors and internal auditors without the presence of the Management of the Company. The Audit and Risk Committee has explicit authority to investigate any matter within its Terms of Reference, full access to and co-operation by the Management of the Company and full discretion to invite any Director or the Management of the Company to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The Audit and Risk Committee has written Terms of Reference that describe the responsibilities of its members. These responsibilities are as follows:

a) to review with the external and internal auditors the audit plan (including the nature and scope of the audit before the audit commences) and audit report, and to pay full attention to any material weaknesses reported and the recommendations proposed by the external and internal auditors;

b) to review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and the quarterly and annual financial statements;

c) to review the assurance from the CEO and the Finance Director on the financial records and financial statements;

d) to review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems and review and approve the statements to be included in the annual report concerning the effectiveness of the Company's internal controls and risk management systems;

e) to discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external or internal auditors may wish to discuss without the presence of the Management at least twice a year;

f) to review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors annually. Where the auditors also supply a substantial volume of non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the provision of such services would not affect the independence of the auditors;

g) to review the policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Audit and Risk Committee also discusses with the external auditors, any suspected impropriety in financial reporting, fraud or irregularity, or suspected infringement of any Singapore law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response;

h) to investigate any matter within its Terms of Reference, having full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

i) to review transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

j) to consider and make recommendations to the Board on the proposals to the shareholders on the appointment/re-appointment and termination of the external and internal auditors, as well as the audit fee and terms of engagement of the external and internal auditors;

k) to ensure that the appointment where applicable, of a different auditing firm for its subsidiary would not compromise the standard and effectiveness of the audit of the Group;

l) to advise the Board on the Company's overall risk tolerance and strategy;

m) to oversee and advise the Board on the current risk exposures and future risk strategy of the Company;

n) in relation to risk assessment:

    (i) keep under review the Company's overall risk assessment processes that inform the Board's decision making;

    (ii) review regularly and approve the parameters used in these measures and the methodology adopted;

    (iii) set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;

    (iv) review the Company's capability to identify and manage new risk types;

(v) before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available;

(vi) review reports on any material breaches of risk limits and the adequacy of proposed actions; and

(vii) monitor the independence of risk management functions throughout the organisation.

The Audit and Risk Committee has undertaken a review of all non-audit services provided by the auditors and is of the opinion that the provision of such services will not affect the independence of the auditors.

All employees have direct access to the chairman of the Audit and Risk Committee.

In appointing the audit firm for the Group, the Audit and Risk Committee is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST.

The Audit and Risk Committee reviews the effectiveness of the Company's material internal controls (including financial, operational, compliance and information technology controls) and risk management systems annually. The Board and the Audit and Risk Committee are satisfied that the internal controls are adequate.

The Audit and Risk Committee meets with the external and internal auditors without the presence of the Management at least once every year.

PRINCIPLE 13: INTERNAL AUDIT

For FY2019, the Company has engaged TRS Forensics Pte. Ltd. as the Internal Auditors of the Group to perform internal audit work under an internal audit plan. TRS Forensics Pte. Ltd. is a suitably appointed qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Internal Auditors report directly to the chairman of the Audit and Risk Committee on all internal audit matters.

The role of the Internal Auditors is to support the Audit and Risk Committee in ensuring that the Company maintains a sound system of internal controls and risk management by monitoring and assessing the effectiveness of the key controls and procedures, conducting in-depth audits of high-risk areas and undertaking investigation as directed by the Audit and Risk Committee. The Audit and Risk Committee approves the hiring, removal, evaluation and compensation of the Internal Auditors. The Audit and Risk Committee ensures that the Internal Auditors are adequately resourced and has appropriate standing within the Company and has unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit and Risk Committee.

The primary functions of internal audit are to:

a) assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure control procedures are complied with;

b) assess if operations of the business processes under review are conducted efficiently and effectively; and

c) identify and recommend improvement to internal control procedures, where required.

The Audit and Risk Committee is satisfied with the adequacy and effectiveness of the internal audit function and will assess the same at least annually.

PRINCIPLE 14: SHAREHOLDER RIGHTS

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

The Company is committed to keeping shareholders informed of material developments in the Group. This is done through appropriate announcements on the SGXNET in accordance with the Listing Manual as well as the Company's website at www.newsilkroutes.org where the public can access information on the Group. The Company does not practice selective disclosures.

At general meetings, shareholders are given the opportunity to communicate their views and direct questions to the Board and the Management relating to the business affairs of the Group. The external auditors are also present to assist the Directors in addressing any relevant queries by shareholders. All Directors attended the AGM of the Company held during FY2019.

Resolutions to be passed at general meetings are always separate and distinct in terms of issue so that shareholders are better able to exercise their right to approve or deny the issue or motion, unless the issues are interdependent and linked so as to form one significant proposal. Shareholders can also exercise their right to vote in absentia by the use of proxies.

Relevant intermediaries, as defined in Section 181 of the Companies Act (Cap. 50), such as banks, capital market services licence holders which provide custodial services for securities and the Central Provident Fund Board are allowed to appoint more than two (2) proxies to attend, speak and vote at the shareholders' meeting.

In compliance with Rule 730A(2) of the Listing Manual of the SGX-ST, resolutions tabled at general meetings of Shareholders will be put to vote by poll, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings. The Company prefers electronic poll voting as it gives a faster turnaround time to generate poll results.

The Group does not have a formal dividend policy. The form, frequency and amount of any proposed dividend will take into consideration the Group's operating results, financial position, working capital requirements and any other relevant considerations the Board deem appropriate. No dividend has been proposed by the Board at the forthcoming AGM due to the accumulated losses of the Company.

OTHERS

INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$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 S$100,000)
	US$'000	**US$'000**
Shanghai Fengwei Nonwovens Co., Ltd.	89 (rental)	Nil

For full disclosure, please note that there is an amount of US$2.326 million 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 of the Company, 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 under the lease agreement.

The Group does not have a general mandate for interested person transactions.

USE OF SHARE PLACEMENT AND CONVERTIBLE LOAN PROCEEDS

As at the date of this Annual Report, total Placement proceeds of US$1.885 million and US$7.427million were utilised as follows:

	Placement	
	28 September 2018 US$'000	**20 February 2019 US$'000**
Placement Proceeds	1,885	7,427
Less placement costs	(31)	(23)
Net Proceeds	1,854	7,404
Less utilised:		
Working capital (professional fees, staff salaries and related expenses)	(371)	-
Investment through acquisitions	(1,483)	(7,404)
Unutilised Placement Proceeds	-	-

DEALINGS IN COMPANY'S SECURITIES

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, all employees of the Group are reminded to abstain from dealing in securities of the Company two (2) weeks before the announcement of the quarterly results of the Group and one (1) month before the announcement of the full year results of the Group. Officers of the Group are expected to observe insider trading laws at all times and are discouraged from dealing in the Company's securities on short-term considerations.

MATERIAL CONTRACTS

Save as previously disclosed by the Company on SGXNET, there are no material contracts entered into by the Company or any of its subsidiary companies involving the interests of the CEO, and any Director or controlling shareholder.

SUSTAINABILITY REPORTING

The Company is preparing a sustainability report with regard to its practices for the financial year ended 30 June 2019 and such report shall describe the Company's sustainability practices with reference to the following: (a) material environmental, social and governance factors; (b) policies, practices and performance; (c) targets; and (d) sustainability reporting framework. The Company expects to issue such report by 30 November 2019.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual, the information as set out in Appendix 7.4.1 of the Listing Manual relating to Mr Oo Cheong Kwan Kelvyn, Mrs Chen Chou Mei Mei Vivien and Dr Chua Soon Kian Andrew, being the Directors who are seekig re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

	Oo Cheong Kwan Kelvyn	**Chen Chou Mei Mei Vivien**	**Chua Soon Kian Andrew**
Date of initial appointment	First appointed as independent director on 24 June 2015 and subsequently re-designated as executive director on 1 June 2017	24 June 2015	17 June 2019
Dates of last re-appointment (if applicable)	29 October 2015	31 October 2017	N/A
Age	49	70	68
Country of principal residence	Singapore	Hong Kong	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The board has approved the appointment of Mr Oo Cheong Kwan Kelvyn after taking into account his experience and ability to contribute to the Company.	The board has approved the appointment of Mrs Chen Chou Mei Mei Vivien after taking into account her experience and ability to contribute to the Company.	The board has approved the appointment of Dr Chua Soon Kian Andrew after taking into account his experience and ability to contribute to the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive; responsible for the corporate development and compliance and regulatory functions of the Company	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Corporate Officer	Independent Non-Executive Director; chairman of each of the Nominating Committee and the Remuneration Committee; member of the Audit and Risk Committee	Non-Executive Non-Independent Director; member of each of the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee
Professional qualifications	LLB (Honours), The University of Buckingham LL.M (Financial Services), The University of New South Wales	Bachelor of Arts, University of Colorado	Master of Business Administration (MBA), Leicester University, UK Honorary Doctorate degree of Education (D.Edu), Queen Margaret University, Edinburgh

OTHERS

	Oo Cheong Kwan Kelvyn	Chen Chou Mei Mei Vivien	Chua Soon Kian Andrew
Working experience and occupation(s) during the past 10 years	June 2017 to present: Executive Director and Chief Corporate Officer, New Silkroutes Group Limited January 2014 to May 2017: Partner, Pinsent Masons MPillay LLP. Practice areas include corporate finance and corporate law specialising in capital markets, private and public M&A and investment funds/ private equity. Also practises in the area of hospitality law. April 2012 to January 2014: Partner, KhattarWong LLP. Practice areas include corporate finance and corporate law specialising in capital markets, private and public M&A and investment funds/ private equity. Also practises in the area of hospitality law. January 2011 to March 2012: Director, Duane Morris & Selvam LLP. Practice areas include corporate finance and corporate law specialising in capital markets, private and public M&A and investment funds/ private equity. Also practises in the area of hospitality law. October 2008 to March 2012: Director, Arfat Selvam Alliance LLC. Practice areas include corporate finance and corporate law specialising in capital markets, private and public M&A and investment funds/ private equity. Also practises in the area of hospitality law.	January 2000 to present: Executive director, Integrated Chinese Medicine Holdings Ltd., Hong Kong 1999 to present: Advisor, Hong Kong Health Care Centre Ltd., Hong Kong 1991 to present: Director, Hong Kong Association of Health Care, Hong Kong 2008 to present: Director, Herbs Products Ltd., Hong Kong 2012 to present: Non-executive director, Wing Tai Properties Limited 2013 to present: Director, Farnham Group Ltd. 2013 to present: Director, Gala Land Investment Co. Ltd. 2008 to present: Executive director, Winsor Industrial Corporation Limited., Hong Kong 1986 to present: Managing director, Sutherland Management Co. Ltd, Hong Kong 1981 to present: Managing director, Fortuna Navigation Co. Ltd, Hong Kong 1981 to present: Executive managing director, Lian Thai Apparel Co. Ltd., Bangkok 2010 to present: Director, Pacific Medical (HK) Co. Ltd. 2010 to 24 Septmber 2015: Non-executive director, Agritrade Resources Ltd. 2010 to present: Director, BST Consulting Pte. Ltd. (formerly known as B-Secure Technologies Pte Ltd.) 2005 to present: Vice president, The Hong Kong Health Food Association Ltd., Hong Kong	Principal and executive chairman, Management Council of East Asia Institute of Management

OTHERS

	Oo Cheong Kwan Kelvyn	Chen Chou Mei Mei Vivien	Chua Soon Kian Andrew
Working experience and occupation(s) during the past 10 years		1989 to present: Honorary consul-general, Honorary Consul for the Government of Malta, Hong Kong January 2001 to present: Founding member and president, Modernized Chinese Medicine International Association 1999 to present: Asia advisory board member, Children's Medicine Foundation (formerly known as Project Hope Hong Kong Foundation Ltd.) 2009 to present: Vice president, Hong Kong Suzhou Association Limited 2000 to present: University council, Soochow University 2000 to present: President of University Medical Education Fund for Chou clan, Soochow University 2000 to present: Director, Professional Research Committee, International Association of Medicinal Food Therapy	
Shareholding interest in the Company and its subsidiaries	42,000 shares in the capital of the Company	566,400 shares in the capital of the Company	11,363,636 shares in the capital of the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of the Company's principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes

OTHERS

	Oo Cheong Kwan Kelvyn	Chen Chou Mei Mei Vivien	Chua Soon Kian Andrew
Other principal commitments* including directorships * "Principal Commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.	Past (for the last 5 years): Nil Present: Independent director, Teho International Inc Ltd. Director, Odyssey Advisory Private Limited	Past (for the last 5 years): Nil Present: Member, Zonta Club, Hong Kong Gold member, Young President Organization, HK Chapter Member, The Association of Honorary Consuls in Hong Kong & Macau Member, Advisory Council on Food and Environmental Hygiene, Hong Kong Member, American Chamber of Commerce Hong Kong Committee Member, American Chamber of Commerce Hong Kong – Pharmaceutical Member, Hong Kong – Thailand Business Council Member, The Pharmaceutical Society of Hong Kong School, Supervisor, Yan Chai Hospital No. 2 Secondary School	Past (for the last 5 years): Nil Present: Nil
Disclose the following matters concerning an appointment of Director, CEO, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

OTHERS

	Oo Cheong Kwan Kelvyn	Chen Chou Mei Mei Vivien	Chua Soon Kian Andrew
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

OTHERS

	Oo Cheong Kwan Kelvyn	Chen Chou Mei Mei Vivien	Chua Soon Kian Andrew
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

OTHERS

	Oo Cheong Kwan Kelvyn	Chen Chou Mei Mei Vivien	Chua Soon Kian Andrew
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

OTHERS

	Oo Cheong Kwan Kelvyn	Chen Chou Mei Mei Vivien	Chua Soon Kian Andrew
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No

OTHERS

	Oo Cheong Kwan Kelvyn	Chen Chou Mei Mei Vivien	Chua Soon Kian Andrew
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			

OTHERS

	Oo Cheong Kwan Kelvyn	Chen Chou Mei Mei Vivien	Chua Soon Kian Andrew
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only:			
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the Director to undergo training as prescribed by the SGX-ST (if applicable).	Yes, Mr Oo Cheong Kwan Kelvyn has been a director of the Company for more than 4 years and an independent director of Teho International Inc Ltd., a company listed on the Catalist Board of the SGX-ST, for more than 4 years.	Yes, Mrs Chen Chou Mei Mei Vivien has been a director of the Company for more than 4 years and a non-executive director of Wing Tai Properties Limited, a company listed on the Hong Kong Stock Exchange, for more than 6 years. Prior to 2016, she was also a director of a number of other companies listed on the Hong Kong Stock Exchange, such as Bingo Group Holdings Ltd. and Agritrade Resources Ltd..	Dr Chua Soon Kian Andrew did not have any experience as director of an SGX-listed company prior to his being appointed as Non-Executive Non-Independent Director of the Company. He had, however, attended and completed the Listed Company Director Programme conducted by the Singapore Institute of Directors and supported by the SGX-ST, prior to joining the Company as Non-Executive Non-Independent Director.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2019.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 45 to 126 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

Pao Kiew Tee	(Independent Non-Executive Chairman)
Dr Goh Jin Hian	(Executive Director and Chief Executive Officer)
Oo Cheong Kwan Kelvyn	(Executive Director and Chief Corporate Officer)
Chen Chou Mei Mei Vivien	(Independent Non-Executive Director)
Dr Chua Soon Kian Andrew	(Non-Executive Non-Independent Director, appointed on 17 June 2019)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraph 4 of the Directors' statement.

3. DIRECTORS' INTEREST IN SHARES, DEBENTURES OR WARRANTS

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in name of director			**Shareholdings in which a director is deemed to have an interest**		
Name of directors and companies in which interests are held	**At beginning of year or date of appointment, if later**	**At end of year**	**At 21 July 2019**	**At beginning of year or date of appointment, if later**	**At end of year**	**At 21 July 2019**
Company						
New Silkroutes Group Limited (Ordinary shares)						
Dr Goh Jin Hian[(1)]	-	-	-	5,988,749	7,107,749	7,107,749
Oo Cheong Kwan Kelvyn	-	42,000	42,000	-	-	-
Chen Chou Mei Mei Vivien[(2)]	-	-	-	576,000	551,000	566,400
Dr Chua Soon Kian Andrew	11,363,636	11,363,636	11,363,636	-	-	-

Name of directors and companies in which interests are held	Shareholdings registered in name of director			Shareholdings in which a director is deemed to have an interest		
	At beginning of year	At end of year	At 21 July 2019	At beginning of year	At end of year	At 21 July 2019
Company						
New Silkroutes Group Limited (Warrants)						
Dr Goh Jin Hian	-	-	-	1,096,849	-	-
Chen Chou Mei Mei Vivien	-	-	-	111,860	-	-

(1) Dr Goh Jin Hian is deemed to be interested in 7,107,749 shares held in the name of DBS Nominees (Private) Limited, a nominee company.

(2) Chen Chou Mei Mei Vivien is deemed to be interested in 46,837 shares of the Company held by Avec Inc. (of which she is a shareholder) and 519,563 shares held in the name of Raffles Nominees (Pte.) Limited and HSBC (Singapore) Nominees Pte Ltd, both of which are nominee companies.

By virtue of Section 7 of the Singapore Companies' Act, Dr Goh Jin Hian was deemed to have interests in all the related corporations of the Company.

4. SHARE OPTIONS

Performance Share Plan

The New Silkroutes Performance Share Plan 2017 (the "NSPSP") was approved by the shareholders during the Extraordinary General Meeting on 21 July 2017. The NSPSP contemplates the awarding of fully paid-up shares, free of payment, to selected employees of the Company and its subsidiaries, including executive directors of the Company.

The total number of new ordinary shares in the Company which may be issued in all awards granted under the NSPSP shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. The Company does not have any subsidiary holdings.

No awards have been granted to directors, controlling shareholders of the Company or their associates and no directors or employees of the Company have received 5% or more of the total awards available under the NSPSP.

No awards have been granted under the NSPSP since the commencement of the NSPSP and during the financial year. At the end of the financial year, there were no outstanding awards or unissued shares of the Company or its subsidiaries under the NSPSP.

The NSPSP is subject to a maximum period of ten years, and will expire on 20 July 2027.

(a) ***Options to take up unissued shares***

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group were granted.

(b) ***Options exercised***

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) ***Unissued shares under option***

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Company, consisting all non-executive directors, is chaired by Pao Kiew Tee (Chairman), an independent director, and includes Chen Chou Mei Mei Vivien, an independent director and Dr Chua Soon Kian Andrew, a non-independent director.

The Audit and Risk Committee performs the functions set out in Section 201B(5) of the Companies Act, Chapter 50, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance. In performing those functions, the Audit and Risk Committee performed the following:

(i) reviewed the overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It also met with the Company's internal auditor to discuss the results of their examination and evaluation of the Group's system of internal accounting controls;

(ii) reviewed the audit plan of the Company's external auditor and any recommendations on the Group's internal accounting controls arising from the statutory audit;

(iii) reviewed the quarterly financial information, the statement of financial position of the Company as at 30 June 2019 and the consolidated financial statements of the Group and statement of changes in equity of the Company for the financial year ended 30 June 2019, as well as the auditor's report thereon;

(iv) reviewed and discussed with management and the external auditor the key audit matters communicated in the auditor's report;

(v) reviewed the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditor;

(vi) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that they believe should be discussed privately with the Audit and Risk Committee;

(vii) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(viii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(ix) reviewed the nature and extent of non-audit services provided by the external auditor;

(x) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(xi) reported actions and minutes of the Audit and Risk Committee to the Board of Directors with such recommendations as the Audit and Risk Committee considered appropriate; and

(xii) reviewed interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST).

