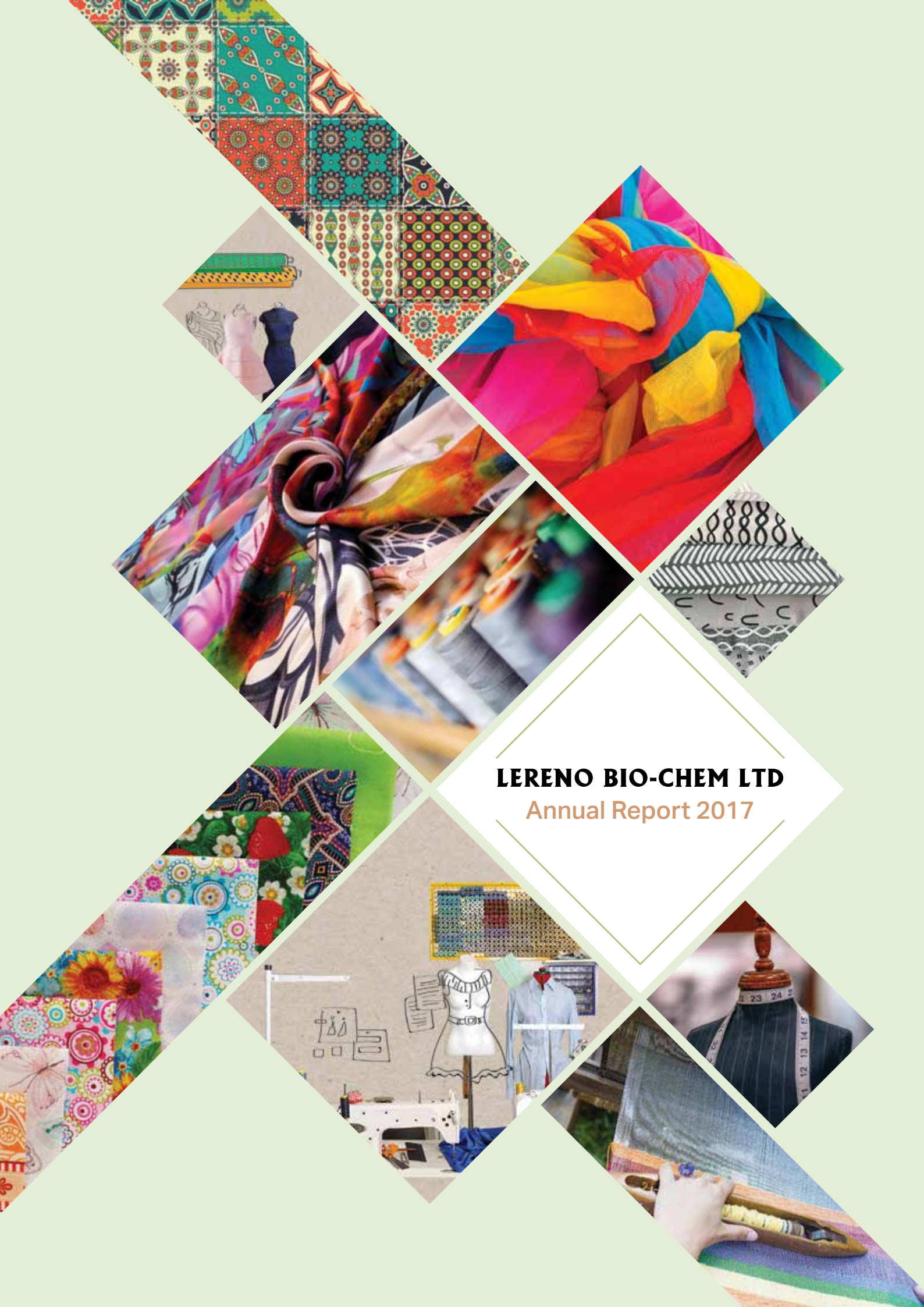


LERENO BIO-CHEM LTD

Annual Report 2017



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TAN SRI DATO' KAMARUZZAMAN BIN SHARIFF

Chairman, Lereno Bio-Chem Ltd

Chairman's Statement

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, it is my privilege to present the annual report and consolidated statement of Lereno Bio-Chem Ltd (the "Company") for the financial period ended 31 December 2017.

It has been a period of further cost cutting and streamlining following the disposal of the Company's dormant Malaysian subsidiary, LBC Estate Holdings Sdn Bhd, and the striking off of a Singapore dormant subsidiary, Lereno Bio-Chem Holdings Pte Ltd in FY2016. It is the Company's intention to dispose MAE Engineers Pte Ltd, our wholly-owned subsidiary, in the near future.

On 29 September 2017, the Company announced that it had entered into a conditional put and call option agreement dated 27 September 2017, leading to the proposed acquisition of the entire issued capital of Knit Textile and Apparel Pte Ltd ("KTAPL") from Mr. Lim Siau Hing ("LSH"), which will result in the reverse takeover (RTO) of the Company by LSH. KTAPL and its related companies are primarily engaged in the manufacturing of apparels and specializing in the manufacturing of sleepwear, lounge wear, casual wear and plus sizes apparels, in Malaysia and Cambodia.

In anticipation of the proposed acquisition, the Company had announced, on 13 November 2017, the change of its current financial year end from 31 March to 31 December so as to align with the financial year end of the KTAPL.

The Singapore Exchange Securities Trading Limited (SGX-ST) has, on 6 February 2018, granted the Company an extension of time until 31 August 2018 for the Company to complete the acquisition of KTAPL.

The Board takes this opportunity to thank our shareholders for their continued confidence and encouragement and to the management and staff for their trust and loyalty. We would also like to thank our business partners for their commitment and professionalism. Lastly, the Board would like to express its appreciation to our major shareholders for their continued support to the Company.

"THE BOARD TAKES THIS OPPORTUNITY TO THANK OUR SHAREHOLDERS FOR THEIR CONTINUED CONFIDENCE AND ENCOURAGEMENT AND TO THE MANAGEMENT AND STAFF FOR THEIR TRUST AND LOYALTY"

Board of Directors



TAN SRI DATO' KAMARUZZAMAN BIN SHARIFF



ONG PUAY KOON



ONG CHOON LUI



WONG HEANG FINE



GOH YEOW TIN



YAP BOH PIN

TAN SRI DATO' KAMARUZZAMAN BIN SHARIFF, 75

Tan Sri Dato' Kamaruzzaman bin Shariff was appointed as an Independent and Non-Executive Director of the Company on 1 August 2003. He was appointed as a Non-Executive Chairman and a member of the Remuneration Committee since 28 August 2003, and became the Chairman of the Remuneration Committee since 5 July 2004. He was also appointed as a member of the Nominating Committee on 15 November 2007. His last re-appointment as a Director was on 25 July 2016.

He obtained a Bachelor of Arts degree from the University of Malaya in 1964, a Diploma of Public Administration from Carleton University, Canada in 1969 and Masters Degree in Public Administration from Syracuse University, USA in 1979. He has many years of working experience in administrative, strategic planning and management by virtue of his previous senior positions in the Federal and State Government, having served as the Mayor of Kuala Lumpur from 1995 to 2001. His other postings include Secretary General of the Ministry of Defence from 1992 to 1995, Deputy Director General of the Public Services Department in 1992, Penang State Secretary from 1988 to 1992, Secretary in the Cabinet Division of the Prime Minister's Department from 1983 to 1987, Director of External Assistance and General Affairs in the Economic Planning Unit of the Prime Minister's Department from 1980 to 1983 and senior positions in the Public Services Department from 1972 to 1980 and the Ministry of Education from 1964 to 1972. He has vast administrative, strategic planning and management experience by virtue of his long service in the Malaysian Civil Service.

He currently sits as the Non-Executive Chairman of Bintai Kinden Corporation Berhad and Carimin Petroleum Berhad. He is also active in various charitable and voluntary organizations, including the Rotary Club DiRaja Kuala Lumpur, Lions Club and the Malaysian Humanitarian Foundation.

ONG PUAY KOON, 73

Mr Ong Puay Koon was appointed as a Director, Deputy Chairman and Chief Executive Officer of the Company on 20 June 2002. He ceased to be Deputy Chairman and was appointed Executive Vice Chairman on 29 August 2003. On 5 September 2006, Mr Ong was re-designated as Managing Director and Chief Executive Officer. Mr Ong has also been appointed as a member of the Company's Risk Management Committee on 26 May 2007.

Mr Ong graduated with a Diploma in Electrical Engineering from Singapore Polytechnic in 1965 and was admitted as an Associate Member of the Institution of Incorporated Engineers, UK in 1978. He has extensive experience in mechanical and electrical engineering, and construction, and also covers project management and project financing. Mr Ong ventured with a Bumiputra partner and the Kinden Corporation of Japan to form Bintai Kinden Corporation Berhad ("BKCB") which is now listed on the Main Market of Bursa Malaysia Securities Berhad (previously known as Kuala Lumpur Stock Exchange in 1998). Mr Ong is an Executive Vice Chairman and a substantial shareholder of BKCB.

Mr Ong's last re-appointment as a Director was on 25 July 2016.

Board of Directors

ONG CHOON LUI, 45

Mr Ong Choon Lui was appointed as an Executive Director of the Company on 9 September 2003. He stepped down as a member of the Company's Risk Management Committee on 8 November 2010.

