Issuer: New Silkroutes Group Limited
Security: New Silkroutes Group Limited

Meeting details:
Date: 31 Oct 2016
Time: 10:00AM
Venue: Temasek Club, 131 Rifle Range Road, Singapore 588406

Company Description
New Silkroutes Group Limited engages in trading marine gas oil and fuel oil. The company was formerly known as Digiland International Limited and changed its name to New Silkroutes Group Limited in July 2015. New Silkroutes Group Limited was incorporated in 1994 and is headquartered in Singapore.
(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=BMT)

Q1. As mentioned in the Chairman's Statement (page 5 of the annual report), the group has made good progress in its strategic shift "from being a distributor of consumer IT products to an investment holding company focusing on several industry verticals, namely energy, healthcare and infocomm technology".

The milestones and corporate actions included forming a joint venture with CG Capital Partners LLC in February 2016 to offer fund management services, making the first trade by International Energy Group ("IEG") in February 2016, establishing IEG Malta with Malta's Ministry of Energy, forming Rubeus Silk to offer bespoke risk management services and acquiring Healthsciences International for its healthcare expertise.

a) **Can the new executive team provide more elaboration on their expertise and experience in carrying out the M&A and due diligence at such a rapid pace?**

b) **How does the company ensure that there is sufficient risk management and oversight of the joint ventures?**

c) **How can the group ensure that the internal controls are adequate and meet the standards of being part of a listed entity? For example, fund management is highly regulated and there are strict regulations on anti-money laundering in Singapore and globally.**

Q2. The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council. In particular, FRS 24 on Related Party Disclosures requires disclosure on the remuneration of key management personnel:

> *(17) An entity shall disclose key management personnel compensation in total and for each of the following categories:*
>
> *(a) short-term employee benefits;*
> *(b) post-employment benefits;*
> *(c) other long-term benefits;*
> *(d) termination benefits; and*
> *(e) share-based payment.*

In Note 28 (page 76 – Significant related party transactions), the company has listed the significant related party transactions within the group for 2015 and 2016. **Could the company explain why the disclosure of remuneration of key management personnel was not included? Can management make the necessary disclosure to meet the disclosure requirements set out in FRS 24?**

Q3. In Note 9 (page 62 – Trade and other receivables), it was disclosed that:

> *For those unimpaired amounts which are past due more than one year, the Group and the Company believe that no further impairment allowance is necessary as they mainly arise from customers that have a good credit record with the Group and the Company.*

An (gross) amount of $1.1 million in trade receivables is past due more than 360 days according to the aging analysis (page 61).

Can management provide the upper limit to the band showing the age analysis of the trade receivables? Perhaps management could break it down to 180-day bands for those trade receivables past due by more than 360 days.

Please disclose the number of customers, the industries of these customers, the geographical locations, and the breakdown of the $1.1 million owed by these customers individually.

The management has expressed the same opinion last year but trade receivables past due more than 360 days increased from US$1,097,159 in 2015 to US$1,097,407 in 2016, with the impairment staying the same at US$197,159. This suggests that the debts outstanding last year are still outstanding this year.

Can management confirm this observation and please provide further justification as to why they believe that "that no further impairment allowance is necessary as they mainly arise from customers that have a good credit record with the Group and the Company."