The Audit and Risk Committee has reviewed the independence of Deloitte & Touche LLP including the value of non-audit services supplied by Deloitte & Touche LLP and is satisfied of Deloitte & Touche LLP's position as an independent external auditor. The nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The Audit and Risk Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the Board of Directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

6. AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
DR GOH JIN HIAN

....
OO CHEONG KWAN KELVYN

9 October 2019

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of New Silkroutes Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 45 to 126.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and the statement of the financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and statement of changes in equity of the Company for the year ended on that date.

Basis for Qualified Opinion

Financial asset at fair value through other comprehensive income ("FVTOCI")

As at 30 June 2019, the Group's financial asset measured at fair value through other comprehensive income ("FVTOCI") relates to 4.534% equity interest in Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC") (previously classified as "available-for-sale investment"). As described in the "Other Matter" section below, the financial statements for the year ended 30 June 2018 were audited by another auditor who expressed a qualified opinion on those financial statements. One of the matters related to the appropriateness of the carrying amount of US$21,672,520 of the available-for-sale investment as at 30 June 2018 and the fair value loss of US$987,476 for the year then ended.

As at 30 June 2019, the Group has recorded fair value loss of US$1,936,016 on the financial asset at FVTOCI, bringing its carrying amount to US$19,736,505.

As disclosed in Note 15 to the financial statements, management has engaged a firm of independent professional valuer to carry out a valuation on the equity interest of Thai GNCC using the income approach. The income approach requires the use of key assumptions and management estimates which include forecasted revenue, growth rates, profit margins and discount rate to derive the net present value of the business enterprise. The valuation performed by the independent professional valuer is the enterprise value of Thai GNCC after other valuation adjustments have been made to determine the equity value of the 4.534% interest held by the Group.

As at the end of the financial year, Thai GNCC has yet to commence its operations and management has no visibility to the future plans and developments and access to its records. Accordingly, we were unable to determine the appropriateness of the valuation methodology, and could not obtain reliable supporting information to evaluate the reasonableness of the key assumptions underlying the forecasts.

Consequently, we were unable to obtain sufficient appropriate audit evidence on the fair value of the financial asset at FVTOCI of US$19,736,505 and fair value loss of US$1,936,016 recorded in other comprehensive income for the year ended 30 June 2019.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statements of the Group for the year ended 30 June 2018 were audited by another auditor who expressed a qualified opinion on those statements on 10 October 2018 as described in Note 34 to the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of goodwill, intangible assets and vessel

The Group reviews goodwill, intangible assets and vessel for impairment annually. The goodwill and intangible assets and vessel are disclosed in Notes 14 and 13 to the financial statements.

Management exercises significant judgements in the assumptions on inputs used in the discounted cash flow forecasts to determine the recoverable amounts for goodwill and intangible assets. For the vessel, market approach has been adopted by the management whereby management has engaged an external valuer to estimate market value of the vessel based on market comparables less valuation adjustments. The key assumptions used by management are disclosed in Notes 3 and 14 to the financial statements.

Our audit procedures included critically challenging key assumptions on growth rates and discount rates used by management in the impairment review. We also performed sensitivity analysis around the key inputs including growth rates and discount rates used in the cash flow forecasts. We compared the growth rates to recent business performance and involved our valuation specialists to evaluate appropriateness of management's assumptions which include discount rates. For the vessel, we assessed the methodology used by the valuer to derive the market value and involved our valuation specialist in ascertaining the reasonableness of the valuation.

Business combinations

During the year, the Group acquired a group of medical clinics and Shanghai Fengwei Garment Accessory Co., Ltd. for a total purchase consideration of US$17,494,523 (Note 5). Under SFRS(I) 3 *Business Combinations,* the Group is required to assess and determine the fair values of the assets acquired and liabilities assumed, including any identifiable intangible assets. Any excess of the purchase consideration over the fair value of net assets acquired is recognised as goodwill. Significant management judgement is involved in the valuation of these assets and liabilities. The goodwill arising from the above acquisitions of US$13,526,130 (Note 5) is dependent on the valuation of the assets acquired and liabilities assumed (including any intangible assets).

We discussed and reviewed management's assessment of the acquisitions which was accounted for as business combinations. Our procedures included reading the key terms of the purchase agreements to obtain an understanding of the transactions. We assessed management's identification and fair value measurement of the identifiable assets and liabilities and the calculation of the goodwill. We involved our valuation specialist, where applicable to evaluate management's basis for identification of intangible assets and goodwill.

Amount due from a former related party

Included in trade and other receivables (Note 8) as at 30 June 2019 is an amount of US$2,614,119 due from a company ("former related party") owned by a former director of the company. The Company and a subsidiary has in prior year commenced legal claim to recover the amount from the former related party. The former related party has disputed the claim and asserted a counterclaim of US$1,636,055 against the Company and the subsidiary. The recoverability of the amounts is dependent on the outcome of legal proceedings which cannot be predicted with certainty and is beyond the control of management. As such, there is uncertainty relating to the timing and probability of success on the amounts of claim and counterclaim. Management has assessed and is confident of the success of the claim.

We read the correspondences provided by management relating to the legal claim. We held discussions with the external solicitor to understand the nature and progress of the claim, as well as the status and development in the current year. We have also requested and received a confirmation from the legal solicitor on the above, noting that the outcome of the suit will be dependent on the court's assessment of the documentary and oral evidence presented. The Company and the subsidiary will likely to prevail also in the counterclaim in the event of a success. Although there is no certainty of the outcome, based on the totality of the evidence, the Company and a subsidiary have reasonable prospects of a success on their claim. We have obtained management's representation and challenged management's assessment with respect to the classification and valuation of the amounts recorded as at 30 June 2019.

Going concern

The Group is in a net current liability position of US$2,430,035 as at 30 June 2019 and incurred net operating cash outflow of US$5,514,513 for the financial year then ended. The net current liability position is mainly due to the classification of bank borrowings amounting to US$3,633,361 as current liabilities as disclosed in Note 19 where the Group did not meet a financial covenant. As disclosed in Note 3, excluding this amount of US$3,633,361 the Group would be in net current asset position of US$1,203,326. Based on the Group's cash flow forecast up to October 2020 drawn up by management, the Board of Directors has concluded that there is no material uncertainty regarding the Group's ability to continue as a going concern. Management's critical judgements underlying the cash flow forecast are set out in Note 3 to the financial statements.

Our audit procedures focused on evaluating the judgements used by management in their going concern assessment. We discussed with management on their assessment of the Group's liquidity risks. We also obtained the Group's cash flow forecast up to October 2020 and challenged the key assumptions made by management, and reviewed a loan agreement entered into by the Group subsequent to end of the reporting period till the end of this report. We evaluated management's plans for raising additional funding through share placement. We have also obtained and reviewed the waiver granted by a financial institution on the breach of covenant. In addition, we reviewed the disclosures in the financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' statement, which we obtained prior to the date of this auditor's report, and the other remaining information in the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. As described above, we have issued a qualified opinion for the reasons explained in the Basis for Qualified Opinion section of our report. Accordingly, we are unable to conclude whether or not the Directors' statement is materially misstated with respect to the directors' opinion on the financial statements.

When we read the other remaining information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Boon Teck.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

9 October 2019

STATEMENTS OF FINANCIAL POSITION
30 JUNE 2019

		Group			Company		
	Note	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
		US$	US$	US$	US$	US$	US$
Assets							
Current assets							
Cash and bank balances	7	17,905,311	32,762,163	30,753,160	215,001	5,987,301	251,385
Fixed deposits	7	451,239	121,010	116,731	-	-	-
Trade and other receivables	8	30,370,013	24,045,973	26,517,391	6,205,099	5,628,366	11,200,197
Contract assets	9	18,287,931	134,840	-	-	-	-
Prepayments	10	826,291	2,772,691	5,475,195	16,554	18,851	26,637
Inventories	11	1,655,198	14,309,143	5,267,122	-	-	-
Derivative financial instruments	12	-	-	136,425	-	-	-
		69,495,983	74,145,820	68,266,024	6,436,654	11,634,518	11,478,219
Non-current assets							
Property, plant and equipment	13	9,963,874	962,361	421,144	1,398	5,170	10,460
Intangible assets	14	20,098,196	6,429,248	4,790,500	-	-	-
Subsidiaries	5	-	-	-	46,436,018	31,993,193	29,903,973
Associates		-	-	401,835	-	-	-
Available-for-sale investments	15	-	21,672,521	14,090,000	-	-	-
Financial asset at fair value through other comprehensive income	15	19,736,505	-	-	-	-	-
Long-term receivables	8	3,414,519	1,900,000	-	900,000	1,900,000	-
Deferred tax assets	16	199,176	36,755	-	-	-	-
		53,412,270	31,000,885	19,703,479	47,337,416	33,898,363	29,914,433
Total assets		122,908,253	105,146,705	87,969,503	53,774,070	45,532,881	41,392,652
Liabilities and equity							
Current liabilities							
Trade and other payables	17	44,795,006	35,199,259	27,455,200	642,449	1,199,522	1,356,152
Contract liabilities	18	154,614	7,817,384	10,874,633	-	-	-
Borrowings	19	26,516,583	14,541,575	9,452,346	3,626,000	1,637	610,132
Derivative financial instruments	12	5,101	882,325	-	-	-	-
Current tax payable		454,714	71,682	40,951	-	-	-
		71,926,018	58,512,225	47,823,130	4,268,449	1,201,159	1,966,284
Non-current liabilities							
Borrowings	19	96,602	3,871,743	201,164	-	3,736,500	1,539
Deferred tax liabilities	16	667,694	386,433	412,678	-	-	-
Other payables	17	5,046,400	-	-	1,450,400	-	-
		5,810,696	4,258,176	613,842	1,450,400	3,736,500	1,539
Total liabilities		77,736,714	62,770,401	48,436,972	5,718,849	4,937,659	1,967,823
Capital, reserves and non-controlling interests							
Share capital	20	88,182,730	78,076,108	71,178,899	88,182,730	78,076,108	71,178,899
Treasury shares	21	(862,540)	(862,540)	(509,526)	(862,540)	(862,540)	(509,526)
Other reserves	22	(6,622,665)	(242,122)	734,303	44,857	710,338	734,303
Accumulated losses		(36,863,960)	(35,379,335)	(32,254,981)	(39,309,826)	(37,328,684)	(31,978,847)
Equity attributable to owners of the Company		43,833,565	41,592,111	39,148,695	48,055,221	40,595,222	39,424,829
Non-controlling interests		1,337,974	784,193	383,836	-	-	-
Total equity		45,171,539	42,376,304	39,532,531	48,055,221	40,595,222	39,424,829
Total liabilities and equity		122,908,253	105,146,705	87,969,503	53,774,070	45,532,881	41,392,652

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 US$	Group 2018 US$
Revenue	23	605,020,931	692,532,429
Other income	24	814,252	1,625,832
Purchases of finished goods		(574,875,092)	(691,368,210)
Changes in inventories of finished goods		(14,362,415)	9,042,021
Employee benefits expense	25	(9,208,910)	(6,351,113)
Amortisation of intangible assets	14	(228,450)	(173,505)
Depreciation of property, plant and equipment	13	(749,508)	(186,120)
Net fair value gain/(loss) on derivative financial instruments		1,286,002	(688,372)
Other operating expenses	26	(4,524,050)	(5,611,519)
Finance costs	27	(2,815,875)	(1,682,090)
Share of results of associates, net of tax		-	(110,521)
Profit/(Loss) before taxation		356,885	(2,971,168)
Income tax (expense) credit	28	(250,338)	10,630
Profit/(Loss) for the year		106,547	(2,960,538)
Other comprehensive (loss)/income after tax:			
Item that will not be reclassified subsequently to profit or loss			
Fair value loss on equity investments at fair value through other comprehensive income	15	(1,936,016)	-
Items that are or may be reclassified subsequently to profit or loss			
Fair value loss on available-for-sale investments	15	-	(987,476)
Foreign currency translation (loss)/gain on consolidation		(231,778)	72,801
Other comprehensive loss for the year, net of tax		(2,167,794)	(914,675)
Total comprehensive loss for the year		(2,061,247)	(3,875,213)
Profit/(Loss) attributable to			
- owners of the Company		(684,625)	(3,124,354)
- non-controlling interests		791,172	163,816
		106,547	(2,960,538)
Total comprehensive loss attributable to			
- owners of the Company		(2,803,687)	(4,076,814)
- non-controlling interests		742,440	201,601
		(2,061,247)	(3,875,213)
Loss per share attributable to owners of the Company (US cent)			
- basic and diluted	29	(0.3732)	(2.0126)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

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

Group	Share capital	Treasury shares	Warrant reserve	Foreign currency translation reserve	Capital reserve	Fair value reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 July 2018											
- As previously reported	78,076,108	(862,540)	665,481	508,045	44,857	(987,476)	-	(35,852,364)	41,592,111	784,193	42,376,304
- Effect of adoption of SFRS(I)s (Note 33)	-	-	-	(473,029)	-	-	-	(326,971)	(800,000)	-	(800,000)
As restated	78,076,108	(862,540)	665,481	35,016	44,857	(987,476)	-	(36,179,335)	40,792,111	784,193	41,576,304
(Loss)/Profit for the year	-	-	-	-	-	-	-	(684,625)	(684,625)	791,172	106,547
Other comprehensive loss for the year											
- Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	(1,936,016)	-	-	(1,936,016)	-	(1,936,016)
- Foreign currency translation differences	-	-	-	(183,046)	-	-	-	-	(183,046)	(48,732)	(231,778)
Total comprehensive (loss)/ income for the year	-	-	-	(183,046)	-	(1,936,016)	-	(684,625)	(2,803,687)	742,440	(2,061,247)
Contributions by and distributions to owners											
- Issue of shares (Note 20)	9,312,464	-	-	-	-	-	-	-	9,312,464	-	9,312,464
- Exercise of warrants (Note 20)	153,835	-	(25,158)	-	-	-	-	-	128,677	-	128,677
- Expiry of warrants (Note 20)	640,323	-	(640,323)	-	-	-	-	-	-	-	-
- Deregistration/disposal of subsidiaries	-	-	-	-	-	-	-	-	-	148,679	148,679
- Dividends	-	-	-	-	-	-	-	-	-	(510,469)	(510,469)
Changes in ownership interests in subsidiaries											
- Acquisition of subsidiaries (Note 5)	-	-	-	-	-	-	(3,596,000)	-	(3,596,000)	173,131	(3,422,869)
Transactions with owners in their capacity as owners	10,106,622	-	(665,481)	-	-	-	(3,596,000)	-	5,845,141	(188,659)	5,656,482
Balance at 30 June 2019	88,182,730	(862,540)	-	(148,030)	44,857	(2,923,492)	(3,596,000)	(36,863,960)	43,833,565	1,337,974	45,171,539

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Group	<------------ Attributable to owners of the Company							------------>		
	Share capital	Treasury shares	Warrant reserve	Foreign currency translation reserve	Capital reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 July 2017										
- As previously reported	71,178,899	(509,526)	665,807	473,029	68,496	-	(32,728,010)	39,148,695	383,836	39,532,531
- Effect of adoption of SFRS(I)s (Note 33)	-	-	-	(473,029)	-	-	473,029	-	-	-
As restated	71,178,899	(509,526)	665,807	-	68,496	-	(32,254,981)	39,148,695	383,836	39,532,531
(Loss)/Profit for the year	-	-	-	-	-	-	(3,124,354)	(3,124,354)	163,816	(2,960,538)
Other comprehensive income/(loss) for the year										
- Fair value loss on available-for-sale investment	-	-	-	-	-	(987,476)	-	(987,476)	-	(987,476)
- Foreign currency translation differences	-	-	-	35,016	-	-	-	35,016	37,785	72,801
Total comprehensive income/(loss) for the year	-	-	-	35,016	-	(987,476)	(3,124,354)	(4,076,814)	201,601	(3,875,213)
Contributions by and distributions to owners										
- Issue of shares (Note 20)	4,813,370	-	-	-	-	-	-	4,813,370	-	4,813,370
- Exercise of warrants (Note 20)	1,983	-	(326)	-	-	-	-	1,657	-	1,657
- Purchase of treasury shares (Note 21)	-	(694,384)	-	-	-	-	-	(694,384)	-	(694,384)
- Disposal of treasury shares (Note 21)	-	341,370	-	-	(23,639)	-	-	317,731	-	317,731
Changes in ownership interests in subsidiaries										
- Acquisition of subsidiaries through shares (Note 5)	2,081,856	-	-	-	-	-	-	2,081,856	198,756	2,280,612
Transactions with owners in their capacity as owners	6,897,209	(353,014)	(326)	-	(23,639)	-	-	6,520,230	198,756	6,718,986
Balance at 30 June 2018	78,076,108	(862,540)	665,481	35,016	44,857	(987,476)	(35,379,335)	41,592,111	784,193	42,376,304

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Company

	Share capital	Treasury shares	Warrant reserve	Capital reserve	Accumulated losses	Total equity
	US$	US$	US$	US$	US$	US$
Balance at 1 July 2017	71,178,899	(509,526)	665,807	68,496	(31,978,847)	39,424,829
Transactions with owners, recognised directly in equity						
Issue of shares (Note 20)	4,813,370	-	-	-	-	4,813,370
Exercise of warrants (Note 20)	1,983	-	(326)	-	-	1,657
Purchase of treasury shares (Note 21)	-	(694,384)	-	-	-	(694,384)
Disposal of treasury shares (Note 21)	-	341,370	-	(23,639)	-	317,731
Acquisition of subsidiaries through shares (Note 5)	2,081,856	-	-	-	-	2,081,856
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(5,349,837)	(5,349,837)
Balance at 30 June 2018	78,076,108	(862,540)	665,481	44,857	(37,328,684)	40,595,222
Transactions with owners, recognised directly in equity						
Issue of shares (Note 20)	9,312,464	-	-	-	-	9,312,464
Exercise of warrants (Note 20)	153,835	-	(25,158)	-	-	128,677
Expiry of warrants (Note 20)	640,323	-	(640,323)	-	-	-
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(1,981,142)	(1,981,142)
Balance at 30 June 2019	88,182,730	(862,540)	-	44,857	(39,309,826)	48,055,221

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 US$	Group 2018 US$
Cash Flows from Operating Activities			
Profit/(Loss) before taxation		356,885	(2,971,168)
Adjustments for:			
Amortisation of intangible assets	14	228,450	173,505
Depreciation of property, plant and equipment	13	817,625	186,120
Gain on disposal of an associate	24	-	(301,327)
Interest expense	27	2,815,875	1,682,090
Interest income	24	(240,142)	(4,871)
Loss on disposal of subsidiaries	26	293,877	-
Net fair value (gain)/loss on derivative financial instruments		(1,286,002)	688,372
Reversal of impairment losses on trade receivables	26	(25,303)	-
Trade and other receivables written off	26	333	1,176,860
Plant and equipment written off		23,060	20,374
Share of results of associates		-	110,521
Unrealised foreign exchange differences		(176,304)	(43,046)
Operating profit before working capital changes		2,808,354	717,430
Changes in inventories		13,894,449	(9,042,021)
Changes in trade and other receivables		(6,181,621)	(3,836,894)
Changes in contract assets		(18,153,091)	(134,840)
Changes in prepayments		2,015,696	(2,197,496)
Changes in trade and other payables		7,907,018	2,087,616
Changes in contract liabilities		(7,595,790)	3,090,592
Cash used in operating activities		(5,304,985)	(9,315,613)
Income taxes paid		(209,528)	(36,788)
Net cash used in operating activities		(5,514,513)	(9,352,401)
Cash Flows from Investing Activities			
Acquisition of subsidiaries, net of cash acquired	5	(14,826,179)	177,892
Consideration paid in respect of acquisition of subsidiaries in prior year		-	(544,825)
Disposal of subsidiaries, net of cash disposed of (Note A)		(145,197)	-
Interest received		14,380	4,728
Proceeds from disposal of an associate		-	592,641
Purchase of property, plant and equipment	13	(223,726)	(310,025)
Net cash used in investing activities		(15,180,722)	(79,589)
Cash Flows from Financing Activities			
Cash restricted in use		9,425,225	3,283,936
Dividends paid to the non-controlling interests of the subsidiaries		(510,469)	-
Fixed deposits pledged		(337,778)	-
Interest paid		(2,870,497)	(1,657,796)
Proceeds from convertible loan		-	3,736,500
Proceeds from disposal of treasury shares		-	317,731
Proceeds from issue of shares pursuant to exercise of warrants		128,677	1,657
Proceeds from loans		32,173,607	58,940,097
Proceeds from placement of shares		9,312,464	4,813,370
Purchase of treasury shares		-	(694,384)
Repayment of finance leases		(9,795)	(2,092)
Repayment of loans		(31,737,928)	(53,924,514)
Net cash from financing activities		15,573,506	14,814,505
Net (decrease)/increase in cash and cash equivalents		(5,121,729)	5,382,515
Cash and cash equivalents at beginning of year		11,973,094	6,580,757
Exchange differences on translation of cash and cash equivalents		(30,401)	9,822
Cash and cash equivalents at end of year	7	6,820,964	11,973,094

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

A. Disposal of subsidiaries

On 20 May 2019, the Company disposed a subsidiary, Top Post Enterprise Limited and its subsidiary, for a consideration of US$100. The effects of the disposals on the cash flows of the Group were as follows:

Group	2019 US$
Cash and cash equivalents	145,197
Total assets representing net assets	145,197
Consideration received	-
Net assets derecognised	(145,197)
Non-controlling interest	1,321
Loss on disposal of subsidiaries	(143,876)
Cash and cash equivalents disposed of, representing net cash outflow arising on disposal	(145,197)

See accompanying notes to financial statements.