Mr Ong obtained his Bachelor Degree in Engineering (Honours Second Class Upper Division) from Nanyang Technological University, School of Electrical and Electronics Engineering, Singapore, in 1997. He began his engineering profession in 1997 as an electrical engineer with Bechtel International, Inc. where he was principally involved in electrical contracting, design and research for electrical system of industrial chemical plants. Mr Ong was attached with Kinden Corporation of Japan between 2000 – 2001. He has been a Group Managing Director/Chief Executive Officer of Bintai Kinden Corporation Berhad since June 2011.

Mr Ong's last re-appointment as a Director was on 19 July 2017.

WONG HEANG FINE, 59

Mr Wong Heang Fine was appointed as a Director of the Company on 1 September 2001 and sits on the Board as an Independent and Non-Executive Director of the Company. He is a member of the Audit Committee and Remuneration Committee of the Company. He stepped down as Chairman of the Risk Management Committee of the Company on 8 November 2010.

Mr Wong joined Temasek as Corporate Advisor on 7 November 2014 with the task of overseeing the merger of Surbana International Consultants and Jurong International Holdings. On 16 February 2015, he was appointed as Group CEO for the merged entity that provides sustainable urban life-cycle solutions globally. Prior to this Mr Wong was the CEO of Residential, CapitaLand Singapore. He was also the President of Real Estate Developers' Association of Singapore (REDAS) from 2011 to 2012. From 2002 to 2006, he had held appointment as the President and CEO of Sembcorp Engineers and Constructors Pte Ltd (now known as Sembawang Engineers and Constructors). Mr Wong was also the President and CEO of Cathay Organisation Holdings Ltd from 1999 to 2002. Mr Wong's previous appointments included senior positions at L&M Group Investments Ltd, Singapore Technologies Industrial Corporation, SAFE Bintan Resort, Bintan Industrial Estate Management, InterIsland Marketing Service and the Economic Development Board.

Mr Wong holds a Bachelor of Science (Mechanical Engineering – First Class Honours) from the University of Leeds and Master of Science (Engineering Production and Management) degree from the University of Birmingham.

Mr Wong's last re-election as a Director was on 25 July 2016.

GOH YEOW TIN, 66

Mr Goh Yeow Tin was appointed as an Independent and Non-Executive Director of the Company on 1 October 2007. He was appointed as a member of the Remuneration Committee on 25 May 2010. On 8 November 2010, he was appointed as Chairman of the Risk Management Committee of the Company. On 24 May 2011, Mr Goh was appointed as a member of the Company's Audit Committee and Nominating Committee respectively. On 16 February 2012, Mr Goh was appointed as the Chairman of the Nominating Committee.

Mr Goh is currently the Non-Executive Chairman of Seacare Medical Holdings Pte Ltd and Seacare Manpower Pte Ltd. Mr Goh began his career with the Economic Development Board ("EDB") where he headed the Local Industries Unit and was subsequently appointed as a Director of EDB's Automation Applications Centre located in the Singapore Science Park. Mr Goh was the founding member of the Association of Small and Medium Enterprise ("ASME") and founded International Franchise Pte Ltd, a pioneer in franchising business in Singapore.

Mr Goh was previously the Deputy Managing Director of Tonhow Industries Ltd, the first SESDAQ listed plastic injection moulding company. Prior to his present business, Mr Goh was the Vice-President of Times Publishing Ltd and was responsible for the Group's Retail and Distribution businesses. Mr Goh is also a member of the Singapore Institute of Directors and an Independent Director of Sheng Siong Group Ltd, AsiaPhos Limited, Vicom Limited and TLV (Holdings) Limited. In recognition of his many years of social and community services, Mr Goh was awarded the Public Service Star (Bar) in 2015 and was appointed a Justice of the Peace in September 2015. Mr Goh holds a Bachelor Degree in Mechanical Engineering (Hons) and a Masters Degree in Industrial Engineering and Management.

Mr Goh's last re-election as a Director was on 19 July 2017.

YAP BOH PIN, 76

Mr Yap Boh Pin was appointed to the Board as an Independent and Non-Executive Director on 1 April 2004. He relinquished his position as Chairman of the Nominating Committee of the Company on 16 February 2012 and remains as a member of the Nominating Committee. He was appointed as a member to the Risk Management Committee on 8 November 2010 and was appointed the Chairman of the Company's Audit Committee on 24 May 2011. Mr Yap is currently the managing director of B.P.Y. Private Limited, a firm of management consultants which provides financial planning, financial accounting, reviewing internal control systems as well as corporate secretarial services. Between July 1975 and January 1999, Mr Yap was a senior partner at Yap Boh Pin & Co, which provided advice on auditing, taxation, liquidation and corporate restructuring matters. He is also a director of TeleChoice International Limited and Asia Mobile Holdings Pte Ltd (a subsidiary of Singapore Technologies Telemedia Pte Ltd). Mr Yap also holds directorship in Overseas Realty (Ceylon) Plc, a public listed company in Sri Lanka.

He has also held directorships in various public companies between 1975 and 2000, including Singapore Land Limited, L&M Investments Limited and Pan Pacific Public Company Limited. During his appointment at these companies, Mr Yap was a member of their Executive Committee and/or Audit Committee, assisting in the evaluation and recommendation of changes to their system of internal controls as well as corporate governance.

Beyond the corporate sector, Mr Yap is actively involved in various non-profit, educational and social welfare organisations. He is an honorary council member of the Singapore Hokkien Huay Kuan and member of the Audit Committee of Chinese Development Assistance Council. At end January 2008, Mr Yap was appointed as Director at ACS (International) and Chairman of their Finance Committee.

Mr Yap qualified as Chartered Accountant from the Institute of Chartered Accountants in England and Wales in 1966. He is a Fellow of both the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants in England and Wales.

Mr Yap's last re-appointment as a Director was on 25 July 2016.

Corporate Data

Financial Year Ended 31 December 2017

BOARD OF DIRECTORS

Tan Sri Dato' Kamaruzzaman Bin Shariff, Non-Executive Chairman and Independent Director
Mr Ong Puay Koon, Managing Director and Chief Executive Officer
Mr Ong Choon Lui, Executive Director
Mr Goh Yeow Tin, Non-Executive and Independent Director
Mr Wong Heang Fine, Non-Executive and Independent Director
Mr Yap Boh Pin, Non-Executive and Independent Director

AUDIT COMMITEE

Mr Yap Boh Pin (Chairman)
Mr Goh Yeow Tin
Mr Wong Heang Fine

REMUNERATION COMMITTEE

Tan Sri Dato' Kamaruzzaman Bin Shariff (Chairman)
Mr Goh Yeow Tin
Mr Wong Heang Fine

NOMINATING COMMITTEE

Mr Goh Yeow Tin (Chairman)
Mr Yap Boh Pin
Tan Sri Dato' Kamaruzzaman Bin Shariff

RISK MANAGEMENT COMMITTEE

Mr Goh Yeow Tin (Chairman)
Mr Ong Puay Koon
Mr Yap Boh Pin

COMPANY SECRETARIES

Ms Pan Mi Keay
Mr Lee Wei Hsiung

SHARE & WARRANT REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898

INDEPENDENT AUDITOR

Foo Kon Tan LLP Chartered Accountants
24 Raffles Place #07-03
Clifford Centre
Singapore 048621
Partner: Mr Ho Teik Tiong
(Since Financial period ended 31 December 2017)

PRINCIPAL BANKERS

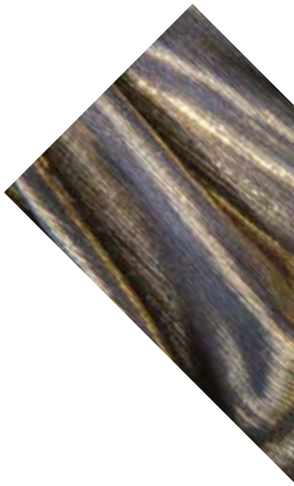
United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited

REGISTERED OFFICE LERENO BIO-CHEM LTD

(Registration No. 197401961C)
80 Robinson Road
#02-00
Singapore 068898
Tel: 6266 8015