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Obligations under finance leases	Loans from financial institutions	Bank overdrafts	Convertible loan	Others	Total
	US$	US$	US$	US$	US$	US$
Balance at 1 July 2018	5,061	14,392,260	279,497	3,736,500	-	18,413,318
Changes from financing cash flows						
- Interest paid	(1,273)	(1,841,611)	(4,881)	(186,742)	(835,990)	(2,870,497)
- Proceeds from loans	-	32,173,607	-	-	-	32,173,607
- Repayment of finance lease liabilities	(9,795)	-	-	-	-	(9,795)
- Repayment of loans	-	(31,737,928)	-	-	-	(31,737,928)
Total changes from financing cash flows	(11,068)	(1,405,932)	(4,881)	(186,742)	(835,990)	(2,444,613)
Effect of changes in foreign exchange rates	-	(101,619)	-	(110,500)	-	(212,119)
Other changes						
- Acquisition of subsidiaries	-	8,286,088	-	-	-	8,286,088
- New finance leases	38,368	-	-	-	-	38,368
- Interest expense	1,273	1,782,433	4,881	184,542	842,746	2,815,875
- Repayment of bank overdrafts	-	-	(279,497)	-	-	(279,497)
- Others	-	321	-	2,200	(6,756)	(4,235)
Total liability-related other changes	39,641	10,068,842	(274,616)	186,742	835,990	10,856,599
Balance at 30 June 2019	33,634	22,953,551	-	3,626,000	-	26,613,185

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Obligations under finance leases	Loans from financial institutions	Bank overdrafts	Loans from a former related party	Loans from a former director	Convertible loan	Others	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 July 2017	7,155	8,341,527	378,895	317,768	608,165	-	-	9,653,510
Changes from financing cash flows								
- Interest paid	(309)	(983,953)	(19,776)	(31,986)	-	-	(621,772)	(1,657,796)
- Proceeds from convertible loan	-	-	-	-	-	3,736,500	-	3,736,500
- Proceeds from loans	-	58,713,421	-	-	226,676	-	-	58,940,097
- Repayment of finance lease liabilities	(2,092)	-	-	-	-	-	-	(2,092)
- Repayment of loans	-	(52,802,450)	-	(287,223)	(834,841)	-	-	(53,924,514)
Total changes from financing cash flows	(2,401)	4,927,018	(19,776)	(319,209)	(608,165)	3,736,500	(621,772)	7,092,195
Effect of changes in foreign exchange rates	(2)	(13,341)	(23)	(794)	-	-	-	(14,160)
Other changes								
- Acquisition of subsidiaries	-	105,837	-	-	-	-	-	105,837
- Interest expense	309	1,031,219	19,799	2,235	-	6,756	621,772	1,682,090
- Others	-	-	(99,398)	-	-	(6,756)	-	(106,154)
Total liability-related other changes	309	1,137,056	(79,599)	2,235	-	-	621,772	1,681,773
Balance at 30 June 2018	5,061	14,392,260	279,497	-	-	3,736,500	-	18,413,318

See accompanying notes to the financial statements.

1 GENERAL INFORMATION

The Company (Registration Number 199400571K) is incorporated in Singapore with its principal place of business and registered office at 456 Alexandra Road, #19-02 Fragrance Empire Building, Singapore 119962. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in United States dollars ("USD" or "US$").

The principal activity of the Company is that of an investment holding Company.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 30 June 2019 were authorised for issue by the Board of Directors on 9 October 2019.

For all periods up to and including the year ended 30 June 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended 30 June 2019 are the first set that the Group and the Company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Details of first time adoption of SFRS(I) are included in Note 33.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION – The Group is in a net current liability position of US$2,430,035 as at 30 June 2019 and incurred net operating cash outflow of US$5,514,513 for the financial year then ended. As disclosed in Note 19, the Group breached a financial loan covenant on a loan amounting to US$3,633,361. The accompanying financial statements for the year ended 30 June 2019 have been prepared using the going concern assumption as the directors are confident that the Group is able to generate adequate cashflows and obtain sufficient funding so as to discharge liabilities in the normal course of business for the foreseeable future.

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards International ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 inputs are unobservable inputs for the asset or liability.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture, whichever is applicable.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values of assets given by the Group to the former owners of the acquiree, liabilities incurred by the Group and equity interests issued by the Group in exchange for control of the acquiree. The fair values are those prevailing at the acquisition date. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal Groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 July 2018. Accordingly, the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 30 June 2018. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 July 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative periods to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative periods.

Financial assets (before 1 July 2018)

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts to present value, the estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income or expense is recognised on an effective interest basis for debt instruments.

Available-for-sale financial asset

Available-for-sale financial asset includes non-derivative financial asset that does not qualify for inclusion in any of the other categories of financial assets. It is included in non-current assets unless management intends to dispose the investment within 12 months of the end of the reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity through other comprehensive income, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the profit or loss for the period.

When a decline in the fair value of an availabile-for-sale financial asset has been recognised in equity and there is objective evidence that the asset is impaired, the cumulative loss that that had been recognised in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those of fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets (from 1 July 2018)

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

Equity instrument designated at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- breach of settlement contract or default in contractual obligations.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group also considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full without recourse by the Group to actions such as realising security held (if any).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower; or

b) a breach of contract, such as a default or past due event; or

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- Nature of business practice and legal framework certain geographic region.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

The Group had entered into interest rate cap contract (a derivative financial instrument). Further details of derivative financial instruments are disclosed in Note 12 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a reduction of rental expense on a straight-line basis.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over the estimated useful lives of the assets using the straight-line method, on the following bases:

Buildings	30 years
Medical and other equipment	5 to 15 years
Computers	2 to 5 years
Furniture, fittings and renovations	3 to 10 years
Office equipment	2 to 5 years
Motor vehicles	5 years
Vessel	10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS (EXCLUDING GOODWILL) - Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed as at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Development costs

Development costs which relates to the design and testing of new or improved materials, products or processes are recognised as an asset to the extent that it is expected that such assets will generate future economic benefits.

Development costs are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful life of 10 years.

Costs that are directly attributable to the development phase are recognised as intangible asset provided that they meet the following recognition requirements:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(ii) the intention to complete the intangible asset and use or sell it;
(iii) the ability to use or sell the intangible asset;
(iv) how the intangible asset will generate probable future economic benefits; among other things, demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Directly attributable costs include direct employee costs incurred on product development with an appropriate portion of relevant overheads. Amortisation commences upon the launch of the sales of the products or from the date the processes are put into use.

Service right

Service right relates to a contractual right which requires a party to provide services to the Group for a certain period. It is amortised over the contractual period of 4.8 years.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

ASSOCIATES - An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Any goodwill representing the excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee at date of acquisition is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 9 *Financial Instruments* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. The carrying amount of the investment is reduced by the amount of impairment loss. Impairment loss is reversed to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the sum of fair value of any retained interest and any proceeds from disposing of a part interest in the associate, is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income, relating to that reduction in ownership interest, if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - The Group recognises revenue from the following major sources:

- trading of oil and related products;
- sale of goods;
- chartering income;
- healthcare consultancy and management system service; and
- interest income.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

<u>Revenue from trading of oil and related products</u>

The Group offers trading of oil products and related products. Revenue is recognised when the oil is transferred upon loading at the named port of shipment or destination.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

<u>Revenue from sale of goods</u>

The Group sells healthcare products, nonwoven fabric and related product. Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied, which is the point when control of goods has transferred to the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Under the Group's standard contract terms, customers do not have a right of return.

Revenue from chartering income

Chartering income from the vessel is recognised on a straight-line basis over the term of the relevant lease.

Revenue from healthcare consultancy and management system service

The Group offers healthcare consultancy and management system service. Revenue is recognised as and when the service is rendered, which is the point when control of service has transferred to the customer.

Interest income

Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and the applicable effective interest rate.

BORROWING COSTS - All borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; they relate to income taxes levied by the same taxation authority; and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the respective entities operate (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly-controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

The Group has applied the option to reset the cumulative foreign exchange translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 July 2017, As a result, the cumulative foreign currency translation loss was reclassified from foreign currency translation reserve to accumulated losses as at 1 July 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

On consolidation, exchange differences arising from the translation of income and expenses of foreign operations, the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and the translation of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in foreign currency translation reserve, a component of the Group's equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the end of the reporting period.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash on hand, cash at bank, fixed deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and assumptions used and areas involving a high degree of judgment are described below.

<u>Fair value of financial asset at fair value through other comprehensive income ("FVTOCI") (previously classified as "available-for-sale financial asset" or "AFS")</u>

Unquoted financial asset at FVTOCI is stated at fair value. If the market for a financial asset is not active or not available, the fair value is established by using valuation techniques, such as the expected selling price involving identical or similar assets and transactions, or present value based on discounted cash flows reflecting the investee's specific circumstances. Considerable subjective judgement is required in selecting the suitable valuation techniques and methodologies, choosing the appropriate comparables, and estimating the expected future cash flows, growth rate and discount rate.

The fair value of the financial asset at FVTOCI at the end of the reporting period is disclosed in Note 15 to the financial statements.

<u>Impairment test for cash-generating unit containing goodwill, intangibles and vessel</u>

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 asset 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 14 to the financial statements.

As at the end of reporting period, management has performed by impairment assessment of the vessel by engaging an external valuer to determine the fair value of the vessel using a market approach. The market value the vessel is based on market comparables less valuation adjustments. Based on the market valuation performed by the external valuer, management has determined that there is no impairment of the vessel for the year then ended. The carrying amount of the vessel is disclosed in Note 13 to the financial statements.

Business combinations

As disclosed in Note 5 to the financial statements, the Group had two business acquisitions during the year. As part of the business combinations, the Group is required to assess and determine the fair values of the assets acquired and liabilities assumed, including any identifiable intangible assets. Any excess of the purchase consideration over the fair value of net assets acquired is recognised as goodwill. Management has engaged an external independent valuer to determine the fair valuation of the assets acquired and liabilities assumed (including any intangible assets). Significant management judgement is involved in the valuation estimates for the intangible assets (customer relationship and trademark) and the fair value adjustments of property, plant and equipment as well as key assumptions made in the weighted average cost of capital, attrition rate and useful lives of the respective assets.

Going concern

As at 30 June 2019, the Group is in a net current liability US$2,430,035 (2018: net current asset of US$15,633,595), and generated net income of US$106,547 (2018: net loss of US$2,960,538) and net operating cash outflow of US$5,514,513 (2018: US$9,352,401) for the financial year then ended. Notwithstanding this, the directors are of the view that the going concern assumption is appropriate for the preparation of these financial statements, due to the following:

(i) As disclosed in Note 32 to the financial statements, the oil and gas operating segment and healthcare segment had generated profits for the financial years ended 30 June 2018 and 2019. The net loss incurred by the Group in prior year was mainly due to the corporate segment, as a result of various corporate expenses incurred, and one-off write-offs on other receivables amounting to US$1,176,860 (Note 26). The Group's net current liability position is mainly due to the classification of bank borrowings of US$3,633,361 as current liabilities as the Group had not met a financial covenant as at 30 June 2019. The Group has obtained a waiver from the financial institution subsequent to 30 June 2019 on the above. Excluding this amount of US$3,633,361 the Group would be in net current asset position of US$1,203,326. Having regard to measures to tighten controls over expenses and to better manage the Group's working capital, the directors believe that the Group is able to continue to generate sufficient cash flows from operations.

(ii) As disclosed in Note 7 to the financial statements, the Group had cash and bank balances and fixed deposits amounting to US$18,356,550 (2018: US$32,883,173). Including bank overdrafts and excluding restricted cash and fixed deposits pledged, the Group had cash and bank balances of US$6,820,964 (2018: US$11,973,094) as at 30 June 2019. An additional credit facility has been secured post financial year end.

(iii) The Company is also in the process of raising additional funding through share placement.

Based on the above, the directors believe that the Group and the Company will have sufficient working capital and financial resources to meet their obligations as and when they fall due for the next twelve months from the end of the reporting period. Consequently, based on the Group's cash flow forecast up to October 2020 drawn up by management, the directors consider that there is no material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

Amount due from a former related party

As at reporting period end, included in trade and other receivables (Note 8) is an amount of US$2,614,119 (2018: US$2,614,119) due from a former related party is long outstanding in the books of the Company's wholly-owned subsidiary. The amounts are made up of advances and payments on behalf for the former related party.

In prior financial year, the Company and its subsidiary made a legal claim against the former related party to seek payment of the outstanding amounts, as well as interest and legal costs. The recoverability of the amounts is dependent on the outcome of legal proceedings. Through consultation with the legal counsel, management is of the view that the Company and its subsidiary have reasonable prospects of succeeding in their claim based on totality of the available evidence.

Impairment of trade and other receivables

The Group and the Company shall recognise in profit or loss the expected credit losses on its trade and other receivables which involves management's estimation on the probability of default and loss given default.

The carrying amounts of the Group's and the Company's trade and other receivables at the end of the reporting period are disclosed in Note 8 to the financial statements. If the present value of estimated future cash flows decreases/increases by 10% from management's estimates, the Group's and the Company's allowance for impairment of trade and other receivables will increase/decrease by US$3,378,453 (2018: US$2,594,597) and US$710,510 (2018: US$752,837), respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group			Company		
	30 June 2019	**30 June 2018**	**1 July 2017**	**30 June 2019**	**30 June 2018**	**1 July 2017**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Financial assets						
Derivative financial instrument	-	-	136,425	-	-	-
Financial asset at FVTOCI	19,736,505	21,672,521	14,090,000	-	-	-
Financial assets at amortised cost	68,103,607	58,963,986	57,387,282	7,320,100	13,515,667	11,451,582
Financial liabilities						
Derivative financial instrument	5,101	882,325	-	-	-	-
Financial liabilities at amortised cost	76,454,591	53,612,577	36,942,347	5,718,849	4,937,659	1,967,823

The Group and Company do not have any significant financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(b) *Financial risk management policies and objectives*

The Group's overall financial risk management program seeks to minimise potential adverse effects of financial performance of the Group arising from foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group and Company are subject to foreign exchange risk arising from transactions that are denominated in a currency other than the functional currencies of the group entity, primarily Singapore Dollars.

Group

	Assets			Liabilities		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Singapore Dollars	1,074,342	6,040,752	3,599,918	6,154,930	4,744,831	1,756,832

Company

	Assets			Liabilities		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Singapore Dollars	1,013,250	5,871,641	3,074,881	5,419,153	4,637,964	1,703,128

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currency against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign exchange denominated monetary items and adjusts their translation at the period end if Singapore Dollars strengthens against the functional currency, with all other variables held constant.

	Profit/(Loss) before tax	
	2019	2018
	US$	US$
Group		
Singapore Dollars	(508,058)	(129,592)
Company		
Singapore Dollars	(440,590)	(123,367)

The converse effect will apply if Singapore Dollars weakens against the functional currency.

(ii) Interest rate risk management

The Group's exposure to interest rate risk relates primarily to debt obligations. The interest rates for borrowings are stated in Note 19 to the financial statements.

The Group may from time to time enter into derivative financial instruments to manage its exposures to interest rate risk. The Group had entered into a financial derivative contract (Note 12) to cap interest rates on borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and on the assumption that the change took place at the beginning of a financial year and is held constant throughout the reporting period.

If interest rate had been 100 basis points higher/lower and all other variables were held constant, the Group's profit before tax would increase/ decrease by US$177,375 (2018 : loss before tax would decrease/ increase by US$260,548). The Company's loss before tax would decrease/ increase by US$2,128 (2018: US$59,801). This is mainly attributable to the Group's and Company's exposure to variable interest bearing bank balance and bank loans.

(iii) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as held-for-trading and at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

Further details of these equity investments can be found in Note 15.

(iv) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group.

As at 30 June 2019, the carrying amounts of financial assets and contract assets as stated in the statements of financial position and the exposure to calls on corporate guarantees amounting to US$15,498,972 (2018: US$14,107,252), represents the Group's and Company's maximum exposure to credit risk without taking into account the value of any collateral which can reduce the exposure.

The tables below detail the credit quality of the Group's and Company's financial assets and contract assets as well as maximum exposure to credit risk:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$	US$	US$
30 June 2019						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	23,234,161	(217,596)	23,016,565
Other receivables	8	(ii)	12-month ECL / Lifetime-ECL	11,600,942	(832,975)	10,767,967
Contract assets	9	(i)	Lifetime ECL (simplified approach)	18,287,931	-	18,287,931
					(1,050,571)	

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$	US$	US$
30 June 2019						
Other receivables	8	(ii)	12-month ECL	8,464,201	(1,359,102)	7,105,099
					(1,359,102)	

(i) The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

(ii) The Group determines that these receivables are not past due and have low risk of default, apart from those receivables which credit risk is assessed to have increased significantly since initial adoption.

Cash and cash equivalents are subject to immaterial credit loss.

Previous accounting policy for impairment of financial assets

Prior to 1 July 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. An allowance for impairment on the receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Further details are disclosed in Note 8.

(v) Credit risk management

Before accepting any new customer, management assesses the potential customer's credit quality and defines credit limits by customer. Limits granted to customers are reviewed periodically. The Group's exposure to credit risks and the credit limits to counterparties are continuously monitored. The Group monitors collections due and follow up with debtors as part of the credit management process.

Trade receivables consist of a number of customers from the oil and gas industry. The Group does not have any significant credit risk exposure to any single counterparty or any group of related counterparties. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with good credit-ratings.

The Group's trade receivables comprise four debtors (2018: three debtors) that represented 68% (2018: 90%) of trade receivables.

(vi) Liquidity risk management

The Group and Company manage the liquidity risk by maintaining sufficient cash and cash equivalents to enable them to meet their normal operating commitments, having an adequate amount of both committed and uncommitted credit facilities and the ability to close market positions at short notice. See Note 3 for additional disclosures on going concern.

Liquidity risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents future interest which are not included in the carrying amount of the financial liability on the statements of financial position.

Group	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	US$	US$	US$	US$
Financial Liabilities				
30 June 2019				
Non-interest bearing	44,795,006	5,046,400	-	49,841,406
Fixed interest rate instrument	27,493,622	110,709	(1,095,173)	26,509,158
Variable interest rate instrument	107,345	-	(3,318)	104,027
	72,395,973	5,157,109	(1,098,491)	76,454,591
30 June 2018				
Non-interest bearing	35,199,259	-	-	35,199,259
Fixed interest rate instrument	8,352,966	4,069,175	(694,559)	11,727,582
Variable interest rate instrument	7,200,538	-	(514,802)	6,685,736
	50,752,763	4,069,175	(1,209,361)	53,612,577
1 July 2017				
Non-interest bearing	27,288,837	-	-	27,288,837
Fixed interest rate instrument	8,969,193	227,088	(30,850)	9,165,431
Variable interest rate instrument	524,197	-	(36,118)	488,079
	36,782,227	227,088	(66,968)	36,942,347

Company	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	US$	US$	US$	US$
Financial Liabilities				
30 June 2019				
Non-interest bearing	642,449	1,450,400	-	2,092,849
Fixed interest rate instrument	3,807,300	-	(181,300)	3,626,000
	4,449,749	1,450,400	(181,300)	5,718,849
30 June 2018				
Non-interest bearing	1,199,522	-	-	1,199,522
Fixed interest rate instrument	188,547	3,923,325	(373,735)	3,738,137
	1,388,069	3,923,325	(373,735)	4,937,659
1 July 2017				
Non-interest bearing	1,356,152	-	-	1,356,152
Fixed interest rate instrument	610,132	1,745	(206)	611,671
	1,966,284	1,745	(206)	1,967,823

(vi) 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.

Financial assets and liabilities measured at fair value

Group	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
30 June 2019				
Financial asset				
Financial assets at fair value through other comprehensive income (Note 15)	-	-	19,736,505	19,736,505
Financial liabilities				
Derivatives				
- Interest rate cap (Note 12)	-	(5,101)	-	(5,101)
30 June 2018				
Financial asset				
Available-for-sale investments (Note 15)	-	-	21,672,521	21,672,521
Financial liabilities				
Derivatives				
- Oil commodity futures (Note 12)	-	(882,325)	-	(882,325)
1 July 2017				
Financial asset				
Available-for-sale investments (Note 15)	-	14,090,000	-	14,090,000
Derivatives				
- Oil commodity futures (Note 12)	-	136,425	-	136,425

As at 30 June 2019, the fair value of the financial assets at fair value through other comprehensive income was determined based on the valuation of the investee company conducted by a firm of independent professional valuers using the income approach (Note 15). This was included in Level 3.

As at 30 June 2018, the fair value of the available-for-sale financial asset was determined based on the valuation of the investee company conducted by a firm of independent professional valuers using the income approach (Note 15). This was included in Level 3.

The fair value of FVTOCI/AFS at the end of the reporting period is disclosed in Note 15 to the financial statements. If the fair value decreases/increases by 10% from management's estimates, the Group's other comprehensive loss for the year will increase/decrease by US$1,973,651 (2018: US$2,167,252).

The fair values of oil derivative instruments were determined based on spot and futures prices of the underlying oil commodities. These instruments are included in Level 2.

Financial assets and liabilities not measured at fair value but for which fair values are disclosed *

	Level 1	Level 2	Level 3	Total
Group	US$	US$	US$	US$
30 June 2019				
Obligations under finance leases	-	32,693	-	32,693
Loans from financial institutions	-	123,645	-	123,645
	-	156,338	-	156,338
30 June 2018				
Obligations under finance leases	-	3,188	-	3,188
Convertible loan	-	3,718,982	-	3,718,982
Loans from financial institutions	-	161,607	-	161,607
	-	3,883,777	-	3,883,777
Company				
30 June 2018				
Convertible loan	-	3,626,000	-	3,626,000

* Exclude financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term or repayable on demand nature and where the effect of discounting is immaterial.

The carrying amounts of interest-bearing loans that reprice within six months of the end of the reporting period approximate their fair values. The fair values of all other interest-bearing loans are calculated based on discounted expected future principal and interest cash flows.

(c) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while optimising the return to stakeholders through a mix of equity balance and debts which comprise bank borrowings (Note 19), convertible loan (Note 19) and finance leases (Note 19).

Management reviews the capital structure on an annual basis. As a part of this review, management considers the cost of capital; and the tenures and risks associated with each class of capital. Management also reviews compliance with financial covenants associated with borrowings. The Group balances its overall capital structure through issuance of new debt or the redemption of existing debt, issuance of new shares or payment of dividends. The Group's overall strategy for capital management remains unchanged from the prior year.

5 RELATED COMPANY AND RELATED PARTY TRANSACTIONS

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Subsidiaries

Company	30 June 2019	30 June 2018	1 July 2017
	US$	**US$**	**US$**
Unquoted equity investments, at cost	46,836,018	45,890,881	47,567,696
Allowance for impairment losses			
At beginning of year	13,897,688	17,663,723	18,237,364
Allowance utilised due to disposals/ liquidation	(13,497,688)	(3,766,035)	(573,641)
At end of year	400,000	13,897,688	17,663,723
Carrying amount	46,436,018	31,993,193	29,903,973

For the financial year ended 30 June 2019

(i) Acquisition of subsidiaries (Medical Group)

On 2 August 2018, the Company through its subsidiary HSI Medical Pte. Ltd. ("HSI Medical"), completed the acquisitions of between 51% and 60% of the total issued and paid-up share capital of various healthcare companies, namely Lily Aw Medical Services Pte Ltd, HL Family Clinic & Surgery (Bedok) Pte. Ltd., HL Dermahealth Aesthetic Clinic Pte. Ltd., HL Clinic Pte Ltd, HK Family Clinic & Surgery Pte. Ltd. and Dr Chua's Family Clinic Pte. Ltd. (collectively known as "Medical Group"), which are engaged in the business of provision of family medicine and aesthetic healthcare services through general practitioner and aesthetic clinics, for an aggregate consideration of S$11,352,000 (US$8,335,773).

a) Fair value of identifiable assets acquired and liabilities assumed at acquisition date

Group	2019
	US$
Plant and equipment	246,659
Inventories	294,035
Trade and other receivables	135,753
Prepayments	7,746
Cash and bank balances	47,773
Deferred tax liabilities	(15,671)
Trade and other payables	(225,295)
Current tax payable	(77,186)
Total net identifiable assets	413,814
Non-controlling interests	(173,131)
Goodwill arising from acquisition	8,095,090
Total consideration transferred	8,335,773

b) Effect on cash flows of the Group

Group	2019
	US$
Consideration transferred in cash	8,335,773
Less: Cash and bank balances in subsidiaries acquired	(47,773)
Net cash outflow from the acquisition	8,288,000

c) Non-controlling interests

The Group has elected to measure the non-controlling interests at the non-controlling interests' proportionate share of the subsidiaries' net identifiable assets.

d) Acquisition-related costs

The Group incurred acquisition-related costs of US$262,096 relating to external legal, consultancy and valuation fees. These costs have been included in other operating expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

As part of the sale and purchase agreement, call and put options has been granted to the HSI Medical and other shareholders respectively which is exercisable on the third, fourth and fifth anniversaries. The consideration is based on a fixed pricing formula that is dependent on the average net profit after tax of the companies at the respective anniversaries. The respective options expire three months after the end of each respective period that the options can be exercised. Management has estimated the fair value of the call option at US$3,596,000 (Note 17) which represents the net present value of the estimated consideration based on the fixed pricing formula.

e) Revenue and profit contribution

The subsidiaries acquired during the financial year contributed revenue and net profit of US$5,597,976 and US$1,582,626 to the Group for the year, respectively. If acquisition had occurred on 1 July 2018, the contribution to the Group would have been US$6,106,883 and US$1,726,501 in revenue and net profit, respectively.

(ii) Acquisition of subsidiary (Shanghai Fengwei Garment Accessory Co., Ltd.) or "Shanghai Fengwei")

The Company through its wholly-owned subsidiary New Silkroutes Capital Pte. Ltd. ("NSC") completed the acquisition of 100% of the total registered capital of Shanghai Fengwei for a consideration of S$12,500,000 (US$9,158,750) with the shareholders of Shanghai Fengwei in a sale and purchase ("SHFW SPA") agreement. As part of the SHFW SPA agreement, the acquisition excludes certain assets, which include equity interest in a company incorporated in the People's Republic of China and other receivables amounting to US$531,000 (RMB 3.6million). In accordance with the sale and purchase agreement, the seller shall have caused all SHFW's legal and beneficial title in the above assets to have been transferred to the seller or a third party by the end of a 24 month period after the completion date.

a) Fair value of identifiable assets acquired and liabilities assumed at acquisition date

Group	2019
	US$
Property, plant and equipment	2,293,612
Customer relationship	261,666
Trademark	329,990
Inventories	946,469
Trade and other receivables	8,394,876
Prepayments	120,504
Cash and bank balances	1,155,171
Deferred tax liabilities	(350,800)
Borrowings	(8,286,088)
Trade and other payables	(1,120,284)
Current tax payable	(17,406)
Total net identifiable assets	3,727,710
Goodwill arising from acquisition	5,431,040
Total consideration transferred	9,158,750

b) Effect on cash flows of the Group

Group	2019
	US$
Consideration transferred	9,158,750
Consideration payable (Note 17)	(1,465,400)
Cash paid	7,693,350
Less: Cash and bank balances in subsidiary acquired	(1,155,171)
Net cash outflow from the acquisition	6,538,179

c) Acquisition-related costs

The Group incurred acquisition-related costs of US$223,420 relating to external legal, consultancy and valuation fees. These costs have been included in other operating expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

d) Revenue and profit contribution

The subsidiary acquired contributed revenue and net profit of US$9,446,829 and US$856,792 to the Group's revenue for the year, respectively. If acquisition had occurred on 1 July 2018, the contribution to the Group would have been US$18,893,658 and US$1,713,584 in revenue and net profit, respectively.

(iii) Incorporation of subsidiaries

The Company's wholly-owned subsidiary, New Silkroutes Capital Pte. Ltd. ("NSCPL") incorporated the following wholly-owned subsidiaries during the year:

- On 5 April 2019, HSI Specialists Pte. Ltd. ("HSI Specialists") has incorporated a wholly-owned subsidiary, HSI Cardiology Pte. Ltd. with an initial issued and paid-up capital of S$1, comprising one ordinary share of S$1 each for both entities.
- On 11 April 2019, HSI Asia Pte. Ltd.was incorporated with an initial issued and paid-up capital of S$1, comprising one ordinary share of S$1 each.

(iv) Increase in capital for subsidiaries

During the financial year, the Company increased its investment in NSCPL, comprising 19,517,187 ordinary shares of S$1 each and 1,482,013 ordinary shares of free shares, at an aggregate cost of US$14,442,925.

On 23 November 2018, the Company's wholly-owned subsidiary International Energy Group Pte. Ltd. ("IEG") increased its shareholdings in Century Master Pte. Ltd. ("Century Master") from 19% to 100% for a consideration of US$40,500. TXZ Tankers Pte Ltd. ("TXZ") is a wholly-owned subsidiary of Century Master. With the increase in investment, Century Master and TXZ became wholly-owned subsidiaries of IEG and the Company. In prior year, the 19% equity interest in Century Master of US$1 is classified as available-for-sale investment (Note 15).

(v) Disposal of a subsidiary

During the financial year, the Company transferred its entire shareholding in Top Post Enterprises Limited to a third party, for a consideration of US$100.

(vi) Deregistration and winding up of subsidiaries

On 30 July 2018, the Company's indirect subsidiary, New Silkroutes Capital, LLC, has been cancelled from the register by the Security of State of the State of Delaware.

On 6 September 2018, the Company's wholly-owned subsidiary, Digiland Pty. Ltd., has been deregistered from the register of companies in Australia. Accordingly, the allowance for impairment of US$10,967,395 was utilised against the cost of investment of US$10,967,395.

On 15 April 2019, Digiland (Hong Kong) Limited, a 99.9% owned subsidiary of the Company in Hong Kong has been dissolved by way of a member's voluntary winding up. Accordingly, the allowance for impairment of US$2,530,293 was utilised against the cost of investment of US$2,530,293.

For financial year ended 30 June 2018

(i) Acquisition of subsidiaries (TDH)

On 10 October 2017, the Company and its subsidiary, HSI Dental Pte. Ltd, entered into a share sale and purchase agreement with the existing shareholders, to acquire an aggregate of 70% of the shares in each of 84 INC Pte. Ltd., The Dental Hub@SG Pte. Ltd., and NDC Consulting Pte. Ltd. (collectively, the "TDH" companies). The acquisition was completed on 30 October 2017. The aggregate consideration for the acquisition is S$2,827,841 (US$2,081,856) in shares, based on 7,159,090 shares at the Company's closing share price of S$0.395 on 30 October 2017.

The following summarises the consideration transferred, the recognised amounts of assets acquired and liabilities assumed at the acquisition date, the effect on cash flows of the Group, the non-controlling interests in the subsidiary, the acquisition-related costs, and the revenue and profit or loss contribution by the subsidiaries:

a) Fair value of identifiable assets acquired and liabilities assumed at acquisition date

Group	2018
	US$
Property, plant and equipment	418,168
Intangible asset	89,016
Trade and other receivables	145,099
Cash and bank balances	177,892
Borrowings	(105,837)
Trade and other payables	(46,669)
Current tax payable	(15,148)
Total net identifiable assets	662,521
Non-controlling interests	(198,756)
Goodwill arising from acquisition	1,618,091
Total consideration transferred	2,081,856

b) Effect on cash flows of the Group

Group	2018
	US$
Consideration transferred	2,081,856
Consideration satisfied by issuance of shares	(2,081,856)
Cash paid	-
Less: Cash and bank balances in subsidiaries acquired	(177,892)
Net cash inflow from the acquisition	(177,892)

c) Non-controlling interests

The Group has elected to measure the non-controlling interests at the non-controlling interests' proportionate share of the subsidiaries' net identifiable assets.

d) Acquisition-related costs

The Group incurred acquisition-related costs of US$111,310 relating to external legal, consultancy and valuation fees. These costs have been included in other operating expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

e) Revenue and profit or loss contribution

The subsidiaries acquired during the financial year contributed revenue and net profit of US$1,478,141 and US$160,845 to the Group's revenue and loss for the year, respectively. If acquisition had occurred on 1 July 2017, the contribution to the Group would have been US$2,217,211 and US$241,268 in revenue and net profit, respectively.

(ii) Incorporation of a subsidiary

On 26 June 2018, HSI incorporated a wholly-owned subsidiary, HSI Nominees B Pte. Ltd. ("HSINB") (now known as HSI Medical Pte. Ltd.), with an initial issued and paid-up capital of S$1, comprising one ordinary share of S$1 each. On 1 August 2018, HSINB further issued 4,999,999 new ordinary shares of S$1 each to HSI.

(iii) Increase in capital of a subsidiary

During the financial year, the Company increased its investment in New Silkroutes Capital Pte. Ltd. ("NSCPL"), comprising 37,618,201 ordinary shares of S$1 each and 4,140,192 ordinary shares of US$1 each, at an aggregate cost of US$31,993,079.

(iv) Transfer of equity interest to a subsidiary

During the financial year, the Company transferred its equity interests in International Energy Group Pte. Ltd. ("IEG"), HSI, New Silkroutes Group (Europe) Limited and New Silkroutes Capital Sdn. Bhd. ("NSCSB") to NSCPL at an aggregate cost of US$33,669,894. As NSCSB had been fully impaired, the allowance for impairment of US$3,766,035 was utilised against the cost of investment of US$3,766,035.

Impairment losses

At the end of the reporting period, there are no indications of impairment for the Company's investment in the principal intermediate holding Company, New Silkroutes Capital Pte. Ltd., which holds the oil and gas and healthcare subsidiaries that continue to generate operating profits and cash inflows. As the indications of impairment for the Company's investments in other subsidiaries which have been incurring persistent losses and operating cash outflows continue to exist, the impairment losses are not reversed.

Summarised financial information of subsidiaries with material non-controlling interests

The following Group's subsidiaries have material non-controlling interests, namely, HSI Medical Pte. Ltd. and its subsidiaries ("HSI Medical subgroup") and HSI Dental Pte. Ltd. and its subsidiaries ("HSI Dental subgroup").

Summarised financial information in respect of HSI Medical subgroup and HSI Dental subgroup, which have material non-controlling interests, is set out below. The summarised financial information below represents amounts before intra-group eliminations, and for profit or loss, the amounts included in the Group's results after acquisition.