SPONSOR

SAC Capital Pte Ltd
1 Robinson Road #21-02
AIA Tower
Singapore 048542



Senior Management

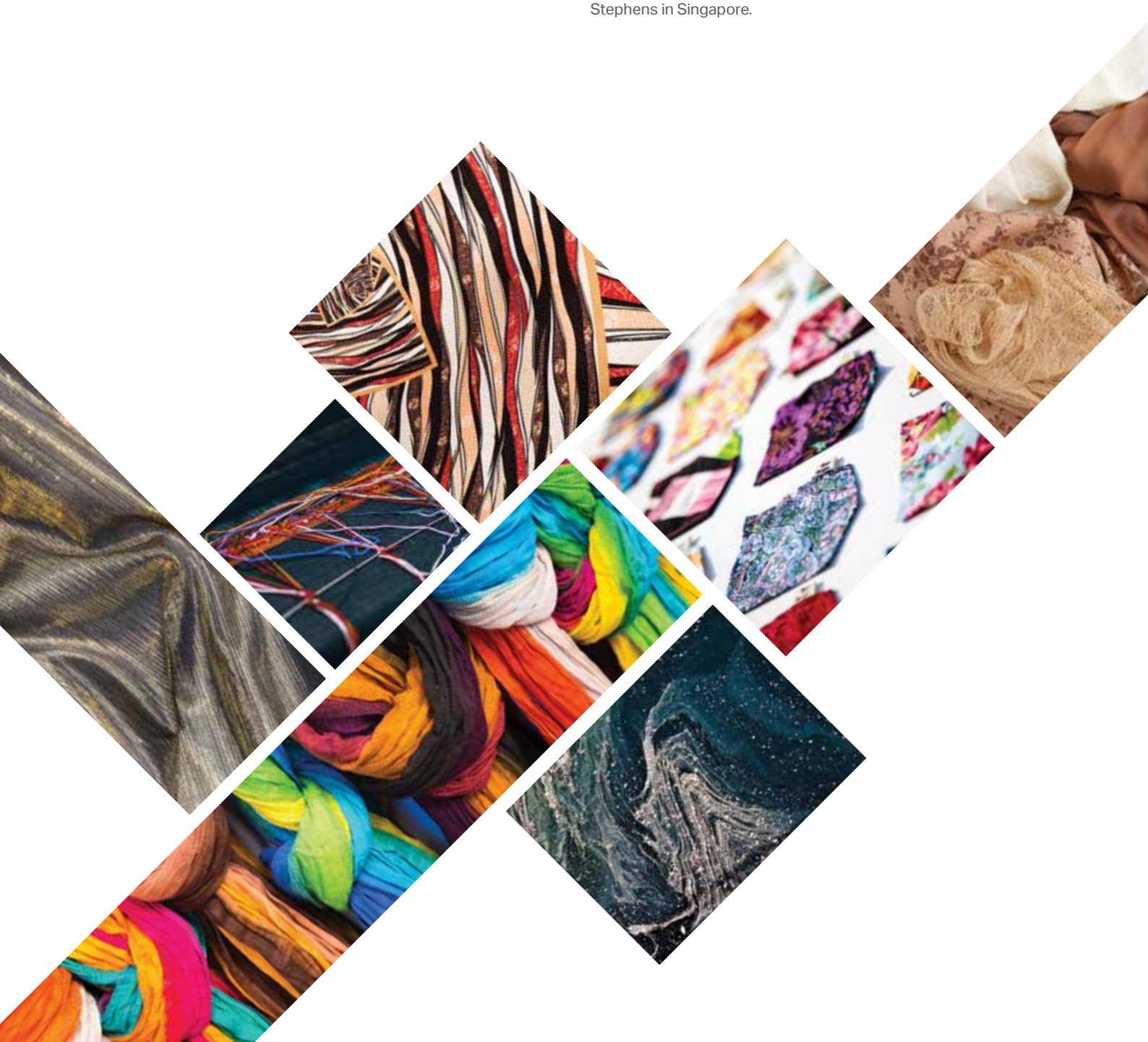
ONG AI KOON, 43

Chief Financial Officer

Ms Ong Ai Koon joined the Company on 1 December 2003 and was appointed Chief Financial Officer on 1 March 2012. Ms Ong has more than 15 years of experience dealing in various aspect of work in the area of human resource, administration, finance and accounting.

Ms Ong obtained a Bachelor of Commerce (Accounting) from University of New South Wales, Australia in 1997 and a Diploma in Compensation & Benefits Management from Singapore Human Resources Institute (SHRI) in 2008. Ms Ong qualifies as a Chartered Accountant, Singapore. She is a Certified Practising Accountant (CPA), Australia since July 2002.

Ms Ong was previously trained at Coopers & Lybrand and Moore Stephens in Singapore.

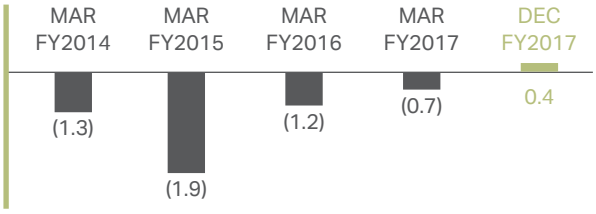


Financial Highlights

TURNOVER



PROFIT/LOSS BEFORE TAX (S$'MILLION)



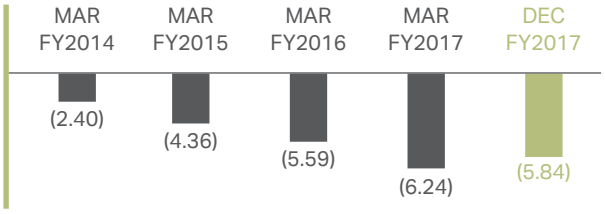
FINANCIAL HIGHLIGHTS FOR THE PAST FIVE YEARS

	FY 2017^ December $'000	FY 2017 March $'000	FY 2016 March $'000	FY 2015 March $'000	FY 2014 March $'000
Turnover	0	0	0	0	0
Profit/(Loss) before tax	399	(740)	(1,237)	(1,962)	(1.323)
Profit/(Loss) after tax	399	(740)	(1,237)	(1,962)	(1.323)
Profit/(Loss) attributable to shareholders	399	(740)	(1,237)	(1,962)	(1.323)
Shareholders equity	(5,840)	(6,239)	(5,595)	(4,359)	(2,397)
	Cents	Cents	Cents	Cents	Cents
EPS	0.54	(1.00)	(1.68)	(2.66)	(1.80)
NTA per share	(7.93)	(8.47)	(7.60)*	(0.12)	(0.07)

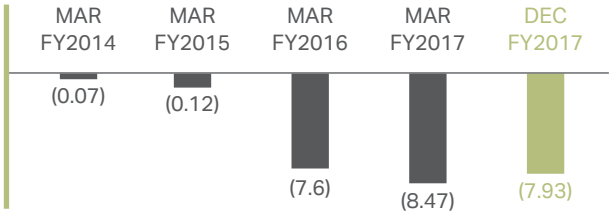
^For the period 1 April 2017 to 31 December 2017

* On 4 September 2015, the Company completed a share consolidation of every fifty (50) ordinary shares in the authorised and issued share capital of the Company into one (1) ordinary share and adjustments have been made to reflect the adjusted number of shares. Fractional entitlements are disregarded.

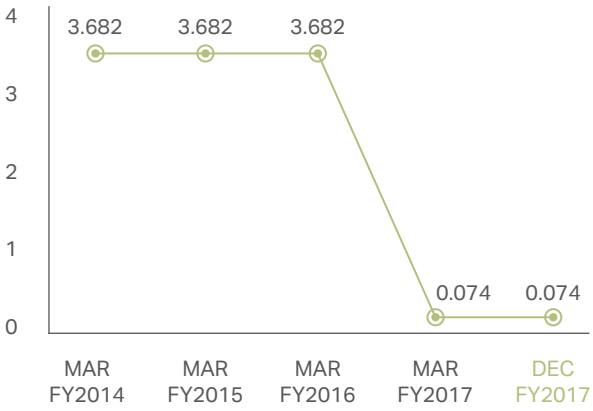
SHAREHOLDER EQUITY (S$'MILLION)



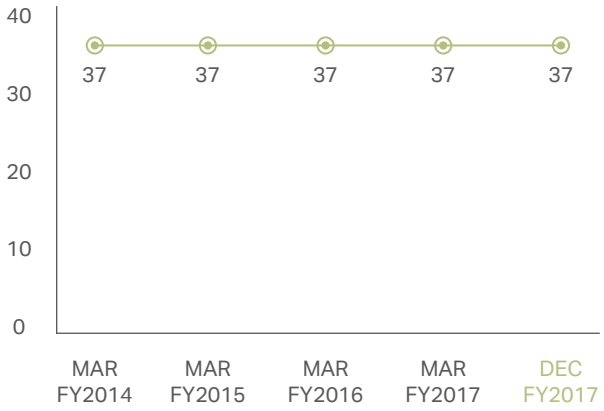
NET ASSET VALUE PER SHARE (CENTS)



NO. OF ISSUED SHARES ('BILLION)



SHARE CAPITAL (S$'MILLION)



On 4 September 2015, the Company completed a share consolidation of every fifty (50) ordinary shares in the authorised and issued capital of the Company into one (1) ordinary share and adjustments have been made to reflect the adjusted number of shares. Fractional entitlements are disregarded.

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Statement of Corporate Governance

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

Lereno Bio-Chem Ltd (the "Company") is committed to ensure and maintain a high standard of corporate governance within the Group to ensure transparency and protection of the interests of the Company's shareholders.

This report describes the main corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance 2012 (the "Code"). The Board of Directors (the "Board") confirms that for the nine (9) months ended 31 December 2017, the Company has adhered to the principles and guidelines as outlined in the Code and where there are deviations from the Code, the reasons for the deviations are explained accordingly. The Company will continue to maintain its systems and corporate governance processes to ensure compliance with the Code.

BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

The Board comprises 2 Executive and 4 Non-Executive and Independent Directors having the appropriate mix of core competencies and diversity of experience to direct and lead the Company to protect and enhance long-term shareholders' value. As at the date of this report, the Board comprises the following members: –

Tan Sri Dato' Kamaruzzaman Bin Shariff	(Non-Executive Chairman and Independent Director)
Ong Puay Koon	(Managing Director and Chief Executive Officer)
Ong Choon Lui	(Executive Director)
Goh Yeow Tin	(Non-Executive and Independent Director)
Wong Heang Fine	(Non-Executive and Independent Director)
Yap Boh Pin	(Non-Executive and Independent Director)

The Board oversees the management of the Company. It sets the corporate strategies of the Group and sets directions and goals for the management. It supervises the management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group.