Summarised statement of financial position

	HSI Dental Subgroup	HSI Medical Subgroup
	US$	US$
30 June 2019		
Current assets	1,868,560	1,799,320
Non-current assets	331,775	51,488
Current liabilities	(833,548)	(820,133)
Non-current liabilities	(183,929)	-
Equity attributable to owners of the Company	786,975	599,220
Non-controlling interests	395,883	431,455
30 June 2018		
Current assets	1,711,099	-
Non-current assets	4,697,939	-
Current liabilities	(996,277)	-
Non-current liabilities	(154,557)	-
Equity attributable to owners of the Company	4,738,272	-
Non-controlling interests	519,932	-
1 July 2017		
Current assets	964,500	-
Non-current assets	370,712	-
Current liabilities	(801,497)	-
Non-current liabilities	-	-
Equity attributable to owners of the Company	347,265	-
Non-controlling interests	186,450	-

Summarised statement of profit or loss and other comprehensive income

	HSI Dental Subgroup	HSI Medical Subgroup
	US$	US$
2019		
Revenue	5,737,524	5,701,929
Expenses	(5,352,036)	(4,090,979)
Profit for the year, representing total comprehensive income for the year	385,488	1,610,950
Attributable to:		
- owners of the Company	249,007	932,814
- non-controlling interests	136,481	678,136
	385,488	1,610,950
2018		
Revenue	5,208,833	-
Expenses	(4,857,429)	-
Profit for the year, representing total comprehensive income for the year	351,404	-
Attributable to:		
- owners of the Company	209,974	-
- non-controlling interests	141,430	-
	351,404	-

Other summarised financial information

	HSI Dental Subgroup	HSI Medical Subgroup
	US$	US$
2019		
Dividends paid to the non-controlling interest	(134,887)	(365,261)
Net cash inflow from operating activities	93,829	1,613,585
Net cash outflow from investing activities	(40,580)	(3,629)
Net cash (outflow) from financing activities	(288,600)	(365,261)
Net cash (outflow)/inflow for the year	(235,351)	1,244,695
2018		
Net cash inflow from operating activities	764,840	-
Net cash outflow from investing activities	(121,804)	-
Net cash outflow from financing activities	(125,939)	-
Net cash inflow for the year	517,097	-

Details of the Group's significant subsidiaries are as follows:

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held		
			30 June 2019	30 June 2018	1 July 2017
			%	%	%
Held by the Company					
New Silkroutes Capital Pte. Ltd. (1)	Investment holding	Singapore	100	100	100
Digiland Pty. Ltd. (3)	Dormant	Australia	-	100	100
Digiland (Hong Kong) Limited (3)	Dormant	Hong Kong	-	99.9	99.9
Top Post Enterprises Limited (3)	Investment holding (inactive)	British Virgin Islands	-	100	100
Held by New Silkroutes Capital Pte. Ltd.					
International Energy Group Pte. Ltd. (1)	Trading of petrochemical products	Singapore	100	100	100*
New Silkroutes Group (Europe) Limited (3)	Investment holding	Malta	100	100	100*
Healthsciences International Pte. Ltd. (1)	Distributors of health supplements and Chinese proprietary medicine, providers of clinical management services, and healthsciences consultants	Singapore	81.28	75.41	69.35*
Grand Wood Group Limited (3)	Investment holding	British Virgin Islands	100	100	100
HSI Asia Pte. Ltd. (3)	Investment holding	Singapore	100	-	-
HSI Specialists Pte. Ltd. (3)	Investment holding	Singapore	100	-	-
Shanghai Fengwei Garment Accessory Co., Ltd. (2)	Manufacture of non-woven fabric	People's Republic of China	100	-	-
Held by New Silkroutes Group (Europe) Limited					
IEG Malta Limited (2)	Wholesale and retail trading of crude oil, intermediate fuel oil and other distillates	Malta	90	90	90

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held		
			30 June 2019	30 June 2018	1 July 2017
			%	%	%
Held by Top Post Enterprises Limited					
Baling (China) Investment Limited [3]	International trading of natural resources, including iron ore, coal, coke and precious metal (inactive)	Hong Kong	-	99.97	99.97
Held by Grand Wood Group Limited					
New Silkroutes Capital, LLC [3]	Asset management services (inactive)	United States of America	-	70	70
Held by Healthsciences International Pte. Ltd.					
Liangyue (Shanghai) Business Consulting Co., Ltd. [3]	Business, management and investment consultancy	People's Republic of China	100	100	-
HSI Dental Pte. Ltd. [1]	Investment holding	Singapore	100	100	100
HSI Medical Pte. Ltd. [1]	Investment holding	Singapore	100	100	-
Held by HSI Dental Pte. Ltd.					
Crescent Dental Clinic Pte. Ltd. [1]	Dental services	Singapore	70	70	70
Dentaltrendz JP Pte. Ltd. [1]	Dental services	Singapore	70	70	70
Trendz Dental Surgeons Pte. Ltd. [1]	Dental services	Singapore	70	70	70
L'ving Vine Dental Clinic Pte. Ltd. [1]	Dental services	Singapore	70	70	70
Dover Dental Surgery Pte. Ltd. [1]	Dental services	Singapore	70	70	70
Dentaltrendz Pte. Ltd. [1]	Management services	Singapore	70	70	70
Orange Orthodontics and Dentofacial Orthopaedics Pte. Ltd. [1]	Dental services	Singapore	51	51	51
Greedygums Pte. Ltd. [1]	Medical and dental supplies	Singapore	51	51	51

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held		
			30 June 2019	30 June 2018	1 July 2017
			%	%	%
Held by HSI Dental Pte. Ltd.					
Wren Dental and Medical Supplies Pte. Ltd. (1)	Medical and dental supplies	Singapore	51	51	51
84 INC Pte. Ltd. (1)	Dental services	Singapore	70	70	-
The Dental Hub@SG Pte. Ltd. (1)	Dental services	Singapore	70	70	-
NDC Consulting Pte. Ltd. (1)	Dental services	Singapore	70	70	-
Held by HSI Medical Pte. Ltd.					
Dr Chua's Family Clinic Pte. Ltd. (1)	General medical services	Singapore	51	-	-
HL Clinic Pte Ltd (1)	General medical services	Singapore	60	-	-
HL Family Clinic & Surgery (Bedok) Pte. Ltd. (1)	General medical services	Singapore	60	-	-
HK Family Clinic & Surgery Pte. Ltd. (1)	General medical services	Singapore	60	-	-
HL Dermahealth Aesthetic Clinic Pte. Ltd.(1)	Aesthetic clinic	Singapore	60	-	-
Lily Aw Medical Services Pte Ltd (1)	General medical services	Singapore	60	-	-
Held by HSI Specialists Pte. Ltd.					
HSI Cardiology Pte. Ltd. (3)	Specialised medical services	Singapore	100	-	-
Held by international Energy Group Pte. Ltd.					
Century Master Pte. Ltd. (1)	Investment holding	Singapore	100	19	-
Held by Century Master Pte. Ltd.					
TXZ Tankers Pte. Ltd. (1)	Chartering of ships	Singapore	100	-	-

* These companies were held directly by the Company as at 1 July 2017
(1) Audited by Deloitte & Touche LLP, Singapore
(2) Audited by member firms of Deloitte Touche Tohmatsu Limited for the purpose of the consolidated financial statements
(3) Not required to be audited

6 OTHER RELATED PARTY TRANSACTIONS

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

	2019	2018
	US$	US$
Interest expenses on loans [a]	-	(2,235)
Consultancy and service fees [b]	-	(249,450)
Rental [c]	(88,602)	-

[a] Arises from loans amounting to S$400,000 (US$288,880) as at 30 June 2018 obtained by Healthsciences International Pte. Ltd. ("HSI") from a company owned by a non-controlling shareholder of HSI and a former director of the Company. Interest is charged at 10% per annum.

[b] Relates to the consultancy and services rendered by a company owned by a former director of the Company, to International Energy Group Pte. Ltd.

[c] Relates to rental expenses amounting to US$88,602 for the year ended 30 June 2019 by Shanghai Fengwei Garment Accessory Co., Ltd ("SHFW") to a company owned by a substantial shareholder of the Company.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2019	2018
	US$	US$
Short-term benefits	2,092,064	1,840,819
Post-employment benefits	70,433	65,815
	2,162,497	1,906,634

Included in the above is remuneration to directors of the Company amounting to US$1,250,566 (2018: US$1,173,957), excluding directors' fee which is disclosed in Note 25 to the financial statements.

7 CASH AND BANK BALANCES

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Cash on hand	63,766	21,660	16,294	2,185	7,223	8,864
Cash in bank	17,841,545	32,740,503	30,736,866	212,816	5,980,078	242,521
	17,905,311	32,762,163	30,753,160	215,001	5,987,301	251,385
Fixed deposits pledged	451,239	121,010	116,731	-	-	-
	18,356,550	32,883,173	30,869,891	215,001	5,987,301	251,385

At the end of the reporting period, the fixed deposits of US$451,239 (2018: US$121,010; 1 July 2017: US$ 116,731) for the Group were pledged to bank to secure bank loans and bank overdrafts (Note 19).

The fixed deposits has a weighted average maturity of 1.9 month (2018: 3.4 months; 1 July 2017: 4.8 months) from the end of the reporting period with a weighted average effective interest rate of 0.60% (2018: 0.18%; 1 July 2017: 0.15%) per annum at the end of the reporting period.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Group	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$
Cash and bank balances and fixed deposits	18,356,550	32,883,173	30,869,891
Less: Bank overdrafts (Note 19)	-	(279,497)	(378,895)
Less: Cash restricted in use	(11,084,347)	(20,509,572)	(23,793,508)
Less: Fixed deposits pledged	(451,239)	(121,010)	(116,731)
	6,820,964	11,973,094	6,580,757

Cash restricted in use relates to funds held in designated bank accounts which are earmarked only for the purposes of letters of credit.

8 TRADE AND OTHER RECEIVABLES

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Trade receivables from:						
Third parties	23,234,161	9,550,163	15,116,471	-	15,478	206,509
Former related party	-	-	10,037	-	-	10,037
Subsidiaries	-	-	-	-	-	4,027,170
	23,234,161	9,550,163	15,126,508	-	15,478	4,243,716
Less: Loss allowance						
Third parties	(217,596)	-	(197,159)	-	-	(197,159)
Subsidiaries	-	-	-	-	-	(4,027,170)
	(217,596)	-	(197,159)	-	-	(4,224,329)
	23,016,565	9,550,163	14,929,349	-	15,478	19,387
Other receivables from:						
Former related party	2,620,873	2,614,119	2,616,801	6,754	-	-
Related parties	219,935	-	-	-	-	-
Subsidiaries	-	-	-	5,199,736	6,475,877	8,822,728
Loans to subsidiaries	-	-	-	646,661	734,487	2,231,342
Prepaid lease	2,325,406	-	-	-	-	-
Refundable deposits and accrued interest	-	-	3,669,996	-	-	-
Deposits	428,935	366,457	492,802	-	89,676	294,456
Consideration receivables	2,611,050	2,800,000	3,490,191	2,611,050	2,800,000	3,490,191
Margin and hedge accounts	657,753	2,564,250	489,751	-	-	-
Payments on behalf for vessel	-	7,464,823	-	-	-	-
Other receivables	2,736,990	619,136	1,121,517	-	6,960	-
	11,600,942	16,428,785	11,881,058	8,464,201	10,107,000	14,838,717
Less: Loss allowance	(832,975)	(32,975)	(293,016)	(1,359,102)	(2,594,112)	(3,657,907)
	10,767,967	16,395,810	11,588,042	7,105,099	7,512,888	11,180,810
Total trade and other receivables	33,784,532	25,945,973	26,517,391	7,105,099	7,528,366	11,200,197
Represented by:						
Current	30,370,013	24,045,973	26,517,391	6,205,099	5,628,366	11,200,197
Non-current	3,414,519	1,900,000	-	900,000	1,900,000	-
	33,784,532	25,945,973	26,517,391	7,105,099	7,528,366	11,200,197

Trade receivables

Credit periods generally range from 29 to 60 days (2018: 29 to 60 days). Loss allowance for trade receivables is measures at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix.

	Group				
	Trade receivables – days past due				
30 June 2019	**Not past due**	**<30 days**	**31 – 90 days**	**> 90 days**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Estimated total gross carrying amount at default	9,976,665	9,344,345	1,343,473	2,569,678	23,234,161
Lifetime ECL	-	-	-	(217,596)	(217,596)
					23,016,565

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

Group	**30 June 2019**
	US$
Balance as at 1 July 2018	-
Acquisition of subsidiaries	242,899
Change in loss allowance	(25,303)
Balance as at 30 June 2019	217,596

Previous accounting policy for impairment of trade receivables

The ageing analysis of trade receivables was as follows:

	30 June 2018	
	Gross	Impairment
	US$	US$
Group		
Not past due	1,508,631	-
Past due 1 to 30 days	7,562,965	-
Past due 31 to 60 days	84,725	-
Past due 61 to 90 days	102,496	-
Past due 91 to 120 days	34,066	-
Past due 121 to 365 days	217,124	-
Past due more than 365 days	40,156	-
	9,550,163	-
Company		
Not past due	15,478	-
Past due more than 365 days	-	-
	15,478	-

Other receivables

The non-trade amounts due from subsidiaries, which represent advances to and payments on behalf of the subsidiaries, are unsecured, interest-free and repayable on demand.

(i) Other receivables from former related party

The former related party is a company wholly-owned by a former director of the Company. It relates to advances and payments on behalf of the former related party in respect of oil trades and purchases of fuel oil, and is unsecured, interest-free and repayable on demand.

The Group has made a legal claim against the former related party to seek payment of the outstanding amounts, as well as interest and legal costs.

(ii) Prepaid lease

Prior to the acquisition of SHFW, there was an amount owing to a related party. Upon acquisition, the Company entered into an agreement with a related party and the amount from a related party will be used to offset against the rental payable under the lease agreement.

(iii) Consideration receivables

Consideration receivables comprise the outstanding amounts of US$3,475,747 arising from the disposal of subsidiaries, in 2017 and 2016.

On 13 March 2018, the Company agreed with the buyer on the full and final settlement of all claims, in which US$3,200,000 would be paid, comprising US$400,000 within seven days from date of settlement agreement, US$900,000 by 31 December 2018, US$1,000,000 by 31 December 2019 and US$900,000 by 31 December 2020. Accordingly, an amount of US$275,747 was recognised in profit or loss to write off the difference between the outstanding amount and the final settlement amount. As at 30 June 2019, US$2,611,050 remains outstanding.

Management has assessed the effect of discounting of the non-current portion of the receivables to be insignificant.

(iv) Payments on behalf for vessel

In 2018, payments were made on behalf of TXZ Tankers Pte. Ltd. ("TXZ"), a wholly-owned subsidiary of Century Master Pte. Ltd., in which the Group's subsidiary, International Energy Group Pte. Ltd., holds a 19% equity interest, for the purchase of a vessel. The vessel was registered in the name of TXZ on 20 April 2018. The amounts relate to the price of the vessel, the bunkers and oils on board the vessel, and other miscellaneous costs relating to the purchase. In 2019, Century Master Pte. Ltd. became a subsidiary of the Company.

For purpose of impairment assessment, other receivables considered to be recoverable as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition apart for those which loss allowance has been recognised. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses.

In determining the ECL, Management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The following table shows the movement in ECL that has been recognised for other receivables.

Group	30 June 2019
	US$
Balance as at 1 July 2018	32,975
Adoption of SFRS(I) 9 (Note 33)	800,000
Balance as at 1 July 2018 (adjusted) and 30 June 2019	832,975

Previous accounting policy for impairment of other receivables

There are no other receivables and deposit which are past due but not impaired.

The movement in allowance for impairment losses in respect of amounts due from subsidiaries is as follows:

Company	30 June 2018
	US$
At beginning of year	7,425,037
Allowance made	837,302
Allowance utilized	(5,731,433)
Exchange difference on translation	63,206
At end of year	2,594,112

The allowance for impairment losses related to amounts due from subsidiaries which had been incurred persistent losses and operating cash outflows. Accordingly, an additional allowance of US$837,302 (2017: US$81,307) was made by the Company to impair the amounts due from these subsidiaries as at 30 June 2018.

9 CONTRACT ASSETS

Contract assets are initially recognised for revenue earned from physical oil trades. Upon completion of trades and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. There were no significant changes in the contract asset balances during the reporting period.

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the energy industry. None of the amounts due from customers at the end of the reporting period is past due and no loss allowance is recognised.

10 PREPAYMENTS

As at 30 June 2018, prepayments mainly relate to US$1,100,000 for the purchase of fuel oil and US$1,596,341 for freight charges.

As at 30 June 2019, prepayments mainly relate to US$335,886 for the purchase of raw materials and US$324,408 for freight charges.

11 INVENTORIES

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Raw materials	928,929	-	-	-	-	-
Finished goods	489,627	-	-	-	-	-
IT products	-	-	23,392	-	-	23,392
Medical products and supplies	343,183	90,870	60,028	-	-	-
Trading stocks of oil products	149,883	14,218,273	5,207,094	-	-	-
	1,911,622	14,309,143	5,290,514	-	-	23,392
Less: Allowance for inventories obsolescence	(256,424)	-	(23,392)	-	-	(23,392)
	1,655,198	14,309,143	5,267,122	-	-	-

Allowance for inventories obsolescence was brought forward from a subsidiary acquired during the year. The cost of inventories recognised as expense and included in purchases of finished goods and changes in inventories of finished goods amounted to US$589,237,507 (2018: US$682,326,189).

12 DERIVATIVE FINANCIAL INSTRUMENTS

Group	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$
Derivative financial (liabilities)/assets at fair value through profit or loss:			
- oil commodity futures	-	(882,325)	136,425
- interest rate cap	(5,101)	-	-
	(5,101)	(882,325)	136,425

The interest rate cap protects against increases in interest rates by capping the maximum rate payable when the floating interest rate (Singapore Swap Offer Rate) exceeds the cap. The Group received the difference between the capped rate of 1.5% and the floating rate. The nominal amount of the contract was US$2,393,160.

The interest rate cap is not designated as a hedge instrument for a specific borrowing and changes in fair values are recorded in the profit or loss.

13 PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings	Medical and other equipment	Computers	Furniture, fittings and renovations	Office equipment	Motor vehicles	Vessel	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Cost:								
At 1 July 2017	-	288,357	179,621	107,012	76,163	-	-	651,153
Additions	-	92,964	37,063	179,998	-	-	-	310,025
Write-offs	-	(26,266)	(97,686)	(15,179)	(19,165)	-	-	(158,296)
Acquisition of subsidiaries	-	298,087	589	119,492	-	-	-	418,168
Exchange difference on translation	-	13,742	946	3,925	789	-	-	19,402
At 30 June 2018	-	666,884	120,533	395,248	57,787	-	-	1,240,452
Additions	-	65,261	8,121	111,981	17,133	21,230	-	223,726
Write-offs	-	(33,142)	(31,488)	(184,174)	(51,789)	(21,230)	-	(321,823)
Acquisition of subsidiaries	786,481	1,624,395	11,213	87,640	16,632	77,260	7,045,597	9,649,218
Exchange difference on translation	(10,825)	(77,115)	(1,456)	(4,753)	(84)	(561)	-	(94,794)
At 30 June 2019	775,656	2,246,283	106,923	405,942	39,679	76,699	7,045,597	10,696,779
Accumulated depreciation:								
At 1 July 2017	-	1,542	142,681	45,458	40,328	-	-	230,009
Depreciation	-	92,346	24,904	56,821	12,049	-	-	186,120
Write-offs	-	(6,649)	(97,686)	(14,422)	(19,165)	-	-	(137,922)
Exchange difference on translation	-	(272)	83	(1)	74	-	-	(116)
At 30 June 2018	-	86,967	69,982	87,856	33,286	-	-	278,091
Depreciation	37,233	330,211	36,689	154,107	18,327	62,206	178,852	817,625
Write-offs	-	(19,391)	(31,483)	(176,578)	(50,930)	(20,381)	-	(298,763)
Exchange difference on translation	(9,935)	(55,665)	(207)	1,745	624	(610)	-	(64,048)
At 30 June 2019	27,298	342,122	74,981	67,130	1,307	41,215	178,852	732,905
Carrying amount:								
At 30 June 2019	748,358	1,904,161	31,942	338,812	38,372	35,484	6,866,745	9,963,874
At 30 June 2018	-	579,917	50,551	307,392	24,501	-	-	962,361
At 1 July 2017	-	286,815	36,940	61,554	35,835	-	-	421,144

Included in changes in inventories of finished goods is depreciation of US$68,117 (2018: US$Nil).

Company

	Computers	Furniture, fittings and renovations	Office equipment	Total
	US$	US$	US$	US$
Cost:				
At 1 July 2017	102,541	14,543	36,313	153,397
Additions	6,068	-	-	6,068
Write-offs	(97,686)	(14,034)	(19,165)	(130,885)
At 30 June 2018	10,923	509	17,148	28,580
Additions	-	-	-	-
Write-offs	(6,068)	-	-	(6,068)
At 30 June 2019	4,855	509	17,148	22,512
Accumulated depreciation:				
At 1 July 2017	99,573	14,543	28,821	142,937
Depreciation	8,026	-	3,332	11,358
Write-offs	(97,686)	(14,034)	(19,165)	(130,885)
At 30 June 2018	9,913	509	12,988	23,410
Depreciation	1,010	-	2,762	3,772
Write-offs	(6,068)	-	-	(6,068)
At 30 June 2019	4,855	509	15,750	21,114
Carrying amount:				
At 30 June 2019	-	-	1,398	1,398
At 30 June 2018	1,010	-	4,160	5,170
At 1 July 2017	2,968	-	7,492	10,460

At the end of the reporting period, the carrying amount of the Group's and the Company's plant and equipment held under finance leases (Note 19) comprised medical and office equipment of US$34,189 (2018: US$3,961) and US$Nil (2018: US$1,141) respectively.

14 INTANGIBLE ASSETS

Group	Goodwill	Customer relationship	Development costs	Service right	Trademark	Total
	US$	US$	US$	US$	US$	US$
Cost:						
At 1 July 2017	3,323,831	11,930	1,543,862	-	-	4,879,623
Acquisition of subsidiaries (Note 5)	1,618,091	-	-	89,016	-	1,707,107
Exchange difference on translation	103,356	-	365	1,343	-	105,064
At 30 June 2018	5,045,278	11,930	1,544,227	90,359	-	6,691,794
Acquisition of subsidiaries (Note 5)	13,526,130	261,666	-	-	329,990	14,117,786
Exchange difference on translation	(218,415)	-	(178)	(2,673)	-	(221,266)
At 30 June 2019	18,352,993	273,596	1,544,049	87,686	329,990	20,588,314
Accumulated amortisation:						
At 1 July 2017	-	11,930	77,193	-	-	89,123
Amortisation	-	-	154,386	19,119	-	173,505
Exchange difference on translation	-	-	14	(96)	-	(82)
At 30 June 2018	-	11,930	231,593	19,023	-	262,546
Amortisation	-	13,083	154,386	27,982	32,999	228,450
Exchange difference on translation	-	-	(24)	(854)	-	(878)
At 30 June 2019	-	25,013	385,955	46,151	32,999	490,118
Carrying amount:						
At 30 June 2019	18,352,993	248,583	1,158,094	41,535	296,991	20,098,196
At 30 June 2018	5,045,278	-	1,312,634	71,336	-	6,429,248
At 1 July 2017	3,323,831	-	1,466,669	-	-	4,790,500

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 2019	**30 June 2018**	**1 July 2017**
	US$	**US$**	**US$**
Cash-generating units			
Healthsciences International Pte. Ltd ("HSI")	1,051,957	1,051,957	1,051,957
HSI Dental [(i)]	3,875,226	3,993,321	2,271,874
HSI Medical	7,994,770	-	-
Shanghai Fengwei Garment Accessory Co., Ltd	5,431,040	-	-
	18,352,993	5,045,278	3,323,831

[(i)] Including Trendz, Orange and TDH CGUs

For the financial year ended 30 June 2019

For HSI and HSI Dental sub-group, the recoverable amounts of the CGUs are determined by management are based on value-in-use ("VIU") calculations using five year cash flow forecasts. The key assumptions include revenue growth and pre-tax discount rates of 5% and 9.3% respectively, with nil terminal growth rate.

For HSI Medical sub-group, the VIU calculation is based on the five year forecast of the Target Annual Audited Net Profit After Tax ("NPAT") at a pre-tax discount rate of 9.3% with nil terminal growth rate.

Shanghai Fengwei's VIU calculation is determined based on cash flow projections covering a five year period using an average growth rate of 9%, pre-tax discount rate of 10.97% and a terminal growth rate of 3%.

For the financial year ended 30 June 2018

For HSI and HSI Dental sub-group, the recoverable amounts of the CGUs were determined from value in use calculations based on cash flow projections from approved financial budgets and forecasts covering a five-year period. Revenue is assumed to grow at 5% annually. The cash flows for the subsequent years are extrapolated from the fifth year cash flow using nil growth rate, and discounted using a pre-tax discount rate of 18.1%.

For the financial year ended 30 June 2017

For HSI, the recoverable amount of the CGU was determined from value in use calculations based on cash flow projections from formally approved financial budgets and forecasts covering a five-year period. Revenue growth rate is 10%, terminal growth rate is 1.9%, while pre-tax discount rate is 22.0%.

The discount rate reflects current market assessment of the time value of money and the risks specific to the CGU. The growth rate used was based on historical growth and past experience and did not exceed the long-term average growth rate for the business in which the CGU operates.

The recoverable amounts have been determined to be higher than the carrying amounts of the CGUs, and thus no impairment is required.

15 AVAILABLE-FOR-SALE INVESTMENTS/FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Group	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$
Unquoted equity security, at fair value	19,736,505	21,672,521	14,090,000

At the end of the reporting period, the Group has 4.534% (2018: 4.534%) equity interest in Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC") of US$19,736,505 (2018: US$21,672,520); 1 July 2017: US$ 14,090,0000).

On 26 June 2018, the Group entered into a debt repayment agreement with a company owned by a former director of the company, pursuant to which the refundable deposits and accrued interest of US$3,669,996 and prepayments of US$4,900,000, amounting to US$8,569,996 in total, were repaid in full by way of the transfer of 857,000 ordinary shares in the capital of Thai GNCC at the price of approximately US$10 per share from Tianjin GNCC to the Group's wholly-owned subsidiary, International Energy Group Pte. Ltd. ("IEG"). The share transfer agreement was made between Tianjin GNCC and IEG on 30 June 2018.

Consequently, the total investment in Thai GNCC became 4.534%, and the cost of the investment in Thai GNCC became US$22,659,996 as at 30 June 2018 before recognising any fair value changes.

Management has engaged a firm of independent professional valuers to carry out valuation of Thai GNCC. In determining the fair value of Thai GNCC, the valuers used the income approach. Based on the valuation of US$435,268,000 (2018: US$478,000,000), the 4.534% equity interest in Thai GNCC held by the Group was determined to be US$19,736,505 (2018: US$21,672,520). Accordingly, a fair value loss of US$1,936,016 (2018: US$987,476) was recognised in other comprehensive income.

16 DEFERRED TAXATION

Group	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$
At beginning of year	(349,678)	(412,678)	-
Acquisition of subsidiaries (Note 5)	(366,471)	-	(268,898)
Recognised in profit or loss (Note 28)	247,631	63,000	(143,780)
At end of year	(468,518)	(349,678)	(412,678)
Comprising:			
Deferred tax assets	199,176	36,755	-
Deferred tax liabilities	(667,694)	(386,433)	(412,678)
	(468,518)	(349,678)	(412,678)

Deferred tax assets/(liabilities) are attributable to the following:

Group	Unused tax losses	Fair value adjustments on acquisition of subsidiaries	Unremitted interest income	Total
	US$	US$	US$	US$
At 1 July 2017	-	(248,371)	(164,307)	(412,678)
Recognised in profit or loss (Note 28)	36,755	26,245	-	63,000
At 30 June 2018	36,755	(222,126)	(164,307)	(349,678)
Acquisition of subsidiaries (Note 5)	-	(366,471)	-	(366,471)
Recognised in profit or loss (Note 28)	162,421	85,210	-	247,631
At 30 June 2019	199,176	(503,387)	(164,307)	(468,518)

At the end of the reporting period, the Group and the Company have deferred tax assets that are not recognised in the statements of financial position, as follows:

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Unused tax losses	34,538,778	54,311,704	53,092,745	34,538,778	37,128,807	35,693,642
Unutilised capital allowances	-	114,000	114,000	-	-	-
	34,538,778	54,425,704	53,206,745	34,538,778	37,128,807	35,693,642
Deferred tax assets not recognised	5,871,592	10,193,853	9,949,875	5,871,592	6,311,879	6,067,919

The unused tax losses and unutilised capital allowances are allowed to be carried forward and used to offset against the future taxable profits of the Company and its subsidiaries in which the items arose, subject to agreement by the relevant tax authorities and compliance with the applicable tax regulations of the respective countries in which the Company and its subsidiaries operate. The unused tax losses and unutilised capital allowances have no expiry date. Deferred tax assets have not been recognised in respect of these items due to the uncertainty as to whether future taxable profits will be available against which the Company and its subsidiaries can utilise the benefits.

17 TRADE AND OTHER PAYABLES

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Trade payables from:						
Third parties	18,885,627	4,345,579	16,721,673	-	-	-
Subsidiaries	-	-	-	89,587	89,587	89,587
	18,885,627	4,345,579	16,721,673	89,587	89,587	89,587
Other payables from:						
Subsidiaries	-	-	-	175,109	175,109	175,109
Former related party	35,000	35,000	31,777	35,000	35,000	-
Accrued purchases	23,181,921	29,078,259	8,961,028	-	-	-
Accrued operating expenses	715,381	862,898	487,953	210,542	334,656	278,796
Accrued personnel expenses	409,702	358,406	258,796	65,789	267,407	238,629
Consideration payable[i]	5,046,400	-	544,825	1,450,400	-	544,825
Deposits received	-	-	166,363	-	-	-
Other payables	1,567,375	519,117	282,785	66,422	297,763	29,206
	30,955,779	30,853,680	10,733,527	2,003,262	1,109,935	1,266,565
Total trade and other payables	49,841,406	35,199,259	27,455,200	2,092,849	1,199,522	1,356,152
Current	44,795,006	35,199,259	27,455,200	642,449	1,199,522	1,356,152
Non-current	5,046,400	-	-	1,450,400	-	-
	49,841,406	35,199,259	27,455,200	2,092,849	1,199,522	1,356,152

Trade payables are non-interest bearing and are generally settled on 30 to 90 days (2018: 30 to 90 days) credit terms.

The non-trade amounts due to subsidiaries, and former related party, represent advances from and payments on behalf, are unsecured, interest-free and repayable on demand.

(i) Other payables includes an estimated amount of US$3,596,000 being the fair value of the call and put options due to the acquisition of medical clinics (Note 5).

18 CONTRACT LIABILITIES

	Group		
	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$
Advances from customers	-	7,750,404	10,840,996
Deferred income	154,614	66,980	33,637
	154,614	7,817,384	10,874,633

There were no significant changes in the contract liability during the reporting period.

The amount of revenue recognised in the current reporting period which relates to brought-forward contract liabilities is US$7,817,384.

Advances received relate to payments made by customers in advance for the purchase of oil and hedging of oil prices.

Deferred income relates to revenue from healthcare management system services billed in advance for services to be rendered in subsequent periods. Deferred income is amortised on a straight-line basis over the service period in accordance with the terms of the relevant agreements.

19 BORROWINGS

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Non-current						
Obligations under finance leases	25,319	2,283	4,448	-	-	1,539
Loans from financial Institutions	71,283	132,960	196,716	-	-	-
Convertible loan	-	3,736,500	-	-	3,736,500	-
	96,602	3,871,743	201,164	-	3,736,500	1,539
Current						
Obligations under finance leases	8,315	2,778	2,707	-	1,637	1,967
Loans from financial Institutions	22,882,268	14,259,300	8,144,811	-	-	-
Bank overdrafts	-	279,497	378,895	-	-	-
Loans from a former related party	-	-	317,768	-	-	-
Loans from a former Director	-	-	608,165	-	-	608,165
Convertible loan	3,626,000	-	-	3,626,000	-	-
	26,516,583	14,541,575	9,452,346	3,626,000	1,637	610,132
	26,613,185	18,413,318	9,653,510	3,626,000	3,738,137	611,671

Obligations under finance leases

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Minimum lease payments payable:						
Due not later than one year	9,459	2,864	3,028	-	1,722	1,967
Due later than one year and not later than five years	26,593	2,283	4,761	-	-	1,745
	36,052	5,147	7,789	-	1,722	3,712
Less: Finance charges allocated to future periods	(2,418)	(86)	(634)	-	(85)	(206)
Present value of future minimum lease payments	33,634	5,061	7,155	-	1,637	3,506
Present value of minimum lease payments:						
Due not later than one year	8,315	2,778	2,707	-	1,637	1,967
Due later than one year and not later than five years	25,319	2,283	4,448	-	-	1,539
	33,634	5,061	7,155	-	1,637	3,506

As at reporting date, the Group breached a financial covenant for a bank loan from financial institution amounting to US$3,633,361 (2018: US$Nil). Accordingly, the amount was classified as current. Subsequent to the end of the reporting period, the Group has obtained a waiver from financial institution.

The finance leases are on fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance leases are secured by the underlying assets, comprising the Group's and the Company's medical and office equipment with carrying amount of US$34,189 (2018: US$3,961) and US$Nil (2018: US$1,141) respectively.

Convertible loan

On 30 May 2018, the Company entered into a convertible loan facility of up to a maximum amount of S$5,000,000 (2018: US$3,737,000). The convertible loan bears interest at 5% per annum, unless the relevant Singapore swap offer rate for Singapore dollars is greater than 2%, in which case, the interest rate shall be as the lender may determine at its sole discretion. The convertible loan matures two years after the drawdown date. The lender shall have the right at any time on and from 30 days after the drawdown date to convert all or part of the amount into shares in the Company at the conversion price of S$0.60 for each share in the capital of the Company, or as adjusted downwards by a conversion price reset to a minimum of S$0.45.

In June 2018, the Company drew down the entire amount of the convertible loan facility of S$5,000,000 (2018: US$3,737,000). In July 2018, the lender exercised its conversion price reset and the conversion price became S$0.45. Management has assessed that the embedded derivative in respect of the conversion option and reset feature of the convertible loan to be insignificant at the inception date and at the end of the reporting period.

Terms and debt repayment schedule

The terms and conditions of borrowings are as follows:

Group	Currency	Nominal interest rate	Year of maturity	Face value US$	Carrying amount US$
30 June 2019					
Obligations under finance leases	SGD	1.8% to 2.7%	2021 to 2023	34,201	33,634
Loans from financial institutions					
- secured	SGD	2.45% to 12.88%	2019 to 2023	5,426,935	5,426,374
- secured	USD	12%	2019	10,000,000	10,000,000
- secured	CNY	4.35% to 5%	2019 to 2020	7,527,177	7,527,177
				22,954,112	22,953,551
Convertible loan (unsecured)	SGD	5%	2020	3,626,000	3,626,000
				26,614,313	26,613,185
30 June 2018					
Obligations under finance leases	SGD	2.5% to 5.6%	2019 to 2021	5,148	5,061
Loans from financial institutions					
- secured	SGD	2.5% to 12.9%	2019 to 2022	1,032,308	1,032,308
- secured	USD	8% to 12%	2019	13,300,774	13,359,952
				14,333,082	14,392,260
Bank overdrafts (secured)	SGD	5.75%	2019	279,497	279,497
Convertible loan (unsecured)	SGD	5%	2020	3,736,500	3,736,500
				18,354,227	18,413,318

Group	Currency	Nominal interest rate	Year of maturity	Face value US$	Carrying amount US$
1 July 2017					
Obligations under finance leases	SGD	5.1% to 5.6%	2018 to 2021	7,789	7,155
Loans from financial institutions					
- secured	SGD	3% to 11.5%	2018 to 2022	324,185	324,185
- secured	USD	5.5% to 8.3%	2018	8,000,000	8,017,342
				8,324,185	8,341,527
Bank overdrafts					
- secured	SGD	5.8% to 6%	2018	374,108	374,108
- unsecured	SGD	9%	2018	4,787	4,787
				378,895	378,895
Loans from a former related party (unsecured)	SGD	10%	2018	317,768	317,768
Loans from a former director (unsecured)	SGD	5%	2018	608,165	608,165
				9,636,802	9,653,510

Company	Currency	Nominal interest rate	Year of maturity	Face value US$	Carrying amount US$
30 June 2019					
Convertible loan (unsecured)	SGD	5%	2020	3,626,000	3,626,000
30 June 2018					
Obligations under finance leases	SGD	5.6%	2018	1,722	1,637
Convertible loan (unsecured)	SGD	5%	2020	3,736,500	3,736,500
				3,738,222	3,738,137
1 July 2017					
Obligations under finance leases	SGD	5.6%	2019	3,712	3,506
Loans from a former director (unsecured)	SGD	5%	2018	608,165	608,165
				611,877	611,671

Loans from financial institutions and bank overdrafts are secured by the following:

(i) charges over certain of the Group's inventories;
(ii) charges over one of the Group's bank account (which is in an overdraft position);
(iii) fixed deposits of the Group (Note 7);
(iv) corporate guarantees by the Company and related parties;
(v) charges over shares of certain subsidiaries of the company;
(vi) personal guarantee from directors of subsidiaries; and/or
(vii) pledge over a related party's land

The fair values are determined from the discounted cash flow analyses, using the discount rates based upon the borrowing rates which the directors expect would be available to the Group at the end of the reporting period, as follows:

	Group			Company		
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
	%	**%**	**%**	**%**	**%**	**%**
Obligations under finance leases	5.1	5.1	5.6	-	-	5.6
Convertible loan	-	5.25	-	-	5.25	-
Loans from financial institutions	5.25	5.25	5.4	-	-	-

20 SHARE CAPITAL

Group and Company	2019	2018	2019	2018
	Number of ordinary shares		**US$**	**US$**
Issued and fully paid with no par value				
At beginning of year	167,642,695	146,044,287	78,076,108	71,178,899
Issue of shares				
- Placement	43,687,720	14,431,818	9,312,464	4,813,370
- Acquisition of subsidiaries	-	7,159,090	-	2,081,856
- Consultancy fees	-	-	-	-
- Exercise of warrants	578,454	7,500	153,835	1,983
- Expiry of warrants	-	-	640,323	-
At end of year	211,908,869	167,642,695	88,182,730	78,076,108

On 1 November 2017 and 8 March 2018, the Company completed the placement and issue of 3,068,182 and 11,363,636 new ordinary shares at an issue price of S$0.44 per share for S$1,350,000 (US$993,870) and S$5,000,000 (US$3,819,500), respectively.

On 30 October 2017, the Group completed the acquisition of the TDH companies for an aggregate consideration of S$2,827,841 (US$2,081,856), through the issue of 7,159,090 shares based on the Company's closing bid share price of S$0.395 on 30 October 2017 (Note 5).

During the financial year ended 30 June 2018, 7,500 warrants were exercised and converted into ordinary shares in the capital of the Company, for a consideration of S$2,250 (US$1,657). Accordingly, the total amount of US$1,983 (including the related balance of US$326 in warrants reserve) was transferred to share capital.

On 28 September 2018 and 20 February 2019, the Company completed the placement and issue of 8,600,000 and 35,087,720 new ordinary shares at an issue price of S$0.30 and S$0.285 per share for S$2,580,000 (US$1,885,464) and S$10,000,000 (US$7,427,000) respectively.

During the financial year ended 30 June 2019, 578,454 warrants were exercised and converted into ordinary shares in the capital of the Company, for a consideration of S$173,536 (US$128,677). Accordingly, the total amount of US$153,835 (including the related balance of US$25,158 in warrants reserve) was transferred to share capital. All remaining warrants expired during the year.

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.

21 TREASURY SHARES

	2019	2018	2019	2018
Group and Company	Number of ordinary shares		US$	US$
Issued and fully paid with no par value				
At beginning of year	3,444,200	1,481,100	(862,540)	(509,526)
Acquired during the year	-	2,955,400	-	(694,384)
Sale during the year	-	(992,300)	-	341,370
At end of year	3,444,200	3,444,200	(862,540)	(862,540)

The Company acquired 2,955,400 of its own shares through purchase on the SGX-ST during the financial year ended 30 June 2018. The total amount paid to acquire the shares was S$919,837 (US$694,384) and had been deducted from shareholders' equity. The shares were held as "treasury shares".