The primary functions of the Board, apart from its statutory responsibilities, are: –

- evaluating and approving corporate policies, budgets and strategic direction of the Group;
- monitoring and reviewing the financial performance including approval of all financial results announcements;
- approving annual results and accounts;
- approving and authorising of major investment transactions such as fund-raising exercises;
- authorising of material acquisitions and disposal of non-core assets and investments;
- assuming responsibility for corporate governance;
- establishing a framework of prudent and effective controls which enables risk to be assessed and managed; and
- succession planning and management development.

A formal letter is sent to newly-appointed Directors upon their appointment explaining their duties and obligations as a Director. Newly-appointed Directors are oriented on the Group's strategic direction, business operations and governance practices upon their appointment. Existing Directors of the Company are encouraged to participate in seminars and/or discussion groups to be kept abreast of latest developments, such as relevant changes to statutory and regulatory requirements applicable to the Group. To keep abreast with developments in corporate, financial, legal and other compliance requirements, the Directors received relevant trainings and updates on relevant new laws, regulations and changing commercial risks from time to time when appropriate during the year under review.

Statement of Corporate Governance

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

To facilitate effective management, the Board has formed Board Committees namely the Audit Committee (the "AC"), the Nominating Committee (the "NC") and the Remuneration Committee (the "RC") to assist in carrying out and discharging its duties and responsibilities efficiently and effectively. More information on these committees is set out below. The Board accepts that while these Board Committees have the authority to examine particular issues and will report to the Board their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

These Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each Board Committee is also constantly reviewed by the Board.

The Company has adopted internal guidelines setting forth matters that require Board approval. The types of material transactions that require Board approval under such guidelines include, but are not limited to, those listed below:–

(a) approval of results announcements;
(b) approval of annual financial statements;
(c) declaration of interim dividends and proposal of final dividends;
(d) convening of shareholders' meetings;
(e) approval of corporate strategy;
(f) authorisation of merger and acquisition transactions;
(g) authorisation of major transactions; and
(h) approval of interested person transactions

The Board meets regularly, at least four times a year to review the quarterly financial results and as warranted by circumstances to deliberate on urgent substantive matters or when required to address any specific significant matters that may arise from time to time. The Constitution of the Company permit the Board to hold its meetings via telephone conference and other electronic or telegraphic means. The attendance of Directors at meetings of the Board and the meetings of the various Board Committees as well as the frequency of meetings during the financial year are set out in the following Table 1:

Table 1
Directors' attendance at Board and Board Committee Meetings held for the financial period ended 31 December 2017

	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Name of Director	**No. of Meetings attended**			
Tan Sri Dato' Kamaruzzaman Bin Shariff	**4/4**	**-**	**1/1**	**1/1**
Ong Puay Koon	**4/4**	**-**	**-**	**-**
Ong Choon Lui	**4/4**	**-**	**-**	**-**
Goh Yeow Tin	**4/4**	**3/3**	**1/1**	**1/1**
Wong Heang Fine	**3/4**	**2/3**	**0/1**	**-**
Yap Boh Pin	**4/4**	**3/3**	**-**	**1/1**

Statement of Corporate Governance

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

Principle 2: Board Composition and Guidance

The Board now comprises 2 Executive Directors and 4 Non-Executive and Independent Directors.

The criterion for independence is based on the definition given in the Code. The Board considers an "independent" director as one who has no relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement of the conduct of the Group's affairs with a view to the best interests of the Group. With the majority of our Directors being non-executive and independent from management, the Board is able to exercise objective judgement on corporate affairs and no individual or small group of individuals is able to dominate the Board's decision making. The independence of each Director is reviewed annually by the NC which confirms that the Independent Directors make up at least one-third of the Board.

The following Independent Non-Executive Directors have served on the Board for more than nine years, from the date of their first appointment as Directors of the Company:–

(a) Tan Sri Dato' Kamaruzzaman Bin Shariff, who was appointed from 1 August 2003;
(b) Mr Wong Heang Fine, who was appointed from 1 September 2001;
(c) Mr Yap Boh Pin, who was appointed from 1 April 2004; and
(d) Mr Goh Yeow Tin, who was appointed from 1 October 2007.

Notwithstanding that the abovementioned Independent Non-Executive Directors have served on the Board for more than nine (9) years, based on the declarations of independence provided and the assessment of the NC, the Board reviewed and was of the view that they are able to exercise independent and objective judgement and there are no relationship or circumstance which will affect their judgement and ability to discharge their duties and responsibilities as independent directors. The Board does not consider it to be in the interests of the Company and shareholders to require all directors who have served more than 9 years or longer to retire and favours ensuring continuity and stability. The Board is of the opinion that their length of service has not, in anyway, affected their independence.

The Board members possess wide ranging experiences in the areas of strategic planning, business and management, and accounting and finance for the industry which the Group operates in. The profiles of the Board members are set out on pages 4 to 7 of this annual report.

The composition of the Board is reviewed on an annual basis by the NC 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 NC opined that the current size of the Board is appropriate, taking into account the nature and scope of the Group's operations.

The Non-Executive Directors constructively challenge and help develop proposals on strategy and also review the performance of management in meeting agreed goals, objectives and monitor the management's reporting of performance.

Particulars of interests of Directors who held office at the end of the financial period in shares, debentures, warrants and share awards and/or share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Statement on pages 27 to 30 of this annual report.

Non-Executive Directors meet as and when required without the presence of management.

Currently, there are no alternate directors appointed to the Board.

Statement of Corporate Governance

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

Principle 3: Chairman and Chief Executive Officer

The Company believes that a clear division of responsibilities between the Non-Executive Chairman and Chief Executive Officer ("CEO") ensures proper balance of power, increased accountability and greater capacity of the Board for independent decision-making. The positions of the Non-Executive Chairman and CEO are held by Tan Sri Dato' Kamaruzzaman Bin Shariff and Mr Ong Puay Koon respectively and they are not related to each other.

The Chairman's duties and responsibilities include: –

- scheduling meetings to enable the Board to perform its duties responsibly;
- preparing meeting agenda in consultation with the CEO;
- ensuring the proper conduct of meetings and accurate documentation of the proceedings;
- ensuring smooth and timely flow of information between the Board and management and between the Company and its shareholders;
- facilitating the effective contribution of Non-Executive Directors;
- promoting high standards of corporate governance; and
- ensuring compliance with internal policies and guidelines of the Company.

The CEO's duties and responsibilities include: –

- improving, developing, extending, maintaining, advising and promoting the Company's and Group's businesses to protect and further the reputation, interest and success of the Company and the Group;
- undertaking such duties and exercising such powers in relation to the Company, the Group and their businesses as the Board shall from time to time properly assign to or vest in him in his capacity as CEO and all other matters incidental to the same; and
- overseeing, formulating and implementing corporate strategies and directions for the affairs of the Group.

Principle 4: Board Membership

The NC currently comprises the following: –

Goh Yeow Tin	(Chairman of NC and Non-Executive & Independent Director)
Yap Boh Pin	(Member and Non-Executive & Independent Director)
Tan Sri Dato' Kamaruzzaman Bin Shariff	(Member and Non-Executive & Independent Director)

The Board considers that the members of the NC have sufficient expertise and experience to discharge its responsibilities properly.

The NC is established for the purpose of ensuring that there is a formal and transparent process for all board appointments. It has adopted written terms of reference defining its membership, administration and duties.

Statement of Corporate Governance

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

The duties and responsibilities of the NC as set out in the Terms of Reference approved by the Board include the following: –

- to review of Board succession plans for directors, in particular, the Chairman and for the CEO;
- to make recommendations to the Board on all Board appointments and re-elections/re-appointments;
- to review the Board structure, size and composition and make recommendations to the Board with regards to any necessary adjustment;
- to make recommendations on re-nomination of any director having regard to the composition of the Board and each Director's competencies, commitment, contribution and performance;
- to determine annually whether a director is independent in accordance to the Code and any other salient factors, and ensure that the Board comprises of at least one-third Independent Directors;
- to make recommendation to the Board on the performance criteria and appraisal process to be used for the evaluation of the effectiveness of the Board and Board committees as well as the contribution of each Director, of which criteria and process shall be subject to the Board's approval;
- to review the training and professional development programs for the Board; and
- to review a Director's multiple board representations on various companies and deciding whether or not such Director is able to and has been adequately carrying out his duties as Director.

Pursuant to the Constitution of the Company, one-third of the Directors (except the Managing Director) must retire from office at an Annual General Meeting of the Company. Therefore, all the Directors must retire and may submit themselves for re-election at regular intervals at least once in every three years. Tan Sri Dato' Kamaruzzaman Bin Shariff and Mr Wong Heang Fine shall in retire pursuant to Regulation 95 of the Company's Constitution at the forthcoming AGM. The NC, having considered the directors' overall contributions and performance as well as the attendance and participation of the Directors at the Board and Board Committee Meetings, has recommended their re-election. The retiring Directors, being eligible, have offered themselves for re-election at the forthcoming AGM. The Board has concurred with the NC's recommendation. Tan Sri Dato' Kamaruzzaman Bin Shariff, as a member of the NC, has abstained from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director.

When a director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a director of the Company. The NC is of the view that the Directors with multiple board representations and other principal commitments, have ensured that sufficient time and attention are given to the affairs of each company. The Board has not fixed the maximum number of listed company board representations and other principal commitments which any Director may hold. It will do so when deemed necessary.

The NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. The search and nomination process for new directors (if any) will be conducted through contacts and recommendations that go through the normal selection process, to review the candidate's qualifications, attributes and past experience, to ensure the search for the right candidates is as objective and comprehensive as possible.

Key information of each Director is set out on pages 4 to 7 of this Annual Report.

Principle 5: Board Performance

The NC has set up a framework for the formal assessment of the performance of the Board as a whole, its Board Committees and of the contribution of each individual director to the effectiveness of the Board. The NC has established objective performance criteria by which the performances of the Board and its Board Committee may be evaluated.

Framework for assessment of Board performance

Based on the recommendations by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole and its Board committees and of the contribution of each individual director to the effectiveness of the Board. The Board has performed the necessary assessment for the financial year.

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In evaluating the Board's performance, the NC considers a set of quantitative and qualitative performance criteria. The performance criteria for the Board and its Board committees' evaluations were in respect of size and composition, processes, information, performance, meeting attendance, participation and contributions of the Board and its Board committees in relation to discharging its principal functions and responsibilities and ability to meet targets.

After evaluation, the NC considered the performance and effectiveness of each individual current Director and the Board as a whole, to be satisfactory.

Reviews of each individual Board member's performance and effectiveness, as well as the performance and effectiveness of the Board Committees and the Board are undertaken on a continuous basis by the NC with inputs from the various Board members.

Principle 6: Access to Information

We believe that in order to ensure that the Board is able to fulfil its duties and responsibilities, management is required to provide timely, adequate and complete information that requires the Board's decision as well as periodic reports on material operational and financial matters of the Company and of the Group.

As a general rule, the Board papers, including matters requiring the Board's decision, updates on key outstanding issues strategic plans and development of the Group, are required to be sent by management to Directors at least seven days before the Board meeting so that the members may better understand the matters before the Board meeting and discussion may be focused on questions that the Board has.

The Directors have separate and independent access to the Company's senior management and/or the Joint Company Secretaries, who are responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. Under the Constitution of the Company, the decision to appoint or remove the Company Secretaries can only be taken by the Board as a whole. The Company Secretaries or their respective representatives administer, attend and prepare minutes of Board and Board committee meetings as well as Shareholders' meetings. They assist the Chairman in ensuring that Board procedures are followed and regularly reviewed to ensure effective functioning of the Board, and that the Company's Constitution and relevant rules and regulations, including requirements of the Companies Act, Cap. 50 and the Listing Manual Section B: Catalist Rules of Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Rules") are complied with. They also assist the Chairman and the Board in implementing and strengthening corporate governance practices and processes with a view to enhancing long-term shareholders' value. They are also the primary channel of communication between the Company, the Company's Catalist Sponsor and the SGX-ST.

The Directors may communicate directly with the management and the Joint Company Secretaries on all matters whenever they deem necessary.

The Board has the right to seek independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. Subject to the approval of the Chairman, the Directors of the Company, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

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REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") comprises three members, all of whom are Non-Executive and Independent Directors: –

Tan Sri Dato' Kamaruzzaman Bin Shariff	(Chairman of RC and Non-Executive & Independent Director)
Goh Yeow Tin	(Member and Non-Executive & Independent Director)
Wong Heang Fine	(Member and Non-Executive & Independent Director)

The RC is established for the purpose of ensuring that there is a formal and transparent procedure for determining the remuneration packages of individual directors and key management personnel. In setting remuneration packages, the Company takes into account salary and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors. The overriding principle is that no Director should be involved in deciding his own remuneration.

The duties and responsibilities of the RC as set out in the Terms of Reference approved by the Board include the following: –

- to review the remuneration packages and terms of employment of all Executive Directors, the CEO and key management personnel;
- to review and recommend Directors' fees;
- to review remuneration of all managerial staff that are related to any of the Directors, the CEO and any substantial shareholder of the Company;
- to review and make recommendation to the Board on the implementation of any appropriate long-term incentive schemes for the Directors and employees of the Group;
- to review and ensure that the level and structure of remuneration of the Directors and key management personnel should be aligned with the long-term interest of the Company;
- to structure a significant and appropriate proportion of executive directors' and key management personnel's remunerations so as to link rewards to corporate and individual performance; and to ensure such remunerations should be aligned with the interests of shareholders and promote the long-term success of the Company; and
- to review and ensure the remuneration of non-executive directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the directors, and they should not be over-compensated to the extent that their independence may be compromised.

The RC will seek independent expert professional advice on remuneration matters whenever there is a need to consult externally. The RC has not sought external advice nor appointed remuneration consultants for the financial period under review.

The RC reviewed and is of the view that the termination clauses of the current service agreements with the Executive Directors are fair, reasonable and not overly generous.

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LBC Restricted Share Scheme ("RSS") and LBC Performance Share Scheme ("PSS")

The Remuneration Committee administers the LBC RSS and LBC PSS.

The information required to be disclosed pursuant to Rule 851 of the Catalist Rules is set out on pages 28 to 29 of this annual report.

Catalist Rule 851(1)(c) of the Catalist Rules is not applicable as the Company does not have a parent company.

No participant of the RSS and PSS received any award available under the RSS and PSS for the financial year under review and there were no shares granted under the RSS and PSS for the financial year under review.

The LBC RSS and LBC PSS has expired on 13 July 2017.

Principle 8: Level and Mix of Remuneration

In view of the Company's cash company status with no business operations, all Executive Directors have agreed to forgo their salaries (effective from September 2016) until their further notice(s) to the Company or upon the completion of the RTO, whichever is earlier. Ms Ong Ai Koon, the Chief Financial Officer of the Company, did not draw any salaries from September 2016 to October 2017.

The remunerations of the Non-Executive Directors are set out in accordance with a framework comprising basic and Board Committees' fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account. Directors' fees are paid subject to approval of shareholders at the annual general meeting.

There are no contractual provisions to allow the Company to reclaim incentive components of remunerations from the Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Executive Directors owe fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Principle 9: Disclosure on Remuneration

A breakdown, showing the level and mix of each Director's remuneration for the financial period ended 31 December 2017 is as follows: –

Name	Directors' Fee	Base/Fixed Salary	Restricted/ Performance Share Award	Other Benefits	Total
Directors					
$50,000 and below					
Ong Puay Koon^	0%	0%	0%	0%	0%
Ong Choon Lui^	0%	0%	0%	0%	0%
Tan Sri Dato' Kamaruzzaman Bin Shariff#	100%	0%	0%	0%	100%
Yap Boh Pin#	100%	0%	0%	0%	100%
Wong Heang Fine#	100%	0%	0%	0%	100%
Goh Yeow Tin#	100%	0%	0%	0%	100%

Note: Other benefits include allowance and employer CPF contributions

\# Having considered the sensitivity and confidentiality of the remuneration package, and the competitive pressure in the talent market, the Company is only disclosing the bands of remuneration for each Independent Director.

^ Mr Ong Puay Koon and Mr Ong Choon Lui have ceased to draw any salaries with effect from September 2016.

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Having considered the sensitivity and confidentiality of the remuneration package, and the competitive pressure in the talent market, the Company is only disclosing the band of remuneration for the key executives.

Name	Directors' Fee	Base/Fixed Salary	Restricted/ Performance Share Award	Other Benefits	Total
Top Executive					
$50,000 and below					
Ong Ai Koon*	0%	85%	0%	15%	100%

Note: Other benefits include employer CPF contribution

*Mr Ong Puay Koon is the father of Mr Ong Choon Lui and Ms Ong Ai Koon.

Save for as disclosed above, there were no other employees of the Group who are immediate family members of the Directors or CEO of the Company, and whose remuneration exceeded $50,000 for the financial period ended 31 December 2017.

The Company adopts a remuneration policy for staff comprising fixed and variable components. The fixed component is in the form of a base salary and allowance. The variable component is in the form of a variable bonus that is linked to the performance of the Company and individual.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with the statutory requirements and the Catalist Rules.

The Board keeps itself abreast and is kept informed by management of legislative and regulatory requirements. It is also guided by the Company's Sponsor, SAC Capital Private Limited, of any regulatory changes in the Catalist Rules. Price sensitive information will be publicly released via SGXNET either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within legally prescribed periods.

The Company recognizes the importance of providing the Board with accurate and relevant information on a timely basis so that it can effectively discharge its duties.

The Management provides the Board members with results at each quarterly Board meeting, as well as relevant updates, background information and documents relating to the items of business to be discussed at each Board meeting, such as copies of disclosure documents, budgets, forecasts, before the scheduled meeting. This enables the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

The Board is also provided with such financial information, updates and explanations to safeguard the Company's utilization of cash and make informed decisions on monthly basis. The Company provides a monthly valuation of its assets and utilization of cash and quarterly updates of milestones in obtaining a new business for a new listing to shareholders via SGXNet pursuant to Rule 1017(1)(b) of the Catalist Rules.

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Principle 11: Risk Management and Internal Controls

The Board acknowledges that it is responsible for the Company's overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board recognises that the internal control framework is designed to manage instead of eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. Notwithstanding the aforesaid, procedures are in place to identify major business risks and evaluate potential financial effects. In addition, the AC reviews and evaluates annually the adequacy and effectiveness of the Group's system of internal controls, including financial, operational compliance and information technology controls and risk management.

The external auditors carry out, in the course of their statutory audit, an annual review of the effectiveness of the Company's material internal controls to the extent laid out in their audit plan. Material internal control weaknesses noted during their audit (if any) and the auditors' recommendations are reported to the Board and the Audit Committee. Steps are taken to rectify any weaknesses reported.