The Company sold 992,300 of its own shares for an aggregate amount of S$437,585 (US$317,731) during the financial year ended 30 June 2018. The cost of the treasury shares was reversed from the treasury shares account, and the realised loss of US$23,639 was recognised in the capital reserve of the Company.

22 OTHER RESERVES

	Group			Company		
	30 June 2019	30 June 2018	1 July 2017	30 June 2019	30 June 2018	1 July 2017
	US$	US$	US$	US$	US$	US$
Foreign currency translation reserve	(148,030)	35,016	-	-	-	-
Warrant reserve	-	665,481	665,807	-	665,481	665,807
Capital reserve	44,857	44,857	68,496	44,857	44,857	68,496
Fair value reserve	(2,923,492)	(987,476)	-	-	-	-
Other reserve (Notes 5 and 17)	(3,596,000)	-	-	-	-	-
	(6,622,665)	(242,122)	734,303	44,857	710,338	734,303

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the presentation currency.

Warrant reserve

Warrant reserve relates to the portion of proceeds from the rights shares issue ascribed to the attached warrants. As and when the warrants are exercised, the related balance in the warrant reserve is transferred to the share capital account. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.30. The warrants expired on 29 March 2019. The balance in the warrant reserve was transferred to share capital.

Capital reserve

This represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on winding-up) may be made in respect of this reserve.

Fair value reserve

Fair value reserve comprises the cumulative net change in the financial asset at fair value through other comprehensive income (Note 15).

Other reserve

Other reserve represents the net present value of the call and put options liability (Note 5).

23 REVENUE

Group	2019	2018
	US$	US$
Sale of goods at a point in time		
- Oil products	582,747,671	686,128,857
- Healthcare products	9,446,829	-
	592,194,500	686,128,857
Rendering of services over time		
- Freight services	966,908	-
- Healthcare services	11,859,523	6,403,572
	12,826,431	6,403,572
	605,020,931	692,532,429

24 OTHER INCOME

Group	2019	2018
	US$	US$
Demurrage income	11,065	1,142,740
Foreign exchange gain, net	-	5,383
Gain on disposal of an associate	-	301,327
Government grants	132,917	57,133
Interest income from		
- bank balances	13,747	4,310
- fixed deposits	633	561
- late payment by customers	225,762	-
	240,142	4,871
Miscellaneous income	430,128	114,378
	814,252	1,625,832

25 EMPLOYEE BENEFITS EXPENSE

Group	2019	2018
	US$	US$
Salaries, wages and bonuses	8,380,936	5,993,650
Contributions to defined contribution plans	492,121	288,660
Other short-term employee benefits	335,853	68,803
	9,208,910	6,351,113
Key management personnel compensation:		
Salaries, wages and bonuses	2,092,064	1,840,819
Contributions to defined contribution plans	70,433	65,815
	2,162,497	1,906,634
Comprising:		
Directors of the Company	1,250,566	1,173,957
Directors of subsidiaries	-	244,385
Other key management personnel	911,931	488,292
	2,162,497	1,906,634

26 OTHER OPERATING EXPENSES

Group	2019	2018
	US$	US$
Advertising expenses	48,728	-
Bank charges	147,512	131,944
Consultancy fees	109,790	187,385
Foreign exchange loss, net	109,507	-
General expenses	725,783	581,895
Legal, professional fees and other charges	1,275,571	1,940,468
Listing expenses	114,317	93,262
Loss on disposal of subsidiaries	293,877	-
Operating lease expenses	1,317,046	1,093,813
Trade and other receivables written off	333	1,176,860
Travelling expenses	153,528	225,565
Vessel maintenance	30,484	-
Audit fees paid/payable to:		
- auditor of the Company	207,407	162,947
- other auditors	4,478	4,010
Non-audit fees paid/payable to:		
- auditor of the Company	10,992	13,370
Reversal of impairment losses on trade receivables	(25,303)	-
	4,524,050	5,611,519

27 FINANCE COSTS

Group	2019 US$	2018 US$
Interest expenses on:		
- bank overdrafts	4,881	19,799
- convertible loan	184,542	6,756
- finance leases	1,273	309
- letters of credit	842,511	620,101
- loans from financial institutions	1,782,433	1,031,219
- others	235	3,906
	2,815,875	1,682,090

28 TAXATION

Group	2019 US$	2018 US$
Current taxation		
- current year	399,886	52,370
- changes in estimates related to prior years	98,083	-
	497,969	52,370
Deferred taxation (Note 16)		
- origination and reversal of temporary differences	(247,631)	(63,000)
	(247,631)	(63,000)
	250,338	(10,630)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the applicable rate of income tax on losses as a result of the following:

Group	2019 US$	2018 US$
Profit/(Loss) before taxation	356,885	(2,971,168)
Tax at statutory rates applicable to different jurisdictions	375,850	(656,414)
Tax effect of expenses that are not deductible	601,285	510,214
Tax effect of income that is not taxable	(429,566)	(1,190)
Income tax rebates and incentives	(134,066)	(80,973)
Deferred tax assets on temporary differences not recognised	-	243,978
Utilisation of deferred tax assets on temporary differences previously not recognised	(86,000)	-
Deferred tax liabilities relating to fair value adjustments on acquisition of subsidiaries	(85,210)	(26,245)
Changes in estimates of current taxation related to prior years	98,083	-
Changes in estimates of deferred taxation related to prior years	(162,421)	-
Others	72,383	-
	250,338	(10,630)

Singapore

The corporate income tax rate applicable to the Company and its Singapore incorporated subsidiaries is 17% (2018: 17%) for the financial year ended 30 June 2019.

Malta

The corporate income tax rate applicable to IEG Malta Limited is 35% (2018: 35%) for the financial year ended 30 June 2019.

People's Republic of China ("PRC")

In accordance with the Enterprise Income Tax ("EIT") Law of the PRC, the PRC subsidiaries are subject to the applicable EIT rate of 25% (2018: 25%) for the financial year ended 30 June 2019.

Non-deductible expenses mainly relate to those of investment holding companies.

29 LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the loss attributable to the ordinary shareholders of the Company of US$684,625 (2018: US$3,124,354) and a weighted average number of ordinary shares outstanding of 183,443,648 (2018: 155,238,628), calculated as follows:

Weighted average number of ordinary shares

	2019	2018
	US$	US$
Issued ordinary shares at beginning of year (excluding treasury shares)	164,198,495	144,563,187
Effect of shares issued during the year	19,245,153	10,439,380
Effect of treasury shares acquired during the year	-	(718,965)
Effect of treasury shares sold during the year	-	955,026
Weighted average number of ordinary shares at end of year	183,443,648	155,238,628

At the end of the reporting period, the Nil (2018: 15,301,568) outstanding warrants were excluded from the calculation of the diluted weighted average number of ordinary shares in issue as their effect would have been anti-dilutive.

30 EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Performance Share Plan

The New Silkroutes Performance Share Plan 2018 (the "NSPSP") was approved by the shareholders during the Extraordinary General Meeting on 21 July 2018. The NSPSP contemplates the awarding of fully paid-up shares, free of payment, to selected employees of the Company and its subsidiaries, including executive directors of the Company.

The total number of new ordinary shares in the Company which may be issued in all awards granted under the NSPSP shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. The Company does not have any subsidiary holdings.

No awards have been granted to directors, controlling shareholders of the Company or their associates and no directors or employees of the Company have received 5% or more of the total awards available under the NSPSP.

No awards have been granted under the NSPSP since the commencement of the NSPSP and during the financial year. At the end of the financial year, there were no outstanding awards or unissued shares of the Company under the NSPSP.

The NSPSP is subject to a maximum period of ten years, and will expire on 20 July 2027.

31 COMMITMENTS

Operating lease commitments

At the end of the reporting period, the Group and the Company were committed to making the following payments in respect of non-cancellable operating leases of office/clinic premises and warehouse/storage facilities:

	Group	
	2019	2018
	US$	US$
Not later than one year	986,354	683,094
Later than one year and not later than five years	894,821	930,532
	1,881,175	1,613,626

The Company does not have operating lease commitments.

The lease terms range from two to three years. The leases have no renewal option or contingent rent provision included in the contracts.

Sales and purchases commitments

At the end of the reporting period, the Group has entered into non-cancellable commitments in respect of sales and purchases of oil products based on their prevailing market prices on the date of delivery and the conditions stated in the respective executory contracts.

Group	2019	2018
	US$	US$
Sales of oil products	12,511,124	7,334,949
Purchases of oil products	(12,073,075)	(7,122,888)

32 OPERATING SEGMENTS

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

- 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;

- 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 manufacture healthcare consumables.

- Others - general corporate activities and others

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.

	Oil and gas	Healthcare	Others	Total
	US$	US$	US$	US$
2019				
Segment revenue				
Sales to external customers	583,714,579	21,306,352	-	605,020,931
Segment results				
Other income	258,426	504,140	51,686	814,252
Amortisation of intangible assets	-	(228,450)	-	(228,450)
Depreciation of property, plant and equipment	(244,213)	(569,647)	(3,765)	(817,625)
Net fair value gain/(loss) on derivative financial instruments	1,291,265	(5,263)	-	1,286,002
Other non-cash items	(18,920)	19,759	(85,377)	(84,538)
Finance costs	(2,159,912)	(471,400)	(184,563)	(2,815,875)
Segment profit/(loss)	1,106,325	1,737,387	(2,737,165)	106,547
Segment assets and liabilities				
Segment assets	80,583,931	39,388,003	2,936,319	122,908,253
Segment liabilities	52,831,314	19,420,319	5,485,081	77,736,714
Capital expenditure	(15,736)	(207,990)	-	(223,726)
2018				
Segment revenue				
Sales to external customers	686,128,857	6,403,572	-	692,532,429
Segment results				
Other income	1,223,998	89,564	312,270	1,625,832
Amortisation of intangible assets	-	(173,505)	-	(173,505)
Depreciation of property, plant and equipment	(31,036)	(143,727)	(11,357)	(186,120)
Net fair value loss on derivative financial instruments	(688,372)	-	-	(688,372)
Share of results of associates	-	-	(110,521)	(110,521)
Other non-cash items	(11,169)	(3,359)	(1,156,949)	(1,171,477)
Finance costs	(1,600,582)	(74,629)	(6,879)	(1,682,090)
Segment profit/(loss)	1,314,204	120,779	(4,395,521)	(2,960,538)
Segment assets and liabilities				
Segment assets	86,313,383	9,665,992	9,167,330	105,146,705
Segment liabilities	55,446,886	2,592,757	4,730,758	62,770,401
Capital expenditure	(137,505)	(166,452)	(6,068)	(310,025)

Other income mainly relates to demurrage income attributable to the oil and gas segment. Other non-cash items mainly comprise other receivables written off and foreign exchange loss.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

Group	2019	2018
	US$	US$
Revenue		
Australia	58,798	76,114
Cambodia	118,952,165	118,910,365
China	9,589,448	86,429
Hong Kong	47,334,167	201,380,386
Myanmar	-	11,609,555
Norway	2,729,197	-
Singapore	348,210,534	235,752,246
South Korea	5,363,242	33,327,080
United Arab Emirates	6,937,615	27,586,791
United Kingdom	65,845,765	63,803,463
	605,020,931	692,532,429
Non-current assets		
China	8,126,159	66
Singapore	21,935,911	7,391,543
	30,062,070	7,391,609

Non-current assets relate to plant and equipment, intangible assets and associates, and exclude financial assets at fair value through other comprehensive income, available-for-sale investments, deferred tax assets and long-term receivables.

Information about major customers

Revenue from four major customers (2018: five major customers) in the oil and gas segment amounted to US$386,578,725 (2018: US$577,662,706).

33 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The Group and the Company adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended 30 June 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (30 June 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 30 June 2019, an additional opening statement of financial position as at date of transition (1 July 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 July 2017) and as at end of last financial period under FRS (30 June 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 30 June 2018). Additional disclosures are made for specific transition adjustments if applicable.

There is no change to the Group's and the Company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 and SFRS(I) 15 which are effective at the same time, and the election of certain transition options available under SFRS(I) 1.

Management has elected the following transition exemption:

- SFRS(I) 3 *Business Combinations* has not been applied to acquisitions of subsidiaries that are considered businesses under SFRS(I) that occurred before 1 July 2018. The FRS carrying amounts of assets and liabilities determined in that business combination, that are required to be recognised under SFRS(I), are the deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with SFRS(I). Assets and liabilities that do not qualify for recognition under SFRS(I) are excluded from the opening SFRS(I) statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of SFRS(I) recognition requirements.

- SFRS(I) 1 also requires that the FRS carrying amount of goodwill must be used in the opening SFRS(I) statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with SFRS(I) 1, the Group has tested goodwill for impairment at the date of transition to SFRS(I). No goodwill impairment was deemed necessary at 1 July 2017.

- As per under SFRS(I) 1, the transaction price allocated to (partially) unsatisfied performance obligations as of 30 June 2018 is not disclosed using the transition provisions of SFRS(I) 15.

- The Group has applied the option to reset the cumulative translation differences for all foreign operations to zero at the date of transition to SFRS(I). The gain or loss on a subsequent disposal of any foreign operation shall exclude the translation differences that arose before 1 July 2017 and shall include later translation differences.

- SFRS(I) 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group has adopted the terminology used in SFRS(I) 15 to describe such balances.

<u>Reconciliations of equity and total comprehensive income</u>

The effects of transition to SFRS(I) and the initial application of SFRS(I) 9 and SFRS(I) 15 are presented and explained below.

Group

(A) Impact on the Statement of Financial Position as at 1 July 2017 (date of transition to SFRS(I))

	As previously reported under FRS	Application of SFRS(I) 1	Note	Application of SFRS(I) 9	Note	Initial application of SFRS(I) 15	Note	As adjusted under SFRS(I)
	US$	US$		US$		US$		US$
Current assets								
Cash and cash equivalents	30,753,160	-		-		-		30,753,160
Fixed deposits	116,731	-		-		-		116,731
Trade and other receivables	26,517,391	-		-		-		26,517,391
Contract assets	-	-		-		-		-
Prepayments	5,475,195	-		-		-		5,475,195
Inventories	5,267,122	-		-		-		5,267,122
Derivative financial instruments	136,425	-		-		-		136,425
Total current assets	68,266,024	-		-		-		68,266,024
Non-current assets								
Plant and equipment	421,144	-		-		-		421,144
Intangible assets	4,790,500	-		-		-		4,790,500
Associates	401,835	-		-		-		401,835
Available-for-sale investments	14,090,000	-		-		-		14,090,000
Total non-current assets	19,703,479	-		-		-		19,703,479
Total assets	87,969,503	-		-		-		87,969,503

	As previously reported under FRS	Application of SFRS(I) 1	Note	Application of SFRS(I) 9	Note	Initial application of SFRS(I) 15	Note	As adjusted under SFRS(I)
	US$	US$		US$		US$		US$
Liabilities and equity								
Current liabilities								
Trade and other payables	38,329,833	-		-		(10,874,633)	(e)	27,455,200
Contract liabilities	-	-		-		10,874,633	(e)	10,874,633
Borrowings	9,452,346	-		-		-		9,452,346
Current tax payable	40,951	-		-		-		40,951
Total current liabilities	47,823,130	-		-		-		47,823,130
Non-current liabilities								
Borrowings	201,164	-		-		-		201,164
Deferred tax liabilities	412,678	-		-		-		412,678
Total non-current liabilities	613,842	-		-		-		613,842
Capital, reserves and non-controlling interest								
Share capital	71,178,899	-		-		-		71,178,899
Treasury shares	(509,526)	-		-		-		(509,526)
Other reserves	1,207,332	(473,029)	(a)	-		-		734,303
Accumulated losses	(32,728,010)	473,029	(a)	-		-		(32,254,981)
	39,148,695	-		-		-		39,148,695
Non-controlling interests	383,836	-		-		-		383,836
Total equity	39,532,531	-		-		-		39,532,531
Total liabilities and equity	87,969,503	-		-		-		87,969,503

(B) Impact on the Statement of Financial Position as at 30 June 2018 (end of last period reported under FRS) and 1 July 2018

	As previously reported under FRS	Application of SFRS(I) 1	Note	Initial application of SFRS(I) 15	Note	As adjusted under SFRS(I)	Application of SFRS(I) 9	Note	As adjusted as at 1 July 2018
	US$	US$		US$		US$	US$		US$
Current assets									
Cash and cash equivalents	32,762,163	-		-		32,762,163	-		32,762,163
Fixed deposits	121,010	-		-		121,010	-		121,010
Trade and other receivables	24,180,813	-		(134,840)	(d)	24,045,973	(800,000)	(c)	23,245,973
Contract assets	-	-		134,840	(d)	134,840	-		134,840
Prepayments	2,772,691	-		-		2,772,691	-		2,772,691
Inventories	14,309,143	-		-		14,309,143	-		14,309,143
Total current assets	74,145,820	-		-		74,145,820	(800,000)		73,345,820
Non-current assets									
Plant and equipment	962,361	-		-		962,361	-		962,361
Intangible assets	6,429,248	-		-		6,429,248	-		6,429,248
Available-for-sale investments	21,672,521	-		-		21,672,521	(21,672,521)	(b)	-
Financial asset at fair value through other comprehensive income	-	-		-		-	21,672,521	(b)	21,672,521
Long-term receivables	1,900,000	-		-		1,900,000	-		1,900,000
Deferred tax assets	36,755	-		-		36,755	-		36,755
Total non-current assets	31,000,885	-		-		31,000,885	-		31,000,885
Total assets	105,146,705	-		-		105,146,705	(800,000)		104,346,705

(B) Impact on the Statement of Financial Position as at 30 June 2018 (end of last period reported under FRS) and 1 July 2018

	As previously reported under FRS	Application of SFRS(I) 1	Note	Initial application of SFRS(I) 15	Note	As adjusted under SFRS(I)	Application of SFRS(I) 9	Note	As adjusted as at 1 July 2018
	US$	US$		US$		US$	US$		US$
Liabilities and equity									
Current liabilities									
Trade and other payables	43,016,643	-		(7,817,384)	(e)	35,199,259	-		35,199,259
Contract liabilities	-	-		7,817,384	(e)	7,817,384	-		7,817,384
Borrowings	14,541,575	-		-		14,541,575	-		14,541,575
Derivative financial instruments	882,325	-		-		882,325	-		882,325
Current tax payable	71,682	-		-		71,682	-		71,682
Total current liabilities	58,512,225	-		-		58,512,225	-		58,512,225
Non-current liabilities									
Borrowings	3,871,743	-		-		3,871,743	-		3,871,743
Deferred tax liabilities	386,433	-		-		386,433	-		386,433
Total non-current liabilities	4,258,176	-		-		4,258,176	-		4,258,176
Capital, reserves and non-controlling interest									
Share capital	78,076,108	-		-		78,076,108	-		78,076,108
Treasury shares	(862,540)	-		-		(862,540)	-		(862,540)
Other reserves	230,907	(473,029)	(a)	-		(242,122)	-		(242,122)
Accumulated losses	(35,852,364)	473,029	(a)	-		(35,379,335)	(800,000)	(c)	(36,179,335)
	41,592,111	-		-		41,592,111	(800,000)		40,792,111
Non-controlling interests	784,193	-		-		784,193	-		784,193
Total equity	42,376,304	-		-		42,376,304	(800,000)		41,576,304
Total liabilities and equity	105,146,705	-		-		105,146,705	(800,000)		104,346,705

Notes to the reconciliations:

SFRS(I) 1

(a) The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 July 2017. As a result, a cumulative translation loss of US$473,029 was reclassified from currency translation reserve to retained earnings as at US$473,029.