The Board of Directors has set up a Risk Management Committee ("RMC") to review the overall risk management guidelines/framework, review and recommend risk limits, assess the adequacy and effectiveness of the risk management policies and systems and to assist in reviewing the risks for significant transactions. The RMC has its own written Terms of Reference.

The RMC comprises the following three members: –

Goh Yeow Tin	(Chairman of RMC and Non-Executive & Independent Director)
Ong Puay Koon	(Member and Managing Director and Chief Executive Officer)
Yap Boh Pin	(Member and Non-Executive & Independent Director)

The risks for less significant transactions are reviewed by the Group Management Committee ("GMC"). The GMC's responsibilities include amongst other things, the monitoring and improvement of the overall effectiveness of the Group's risk management system and to review the risk limits to manage its overall risk exposure. The GMC reports to the RMC on any matters relating to risk that it wishes to refer to the RMC.

The GMC comprises the following two members: –

Ong Puay Koon	(Chairman of GMC and Managing Director and Chief Executive Officer)
Ong Choon Lui	(Member and Executive Director)

Details of the various risk factors and the management of such risks are outlined in Note 20 and 21 of the financial statements.

In view of the above and based on the statutory audits by the external auditors and assurance from the management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls in place are adequate and effective to provide reasonable assurance of achieving its internal control objectives and to address financial, operational and compliance and information technology risks, and risk management systems.

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that: –

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) that the Group's risk management and internal control systems are sufficiently effective.

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Principle 12: Audit Committee

The Audit Committee ("AC") comprises three members, all of whom are Non-Executive and Independent Directors: –

Yap Boh Pin	(Chairman of AC and Non-Executive & Independent Director)
Wong Heang Fine	(Member and Non-Executive & Independent Director)
Goh Yeow Tin	(Member and Non-Executive & Independent Director)

The members of the AC have many years of experience in business management and financial services. The Chairman of the AC is a very experienced and qualified accountant and the other members have significant experience in financial management. The Board views the members of the AC to have sufficient financial management expertise and experience to discharge their responsibilities properly.

The primary responsibility of the AC is to provide the support and assistance to the Board in ensuring that a high standard of corporate governance is maintained and preserved at all times. It acts as a conduit between the Board and external auditors. The AC has full access to all management personnel and can call upon any member of management and staff or any member of the Board to attend its meetings.

The AC has written Terms of Reference which has been approved by the Board. The AC's responsibilities include the following: –

- to review the audit plan of the Company's internal and external auditors and ensure the adequacy of the Company's system of accounting controls and the co-operation given by the Company's management to the external and internal auditors;
- to review the Group's financial and operating performance;
- to review interested person transactions in accordance with the requirements of the Catalist Rules;
- to review the cost effectiveness, independence and objectivity of the external auditors and having reviewed the scope and value of non-audit services provided to the Group by the external auditors;
- to evaluate and report to the Board at least annually the adequacy and effectiveness of the Group's system of internal controls, including financial, operational and compliance, information technology controls and risk management via reviews carried out internally or with the assistance of any competent third parties;
- to review and make recommendations to the Board on the appointment and re-appointment of internal and external auditors of the Company and the Group; and
- to review annual financial statements of the Company and the consolidated financial statements of the Group, prior to submission to the Board together with the external auditors' reports on those financial statements; and other related matters raised by the Board.

The AC has power to conduct or authorise investigations on any matter within the AC's scope of responsibility.

The AC conducts reviews of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services does not prejudice the independence and objectivity of the auditors. The fees paid to the External Auditors of the Group for statutory audit services were S$62,500 in respect of the financial period ended 31 December 2017. During the period, there was no non-audit fee paid to the External Auditors.

The AC also met with the external auditors without the presence of the Company's management to discuss audit related matters at least once a year.

The AC has recommended that Foo Kon Tan LLP be nominated for re-appointment as auditors at the forthcoming Annual General Meeting. In recommending the re-appointment of the auditors, the AC considered and reviewed a number of key factors, including amongst other things, adequacy of the resources and experience of supervisory and professional staff as well as audit engagement partner to be assigned to the audit; and size and complexity of the Group and its businesses and operations.

No former partners of the Company's existing Auditor, Foo Kon Tan LLP is a member of the AC.

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Accordingly, the Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Foo Kon Tan LLP as the auditors of the Company and its subsidiary.

The Company has put in place arrangements for a whistle-blowing framework by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters with the AC. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports will be addressed to the AC Members through designated email addresses.

By briefings and advices given by the external auditors, the AC and Management are always kept abreast of changes to accounting standards and issues which have a direct impact on financial statements.

Principle 13: Internal Audit

Since 2010/2011, given the very limited extent of operations of the Group, no independent internal audit work was undertaken and the Board and AC themselves undertook to provide the necessary oversight of controls over the Group's assets and processes. The Group will review the internal audit functions of the Group upon the increase of its operations from the acquisition of new assets and/or businesses.

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholder Meetings

The Board ensures that all the Company's shareholders are treated fairly and equitably as well as recognises, protects and facilitates the exercise of shareholders' rights.

The Board is mindful of the obligations to provide timely disclosure of material information in accordance with the Corporate Disclosure Policy of the SGX-ST. The Company does not practice selective disclosure. All material and price sensitive information are publicly released via SGXNET either before the Company meets with any group of investors or analysts or simultaneously with such meetings.

Information is disseminated to shareholders on a timely basis through: –

(a) SGXNET announcements (which are reviewed by the Company's Catalist Sponsor) and news releases;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group; and

(d) Notices of and explanatory memoranda for annual general meetings ("AGMs") and extraordinary general meetings ("EGMs").

The Company's AGMs are the principal forums for dialogue with shareholders and to understand the views of the shareholders. The Chairman of the AC, RC and NC are usually available at the AGMs to answer any question relating to the work of these Board Committees. The External Auditors are also present to assist the Directors in addressing any relevant queries by the shareholders.

Shareholders are encouraged to attend the AGMs/EGMs to ensure high level of accountability and to stay informed of the Group's strategy and goals. Notice of such meetings will be advertised in newspapers and announced on SGXNET.

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Currently, the Constitution of the Company allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. Pursuant to Section 181 of the Companies Act, Chapter 50 (the "Companies Act"), a member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his stead. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act. The Company is not implementing absentia-voting methods such as by mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved. Separate resolutions on each distinct issue are tabled at general meetings and voting on each resolution by poll is carried out systematically with proper recording of votes cast and the resolution passed.

Minutes or notes of general meetings are prepared by the Company and these may be made available to shareholders upon their written application and payment of administrative fees incurred by the Company.

The Group does not have a concrete dividend policy at present. No dividend was declared in respect of the financial period ended 31 December 2017 as the Company was not profitable.

The Company conducts voting by poll and makes announcement on the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

At present, the Company does not conduct voting by electronic polling as shareholders turn-out at AGM has been manageable.

SECURITIES TRANSACTIONS

The Company has in place internal compliance policies to provide guidance to its officers with regard to dealing in its securities. Officers are advised not to deal in the Company's securities on short-term considerations.

The Company has in place a policy prohibiting share dealings by Directors and employees of the Group for the period of one month prior to the announcement of the Group's full year results, and for the period of two weeks before the announcement of the Group's quarterly results, and ending on the date of the announcement of the relevant results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading periods.

INTERESTED PERSON TRANSACTIONS

There was no interested person transaction of amount greater than or equal to S$100,000 in respect of the financial period ended 31 December 2017.

The Group has not obtained a shareholder's mandate pursuant to Rule 920 of the Catalist Rules of the SGX-ST.

MATERIAL CONTRACTS

There was no material contract entered into by the Company or any of its subsidiary companies involving the interest of the CEO, any Director, or controlling shareholder in respect of the financial period ended 31 December 2017.

SUSTAINABILITY REPORT

Catalist Rule 711A requires every listed issuer to prepare an annual sustainability report, which must describe the issuer's sustainability practices with reference to the primary components set out in Catalist Rule 711B on a 'comply or explain' basis.

Statement of Corporate Governance

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The Board recognises its responsibility to provide a strategic direction, specifically considering sustainability issues as part of its strategic formulation. The Board also believes that to grow sustainably as a forward-looking entity, the Group has to regularly reach out and work with its stakeholders, from its employees to the community, and be responsible stewards to the natural environment. Nonetheless, the Company, being a cash company under Rule 1017 of the Catalist Rules, currently does not have any business operations and accordingly the Board is of the view that the preparation of a sustainability report is not meaningful. The Company endeavours to comply with Rule 711A of the Catalist Rules in due course upon the increase of its operations from the acquisition of new assets and/or businesses.

NON-SPONSORSHIP FEES

There was no non-sponsorship fee paid to the Company's Sponsor, SAC Capital Pte Ltd. for the financial period ended 31 December 2017.

Directors' Statement

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

The directors submit this statement to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial period from 1 April 2017 to 31 December 2017.

In our opinion,

(a) the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2017 and the results, changes in equity and cash flows of the Group for the financial period from 1 April 2017 to 31 December 2017 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, except as disclosed in Note 2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Names of directors

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

Tan Sri Dato' Kamaruzzaman Bin Shariff
Ong Puay Koon
Ong Choon Lui
Goh Yeow Tin
Wong Heang Fine
Yap Boh Pin

Directors' interest in shares, debentures, warrants or options

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial period had any interest in the shares, debentures, warrants or options of the Company or its related corporations, except as follows:

	Number of ordinary shares			
	Shares registered in the name of director		Shares in which director is deemed have an interest	
	As at 1.4.2017	As at 31.12.2017 and 21.1.2018	As at 1.4.2017	As at 31.12.2017 and 21.1.2018
The Company – Lereno Bio-Chem Ltd.				
Tan Sri Dato' Kamaruzzaman Bin Shariff	173,824	**173,824**	-	**-**
Ong Puay Koon	1,297,240	**1,297,240**	19,467,321	**19,467,321**
Ong Choon Lui	1,074,584	**1,074,584**	-	**-**
Goh Yeow Tin	77,152	**77,152**	-	**-**
Wong Heang Fine	100,128	**100,128**	640	**640**
Yap Boh Pin	145,248	**145,248**	-	**-**
The fellow subsidiaries -				
MAE Engineers Pte. Ltd.				
Ong Puay Koon	-	**-**	1,500,002	**1,500,002**

Directors' Statement

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

Share schemes in the Company

The following table sets out the information required to be disclosed pursuant to Catalist Rule 851 of the Listing Manual:

(a) Restricted Share Scheme ("RSS") Share awards granted to directors of the Company:

Name of Participant	Awards under RSS granted during the financial period ended 31.12.2017	Aggregate awards granted since the commencement of the RSS to end of financial period ended 31.12.2017	Aggregate awards issued since the commencement of the RSS to end of financial period ended 31.12.2017	Aggregate awards under RSS not yet issued at end of financial period ended 31.12.2017
Directors				
Tan Sri Dato' Kamaruzzaman Bin Shariff	-	315,000	315,000	-
Ong Puay Koon [1]	-	3,800,000	3,800,000	-
Ong Choon Lui [2] [4]	-	1,956,000	1,956,000	-
Wong Heang Fine	-	340,000	340,000	-
Yap Boh Pin	-	265,000	265,000	-
Associate of a controlling shareholder				
Ong Ai Koon [3] [4]	-	1,242,000	1,242,000	-

Note: (1) Ong Puay Koon ("OPK") is also controlling shareholder of the Company
(2) Ong Choon Lui is the son of OPK
(3) Ong Ai Koon is the daughter of OPK
(4) An associate of a controlling shareholder

(b) Performance Share Scheme ("PSS") Share awards granted to directors of the Company:

Name of Participant	Awards under PSS granted during the financial period ended 31.12.2017	Aggregate awards granted since the commencement of the PSS to end of financial period ended 31.12.2017	Aggregate awards issued since the commencement of the PSS to end of financial period ended 31.12.2017	Aggregate awards under PSS not yet issued at end of financial period ended 31.12.2017
Directors				
Tan Sri Dato' Kamaruzzaman Bin Shariff	-	891,000	891,000	-
Ong Puay Koon [1]	-	11,533,000	11,533,000	-
Ong Choon Lui [2] [4]	-	391,000	391,000	-
Goh Yeow Tin	-	411,000	411,000	-
Wong Heang Fine	-	789,000	789,000	-
Yap Boh Pin	-	789,000	789,000	-
Associate of a controlling shareholder				
Ong Ai Koon [3] [4]	-	915,000	915,000	-

Note: (1) Ong Puay Koon ("OPK") is also controlling shareholder of the Company
(2) Ong Choon Lui is the son of OPK
(3) Ong Ai Koon is the daughter of OPK
(4) An associate of a controlling shareholder

Directors' Statement

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Share schemes in the Company (cont'd)

(c) During the financial period, no new ordinary shares in the capital of the Company were granted and issued to eligible participants of the Group pursuant to the RSS.

During the financial period, no new ordinary shares in the capital of the Company were granted and issued to the eligible participants of the Group pursuant to the PSS.

(d) Categories of persons to whom the shares were granted since the commencement of the RSS and PSS on 14 July 2007 to 31 December 2017:

Category	No. of persons	No. of RSS & PSS shares granted
Executive directors	**3**	**47,351,000**
Non-executive directors	**7**	**6,056,000**
Employees	**22**	**27,881,000**
Total	**32**	**81,288,000**

(i) The persons to whom the shares have been granted do not have the right to participate, by virtue of the share schemes, in any share issue of any other Company.
(ii) The aggregate number of shares granted for the financial period from 1 April 2017 to 31 December 2017 is Nil shares.
(iii) The aggregate number of shares granted since the commencement of the RSS and PSS on 14 July 2007 to 31 December 2017 is 81,288,000 shares.
(iv) The shares of the Company issued under the RSS and PSS at the end of the financial year are set out in Note 13 to the financial statements.
(v) The RSS and PSS has expired on 13 July 2017.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Yap Boh Pin (Chairman)
Goh Yeow Tin
Wong Heang Fine

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed the following:

(i) overall scope of external audit and the assistance given by the Company's officers to the auditors. It met with the Company's external auditor to discuss the results of their examinations and their evaluation of the Company's system of internal accounting controls;
(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
(iii) the adequacy, effectiveness and efficiency of the Company's risk management, internal financial systems and operating controls, including computerised information system control and security, compliance controls and risk management, and all other material controls, and any related significant findings and recommendations of the auditors, together with management's responses thereto at least on an annual basis;

Directors' Statement

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

Audit Committee (cont'd)

(iv) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial period from 1 April 2017 to 31 December 2017 as well as the auditor's report thereon; and

(v) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to The Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiary we have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the directors

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ONG PUAY KOON

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ONG CHOON LUI

Dated: 23 March 2018

Independent Auditor's Report

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lereno Bio-Chem Ltd. (the Company) and its subsidiary (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the period from 1 April 2017 to 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and the Financial Reporting Standards in Singapore (FRSs) 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 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the period from 1 April 2017 to 31 December 2017.

Basis for Opinion

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 (ACRA) 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 opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred profits and total comprehensive profit of $399,000 and $399,000 respectively and reported net operating cash outflows of $427,000 for the financial period from 1 April 2017 to 31 December 2017; and as at the balance sheet date, the Group's and the Company's current liabilities exceeded the Group's and the Company's current assets by $5,840,000 and $5,835,000, respectively and the Group and the Company have a net deficit in equity of $5,840,000 and $5,835,000 respectively. These conditions indicated that there were material uncertainties existing at the balance sheet date, which related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 period. 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.

The Company has been a cash company pursuant to Rule 1017 of the Catalist Rules since 17 August 2015 and the Company obtained a further 6.5 months extension, i.e. by 31 August 2018, to meet the requirements for a new listing. We have determined that there are no key audit matters to report for the financial period from 1 April 2017 to 31 December 2017.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements and our auditor's report thereon. The other information mainly comprises the chairman statement, financial and operations review and directors' statement.

Independent Auditor's Report

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

Report on the Audit of the Financial Statements (cont'd)

Other Information (cont'd)

Our opinion on the financial statements does not cover the other information and we do 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 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 obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 FRSs, 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 judgement and maintain professional scepticism throughout the audit. We also:

- 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.

- 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.

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

Independent Auditor's Report

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'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.

- 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.

- 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 a subsidiary incorporated in Singapore of which we are the auditors, 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 Ho Teik Tiong.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 23 March 2018

Statements of Financial Position

AS AT 31 DECEMBER 2017

		The Group		The Company	
		31 December	31 March	**31 December**	31 March
		2017	2017	**2017**	2017
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Non-Current Assets					
Plant and equipment	4	**-**	14	**-**	14
Subsidiaries	5	**-**	-	**-**	-
		-	14	**-**	14
Current Assets					
Other receivables	6	**15**	22	**15**	22
Prepayments		**11**	20	**11**	20
Amounts due from a subsidiary	7	**-**	-	**-**	-
Amounts due from a related party	8	**-**	7	**-**	7
Cash and bank balances	9	**20**	23	**14**	18
		46	72	**40**	67
Total assets		**46**	86	**40**	81
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	10	**36,827**	36,827	**36,827**	36,827
Accumulated losses		**(42,667)**	(43,066)	**(42,662)**	(42,993)
Total equity		**(5,840)**	(6,239)	**(5,835)**	(6,166)
Current Liabilities					
Amounts due to related parties	8	**5,197**	36	**5,197**	36
Other payables	11	**689**	6,289	**678**	6,211
Total current liabilities		**5,886**	6,325	**5,875**	6,247
Total equity and liabilities		**46**	86	**40**	81

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

	Note	Period from 1 April 2017 to 31 December 2017 $'000	Year ended 31 March 2017 $'000
Other income	12	**66**	10
Expenses:			
- Audit fees			
- auditors of the Company		**(48)**	(63)
- other auditors		**-**	-
- Depreciation of plant and equipment	4	**(3)**	(10)
- Legal and other professional fees		**(95)**	(241)
- Staff costs	13	**501**	(190)
- Operating lease expenses		**(20)**	(53)
- Others		**(2)**	(193)
Profit/ (loss) before taxation	14	**399**	(740)
Taxation	15	**-**	-
Profit/ (loss) for the period/ year		**399**	(740)
Other comprehensive income after tax:			
Items that will be reclassified subsequently to profit or loss in subsequent period (net of tax)			
Realisation of currency translation reserve upon disposal of a subsidiary		**-**	96
Net other comprehensive income to be reclassified to profit or loss in subsequent period		**-**	96
Total comprehensive profit/(loss) for the year attributable to owners of the Company		**399**	(644)
Profit/(loss) per share (SGD Cents) attributable to owners of the Company			
- Basic/diluted profit/(loss) per share	16	**0.54**	(1.00)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