(b) Investments in equity instruments that were previously classified as available-for-sale investments have been designated as financial assets at fair value through other comprehensive income (FVTOCI).

SFRS(I) 9

(c) The application of the SFRS(I) 9 impairment requirements has resulted in additional loss allowance to be recognised under the ECL model.

SFRS(I) 15

(d) Under SFRS(I) 15, revenue recognised prior to the date on which it is invoiced to the customer is recognised as a contract asset. This balance was previously recognised as part of trade receivables (amounts due from customers under construction contracts) and so has been reclassified. There was no impact on the statement of profit or loss as a result of these reclassifications.

(e) The contract liability balance includes advances made by customers and patients reclassified from trade and other payables. This has no impact on the statement of profit and loss.

(C) Impact on the Statement of Cash Flows for the year June 30 June 2018 (last financial year reported under FRS)

The transition to SFRS(I) and initial application of SFRS(I) 9 and SFRS(I) 15 do not have a material impact on the statement of cash flows.

STANDARDS NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and are expected to have an impact to the Group and the Company in the periods of their initial application.

<u>Effective for financial year beginning on 1 July 2019</u>

- SFRS(I) 16 Leases
- Amendments to SFRS(I) 1-19 Employee Benefi ts: Plan Amendment, Curtailment or Settlement
- Amendments to SFRS(I) 1-28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Annual Improvements to SFRS(I)s 2015-2017 Cycle

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

SFRS(I) 16 Leases

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the existing framework.

The standard will affect primarily the accounting for the Group's operating leases as a lessee. As at the reporting date, the Group has non-cancellable operating lease commitments of US$1.9mil (Note 31). Upon adoption of SFRS(I)16, all non-cancellable lease obligations other than those which fall within the above exemptions will be recognised as liabilities concurrently with the recognition of right of use of assets.

34 PREDECESSOR AUDITOR'S QUALIFIED OPINION IN PRIOR YEAR

The financial statements of New Silkroutes Group Limited for the year ended 30 June 2018 were audited by another auditor who expressed a qualified opinion on those statements on 10 October 2018 as follows:

Opening balance

We had issued a qualified opinion on the financial statements for the year ended 30 June 2017 on 10 October 2017 in respect of prepayments as at 30 June 2017, comprising US$500,494 and US$4,400,000 made by the subsidiaries, Top Post Enterprises Limited and Baling (China) Investment Limited, respectively, to a supplier, Assure Win International Holdings Limited ("Assure Win"), for the purchase of iron ore fines (Note 10). We were unable to obtain sufficient appropriate audit evidence on the recoverability or utilisation of the prepayments to the supplier. Consequently, we were unable to satisfy ourselves as to the appropriateness of the carrying amount of the prepayments to the supplier as at 30 June 2017.

In view of the significance of the above-mentioned matter, we are unable to determine whether the opening balance as at 1 July 2017 is appropriately stated. Since the opening balance as at 1 July 2017 enters into the determination of the Group's results and cash flows for the financial year ended 30 June 2018, we are unable to determine whether any adjustments might have been found necessary in respect of the financial statements for the financial year ended 30 June 2018.

Available-for-sale investment

Stated on the face of the consolidated statement of financial position as at 30 June 2018 are available-for-sale investments of US$21,672,521, which primarily relate to the Group's 4.534% equity interest in Thai General Nice Coal and Coke Co., Ltd ("Thai GNCC") of US$21,672,520 (Note 15).

As disclosed in Note 15 to the financial statements, on 26 June 2018, the Company entered into a debt repayment agreement ("Debt Repayment Agreement") with Tianjin General Nice Coke & Chemicals Co., Ltd ("Tianjin GNCC"), pursuant to which the aforesaid prepayments of US$4,900,000, together with the outstanding amount of US$3,669,996 due from Tianjin GNCC, amounting to US$8,569,996 (the "Debt") in total, shall be fully settled by Tianjin GNCC by way of the transfer of 857,000 ordinary shares in the capital of Thai GNCC at the price of approximately US$10 per share from Tianjin GNCC to the Group's wholly-owned subsidiary, International Energy Group Pte. Ltd. ("IEG"). It is stated under the Debt Repayment Agreement that as Assure Win is unable to deliver the commodities, Tianjin GNCC agrees to repay the said prepayment amounts on behalf of Assure Win, and Tianjin GNCC confirms that it owes the Debt to the Group. The share transfer agreement was made between Tianjin GNCC and IEG on 30 June 2018.

Prior to the above transaction, the Group had acquired 2.82% of the equity interest comprising 1,410,000 ordinary shares in Thai GNCC for a purchase consideration of US$14,090,000. With the settlement of the Debt and transfer of 857,000 ordinary shares in the capital of Thai GNCC from Tianjin GNCC to the Group, the total investment of the Group in Thai GNCC became 4.534%, and the cost of the investment in Thai GNCC became US$22,659,996.

As disclosed in Note 15 to the financial statements, management has engaged a firm of independent professional valuers to carry out valuation of Thai GNCC. In determining the fair value of Thai GNCC, the valuers used the income approach. Based on the valuation of the business enterprise of US$478,000,000, the equity interest in Thai GNCC held by the Group was determined to be US$21,672,520 on a pro-rata basis. Accordingly, a fair value loss of US$987,476 was recognised in other comprehensive income for the financial year ended 30 June 2018.

The use of income approach by applying present value techniques require key assumptions which include forecasted revenue, growth rates, profit margins and discount rate. The valuation by the independent professional valuers is solely the enterprise value of the investee Company, and no other valuation adjustments have been made to determine the equity value of the 4.534% interest held by the Group. We have been unable to obtain any historical data or supporting documentation and information to evaluate the reliability of the inputs used to prepare the forecasts, and the appropriateness of the methodology and reasonableness of the assumptions underlying the forecasts.

In view of the above, we were unable to obtain sufficient appropriate audit evidence on the fair value of US$21,672,520 and fair value loss of US$987,476 of the available-for-sale investment. Consequently, we were unable to satisfy ourselves as to the appropriateness of the carrying amount of the available-for-sale investment as at 30 June 2018. We were also unable to ascertain the adequacy of the related disclosures in the financial statements.

STATISTICS OF SHAREHOLDINGS
AS AT 20 SEPTEMBER 2019

Issued and fully paid-up capital	: S$120,427,865
No. of issued shares (excluding treasury shares)	: 208,464,669
Number/Percentage of treasury shares	: 3,444,200 (1.65%)
Number of subsidiary holdings	: Nil
Class of shares	: Ordinary share
Voting rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Shareholders	%	No of Shares	%
1 - 99	15,655	60.47	191,978	0.09
100 - 1,000	7,023	27.13	2,855,148	1.37
1,001 - 10,000	2,498	9.65	8,717,869	4.18
10,001 - 1,000,000	690	2.66	36,813,222	17.66
1,000,001 and above	23	0.09	159,886,452	76.70
Total	25,889	100.00	208,464,669	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 20 SEPTEMBER 2019

No.	Name	No. of Shares	%
1	SYY CAPITAL HOLDINGS PTE LTD	29,614,035	14.21
2	FORTUNE WOODS GLOBAL INVESTMENT LIMITED	18,798,433	9.02
3	RAFFLES NOMINEES (PTE) LIMITED	16,049,247	7.70
4	SMARTFUL GLOBAL HOLDINGS LIMITED	12,325,000	5.91
5	DBS NOMINEES PTE LTD	11,421,856	5.48
6	CHUA SOON KIAN ANDREW	11,363,636	5.45
7	WANG HUINUO	8,600,000	4.13
8	DBS VICKERS SECURITIES (S) PTE LTD	8,351,813	4.01
9	PHILLIP SECURITIES PTE LTD	8,309,817	3.99
10	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	5,493,360	2.64
11	WTL CAPITAL HOLDINGS PTE LTD	5,473,685	2.62
12	CITIBANK NOMINEES SINGAPORE PTE LTD	5,073,298	2.43
13	KEE KENG HSIUNG	3,360,508	1.61
14	KGI SECURITIES (SINGAPORE) PTE LTD	2,060,905	0.99
15	QUANTUM HEALTH PTE LTD	2,000,000	0.96
16	OCBC SECURITIES PRIVATE LTD	1,983,633	0.95
17	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,879,479	0.90
18	VICPEARLY WONG HWEI PINK (VICPEARLY HUANG HUIBING)	1,539,191	0.74
19	RONNIE POH TIAN PENG	1,401,000	0.67
20	OCBC NOMINEES SINGAPORE PTE LTD	1,325,614	0.63
		156,424,510	**75.04**

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. The Company has complied with this requirement. As at 20 September 2019, approximately 59.92% of its shares listed on Singapore Exchange Securities Trading Limited were held by the public.

SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2019

(As recorded in the Register of Substantial Shareholders)

		Number of Shares				
S/No.	**Substantial Shareholders**	**Shareholdings registered in the name of substantial shareholders**	**Shareholdings held by the substantial shareholders in the name of nominees**	**Shareholdings in which the substantial shareholders are deemed to be interested**	**Total**	**Percentage of the issued shares**
1	SYY Capital Holdings Pte. Ltd.	29,614,035	–	–	29,614,035	14.21
2	Shen Yuyun	–	–	29,614,035[1]	29,614,035	14.21
3	Fortune Woods Global Investment Limited	18,798,433	1,751,608[2]	–	20,550,041	9.86
4	General Nice Resources (Hong Kong) Limited	–	1,990,997[3]	20,550,041[3]	22,541,038	10.81
5	General Nice Investment (China) Limited	–	–	22,541,038[4]	22,541,038	10.81
6	General Nice Development Ltd	–	–	22,541,038[5]	22,541,038	10.81
7	General Nice Group Holdings Limited	–	–	22,541,038[6]	22,541,038	10.81
8	Cai Sui Xin	–	–	22,541,038[7]	22,541,038	10.81
9	Smartful Global Holdings Ltd	12,325,000	–	–	12,325,000	5.91
10	Xiao De	–	–	12,325,000[8]	12,325,000	5.91
11	Chua Soon Kian Andrew	11,363,636	–	–	11,363,636	5.45

Notes

1. Shen Yuyun's deemed interest in the Company arises from his deemed interest in the 29,614,035 shares held by SYY Capital Holdings Pte. Ltd.
2. Fortune Woods Global Investment Limited is deemed to be interested in the 1,751,608 shares held in the name of OCBC Securities Private Limited, a nominee company.
3. General Nice Resources (Hong Kong) Limited's deemed interest in the Company arises from its deemed interest in the 1,990,997 shares held in the name of two nominee companies and the 20,550,041 shares in respect of which Fortune Woods Global Investment Limited has deemed or direct interest.
4. General Nice Investment (China) Limited's deemed interest in the Company arises from its deemed interest in the 22,541,038 shares in respect of which General Nice Resources (Hong Kong) Limited has deemed interest.
5. General Nice Development Ltd's deemed interest in the Company arises from its deemed interest in the 22,541,038 shares in respect of which General Nice Resources (Hong Kong) Limited has deemed interest.
6. General Nice Group Holdings Limited's deemed interest in the Company arises from its deemed interest in the 22,541,038 shares in respect of which General Nice Development Ltd and General Nice Investment (China) Limited have deemed interest.
7. Cai Sui Xin's deemed interest in the Company arises from his deemed interest in the 22,541,038 shares in respect of which General Nice Group Holdings Limited has deemed interest, and also through his deemed and direct interests in General Nice Investment (China) Limited and General Nice Development Ltd.
8. Xiao De's deemed interest in the Company arises from his deemed interest in the 12,325,000 shares held by Smartful Global Holdings Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of **NEW SILKROUTES GROUP LIMITED** (the "**Company**") will be held at **Temasek Club, 131 Rifle Range Road, Singapore 588406, Seletar Room** on **Thursday, 31 October 2019** at **10.00 a.m.** for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2019 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Article 91 and Article 97 of the Company's Constitution:

Mr Oo Cheong Kwan Kelvyn	(retiring under Article 91)	**(Resolution 2)**
Mrs Chen Chou Mei Mei Vivien	(retiring under Article 91)	**(Resolution 3)**
Dr Chua Soon Kian Andrew	(retiring under Article 97)	**(Resolution 4)**

Mr Oo Cheong Kwan Kelvyn will, upon re-election as Director of the Company, remain as an Executive Director and the Chief Corporate Officer of the Company, and will be considered non-independent.

Mrs Chen Chou Mei Mei Vivien will, upon re-election as Director of the Company, remain as an Independent Non-Executive Director, the Chairman of each of the Nominating Committee and the Remuneration Committee, a member of the Audit and Risk Committee, and will be considered independent.

Dr Chua Soon Kian Andrew will, upon re-election as Director of the Company, remain as a Non-Executive Non-Independent Director and a member of each of the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee, and will be considered non-independent.

3. To approve the payment of Directors' fees of S$144,000 to the independent and non-executive Directors of the Company for the financial year ending 30 June 2020 to be paid quarterly in arrears. **(Resolution 5)**

4. To re-appoint Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised to allot and issue:

a. shares; and/or

b. convertible securities (including options, warrants and debentures);

c. additional securities issued pursuant to Rule 829 of the Listing Rules; and/or

d. shares arising from the conversion of securities in (b) and (c) above,

in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares and securities convertible into shares that may be issued must not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares and convertible securities issued other than on a *pro-rata* basis to existing shareholders must not be more than 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings). For the purpose of determining the aggregate number of shares and convertible securities that may be issued under this Resolution, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (i)] **(Resolution 7)**

7. **Authority to allot and issue shares under the New Silkroutes Performance Share Plan 2017**

That the Board of Directors of the Company be and is hereby authorised to offer and grant awards ("**Awards**") in accordance with the provisions of the New Silkroutes Performance Share Plan 2017 (the "**PSP**") and, pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the SGX-ST, to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be issued pursuant to the vesting of Awards under the PSP, provided always that the total number of new shares to be allotted and issued pursuant to the Awards granted under the PSP, when added to the number of shares issued and issuable in respect of all Awards granted under the PSP and any other share scheme, shall not exceed 15% of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company on the day preceding the date of the Award.

[See Explanatory Note (ii)] **(Resolution 8)**

8. **Renewal of Share Purchase Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, (the "**Companies Act**"), the exercise by the Directors of all powers of the Company to purchase or otherwise acquire shares, not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchase(s) (each an "**On-Market Purchase**") transacted on the SGX-ST through the ready market through 1 or more duly licensed dealers appointed by the Company for the purpose; or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") (effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the rules of the Listing Manual,

(the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the share purchases are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of shares as at the date of passing of this Resolution (excluding any treasury shares that may be held by the Company or subsidiary holdings from time to time), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event the total number of shares of the Company shall be taken to be the total number of shares of the Company as altered;

"**Relevant Period"** means the period commencing from the date on which the resolution authorising the Share Purchase Mandate is passed, and expiring on the date the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier;

"**Maximum Price**" in relation to a share to be purchased or acquired, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the shares; and

(ii) the case of an Off-Market Purchase pursuant to an equal access scheme, 115% of the Average Closing Price of the shares;

where:

"**Average Closing Price**" means the average of the closing market prices of a share over the last five (5) market days on which transactions in the shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of shares from holders of shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for securities trading; and

(d) the Directors and each of them be and are hereby authorised to deal with the shares purchased by the Company, pursuant to the Share Purchase Mandate in any manner as they think fit, which is allowable under the Companies Act and the Listing Manual.

(e) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider necessary, desirable or expedient to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (iii)] **(Resolution 9)**

By Order of the Board

Ong Beng Hong
Company Secretary

Singapore, 16 October 2019

Explanatory Notes:

(i) The Ordinary Resolution 7 proposed in item 6 above, if passed, will empower the Directors of the Company, effectively to allot and issue shares and convertible securities in the Company, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of passing of this resolution, of which up to 20% may be issued other than on a *pro-rata* basis to shareholders.

(ii) The Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors of the Company to allot and issue shares in the Company pursuant to the vesting of awards granted under the PSP of up to a number which, when added to the number of new shares issued and issuable in respect of all awards granted under the PSP or any other share scheme shall not exceed in total 15% of the issued shares (excluding treasury shares) in the capital of the Company from time to time. The PSP was first approved by the shareholders of the Company in the Extraordinary General Meeting held on 21 July 2017. Please refer to the Company's Circular to Shareholders dated 5 July 2017 for further details.

(iii) The Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date the next Annual General Meeting is held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of On-Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued shares (excluding treasury shares), at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Letter to Shareholders dated 16 October 2019.

Notes:

(a) (i) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50 (the "**Companies Act**")) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her behalf at the Annual General Meeting. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

(ii) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(b) A proxy need not be a member of the Company.

(c) The instrument appointing a proxy or proxies must be under the hand of the appointer or of his/her attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy must be executed under its seal or under the hand of its duly authorised officer or attorney.

(d) The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, **B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544** not less than 48 hours before the time appointed for holding the Meeting.

(e) A depositor shall not be regarded as a member of a Company entitled to attend, speak and vote at the Annual General Meeting unless his name appears on the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289) 72 hours before the time fixed for the Annual General Meeting.

Personal Data Privacy:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and for publication of the names and comments of shareholders on the Company's website, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NEW SILKROUTES GROUP LIMITED
(Company Registration No. 199400571K)
(Incorporated In The Republic of Singapore)

IMPORTANT:
1. For investors who hold shares in New Silkroutes Group Limited under the Central Provident Fund Investment Scheme ("**CPF Investors**") or under the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable), this Proxy Form is forwarded to them at the request of the CPF Approved Nominees and/or SRS Approved Nominees (as may be applicable).
2. This Proxy Form is not valid for use by CPF investors and/or SRS Investors (as may be applicable) and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors and/or SRS Investors (as may be applicable) who wish to attend and vote at the Meeting should contact their CPF Approved Nominees and/or SRS Approved Nominees (as may be applicable).
4. Relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50) may appoint more than two (2) proxies to attend, speak, and vote at the Meeting.

PROXY FORM
ANNUAL GENERAL MEETING

I/We, ____ (Name),

NRIC/Passport (delete as appropriate) Number: ____________________________

of ____ (Address)

being a member/members of **NEW SILKROUTES GROUP LIMITED** (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at **Temasek Club, 131 Rifle Range Road, Singapore 588406, Seletar Room** on **Thursday, 31 October 2019** at **10.00 a.m**. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	**Resolutions relating to:**	**For***	**Against***
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2019		
2	Re-election of Mr Oo Cheong Kwan Kelvyn as a Director		
3	Re-election of Mrs Chen Chou Mei Mei Vivien as a Director		
4	Re-election of Dr Chua Soon Kian Andrew as a Director		
5	Approval of Directors' fees amounting to S$144,000 for the financial year ending 30 June 2020		
6	Re-appointment of Deloitte & Touche LLP as Auditors		
7	Authority to allot and issue shares		
8	Authority to allot and issue shares under the New Silkroutes Performance Share Plan 2017		
9	Authority to renew the share purchase mandate		

* If you wish to exercise all your votes "For" or "Against", please indicate your vote "For" or "Against" with "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____________ day of ____________ 2019

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her behalf at the Meeting. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her Shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

   (b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share(s) held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, **B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544** not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:
The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:
By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

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AFFIX
STAMP

NEW SILKROUTES GROUP LIMITED
c/o B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

NEW SILKROUTES
GROUP LIMITED

New Silkroutes Group Limited

456 Alexandra Road
#19-02 Fragrance Empire Building
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