	Share capital	Translation reserve	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 April 2016	36,827	(96)	(42,326)	(5,595)
Loss for the year	-	-	(740)	(740)
Other comprehensive income:				
Realisation of reserve upon disposal of a subsidiary	-	96	-	96
Total comprehensive loss for the year	-	96	(740)	(644)
Balance at 31 March 2017	**36,827**	**-**	**(43,066)**	**(6,239)**
Profit for the period representing total comprehensive income for the period	**-**	**-**	**399**	**399**
Balance at 31 December 2017	**36,827**	**-**	**(42,667)**	**(5,840)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

	Note	Period from 1 April 2017 to 31 December 2017 $'000	Year ended 31 March 2017 $'000
Cash Flows from Operating Activities			
Profit/(loss) before taxation		**399**	(740)
Adjustments for:			
Depreciation of plant and equipment	4	**3**	10
Plant and equipment written off		**11**	-
Waiver of payable (Note A)	12	**(58)**	-
Write back of directors' fees (Note A)	13, 14	**(600)**	-
Write back of CPF contribution related to directors' remuneration (Note A)	13, 14	**(7)**	-
Write back of operating expenses (Note A)	14	**(2)**	-
Write back of professional fees (Note A)	14	**(26)**	-
Loss on disposal of subsidiary	14	**-**	93
Impairment loss on sundry receivables	14	**-**	8
Exchange differences, net		**-**	4
Operating loss before working capital changes		**(280)**	(625)
Decrease in operating receivables		**7**	11
Decrease in prepayments		**9**	8
Decrease in operating payables (Note A)		**(163)**	(34)
Net cash used in operating activities		**(427)**	(640)
Cash Flows from Investing Activity			
Acquisition of plant and equipment	4	**-**	(1)
Net cash used in investing activity		**-**	(1)
Cash Flows from Financing Activity			
Increase in loan from a director (Note A)		**424**	646
Net cash generated from financing activity		**424**	646
Net (decrease)/increase in cash and cash equivalents		**(3)**	5
Cash and cash equivalents at beginning		**23**	18
Cash and cash equivalents at end	9	**20**	23

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

Note A The following is a reconciliation of non-cash items:

		Cash flows				
	As at 31 March 2017 $'000	**Non-cash adjusting items# $'000**	**Working capital changes $'000**	**Cash flows – Increase in loan from a director $'000**	**Other non-cash flow movement $'000**	**As at 31 December 2017 $'000**
Amounts due from a related party	7	-	-	-	(7)	-
Amounts due to related parties	(36)	-	-	-	(5,161)	(5,197)
Other payables (Note 11):						
Loan from directors	(3,799)	-	-	(424)	3,933	(290)
Accruals	(2,285)	635	45	-	1,235	(370)
Miscellaneous creditors	(205)	58	118	-	-	(29)
		693	163	(424)	-	

Non-cash adjusting items refer to the following:

	$'000
Write back of directors' fees	(600)
Write back of CPF contribution related to directors' remuneration	(7)
Write back of operating expenses	(2)
Write back of professional fees	(26)
Waiver of payable	(58)
	(693)

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

1 General information

The financial statements of the Company and of the Group for the period from 1 April 2017 to 31 December 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company and domiciled in Singapore and listed on the Catalist Exchange of Singapore.

The registered office of the Company is located at 80 Robinson Road #02-00, Singapore 068898.

The principal activity of the Company is investment holding. The principal activities of the subsidiary are disclosed in Note 5.

2 Going concern

The Group earned profits and total comprehensive profit of $399,000 and $399,000 (31 March 2017 – incurred loss and total comprehensive loss of $740,000 and $644,000) and reported net operating cash outflows of $427,000 (31 March 2017 - $641,000) for the financial period from 1 April 2017 to 31 December 2017; and as at the balance sheet date, the Group's and the Company's current liabilities exceeded the Group's and the Company's current assets by $5,840,000 and $5,835,000 (31 March 2017 - $6,253,000 and $6,180,000), respectively and the Group and the Company have a net deficit in equity of $5,840,000 and $5,835,000 (31 March 2017 - $6,239,000 and $6,166,000) respectively.

Following the disposal of Lereno Sdn Bhd on 17 August 2015, the Company ceased to have any operating subsidiaries or business and has become a cash company as defined under Rule 1017 of Section B: Rules of Catalist (the "Catalist Rules") of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Furthermore, on 27 September 2017, the Board announced the termination of the sale and purchase agreement entered with the vendors of Kenyalang Property (S) Pte Ltd ("Kenyalang") in June 2016 to acquire 100% interest in Kenyalang for a consideration of RM 70 million.

On 27 September 2017, the Company entered into a conditional put and call agreement with Knit Textile and Apparel Pte. Ltd. ("Knit Textile") to acquire the entire issued share capital of Knit Textile and Apparel Pte. Ltd., a company incorporated in Singapore, which will, upon completion of the restructuring exercise conducted by Knit Textile, hold the entire issued share capital of Knit Textiles Mfg. Sdn. Bhd. ("KTM"), a company incorporated in Malaysia, Ocean Art & Embellishment Sdn. Bhd. ("OAE"), a company incorporated in Malaysia, Moon Apparel (Cambodia) Co. Ltd ("Moon Apparel"), a company incorporated in Cambodia, Callisto Apparel (Cambodia) Co. Ltd ("Callisto Apparel"), a company incorporated in Cambodia, and Xentika Limited ("Xentika"), a company incorporated in Seychelles. The purchase consideration is agreed at $26,400,000, which shall be fully satisfied on completion by way of allotment and issuance of 2,640,000,000 ordinary shares of the Company at an issue price of $0.01 per share to Knit Textile.

The proposed acquisition, if it proceeds to completion, will result in a reverse takeover ("RTO") of the Company as defined in Chapter 10 of the Catalist Rules of the SGX-ST and accordingly, the proposed acquisition will be subject to, amongst other things the approval of SGX-ST and the shareholders of the Company at an extraordinary general meeting to be convened at a later date.

In February 2018, the Company, through its sponsor, applied to SGX-ST and successfully obtained a further 6.5-months extension to meet the requirement of a new listing (i.e. by 31 August 2018). The previous extension granted by SGX-ST lapsed on 15 February 2018. The extension is subject to the Company providing information to SGX-ST and the Company's investors on its progress in meeting key milestones in the transaction.

In the event the Company is unable to meet its milestones, or complete the relevant acquisition despite the extension granted, no further extension will be granted and the Company will be removed from the Official List and a cash exit offer in accordance with Rule 1308 will be made to the Company's shareholders within 6 months.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

2 Going concern (cont'd)

The conditions and events mentioned above indicate that there are material uncertainties existing at the balance sheet date, which relate to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

As at the date of this report, the directors believe that a further 6.5-months extension approved by SGX-ST on 6 February 2018 will provide management with sufficient time to identify additional new assets as part of the proposed acquisition so as to strengthen the size of the assets such that the Company would be in a better financial position upon completion of the proposed acquisition of Knit Textiles. In addition, the directors believe that the Group and the Company will be able to meet their obligations as and when they fall due in the next 12 months based on the continuing financial support from one of the Company's substantial shareholders to meet its liabilities and its normal operating expenses to be incurred. Lastly, management has received letters of undertaking from one substantial shareholder and a related company that they will not be demanding repayments of the advances extended by them to the Company, which amounted to $0.29 million and $5.17 million respectively, within 12 months from the balance sheet date.

If the Company fails to satisfy the requirements of SGX-ST and lift the "cash company" status of the Company and/or obtain continuing financial support from one of the Company's substantial shareholders, it may not be able to continue in operational existence for the foreseeable future, and the Group and the Company may be unable to discharge its liabilities in the normal course of business. Adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for further liabilities that may arise. No such adjustments have been made to these financial statements.

3(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. There were no areas requiring the use of significant judgement during the financial year.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(a) Basis of preparation (cont'd)

Significant accounting estimates and judgements (cont'd)

Other than the going concern assumption as disclosed in Note 2, the other critical accounting estimates and assumptions used are described below.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimate on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumption when they occur.

Reversal and allowance for impairment losses on other receivables (Note 6, 7, and 8)

Reversal and allowances for impairment losses are based on an assessment of the recoverability of other receivables. Allowances are applied to other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

3(b) Interpretations and amendments to published standards effective in 2017

The directors do not anticipate that the adoption of the FRSs will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following new or amended FRS and INT FRS issued and effective in 2017:

Reference	Description
Amendments to FRS 7	*Statement of Cash Flows*

Amendments to FRS 7 Statement of Cash Flows

The Amendments to FRS 7 Statement of Cash Flows requires entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed equity – to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances, in particular way - e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances. These amendments are effective beginning on or after 1 January 2017. As this is a disclosure standard, it does not impact the financial position and performance of the Group.

3(c) FRS not yet effective

Convergence with International Financial Reporting Standards (IFRS)

On 29 December 2017, Accounting Standards Council Singapore has issued Singapore Financial Reporting Standards (International) SFRS(I), Singapore's equivalent of the International Financial Reporting Standards (IFRSs). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore are required to apply SFRS(I) for annual periods beginning on or after 1 January 2018.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(c) FRS not yet effective (cont'd)

Convergence with International Financial Reporting Standards (IFRS) (cont'd)

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS (I). As a result, this will be the last set of financial statements prepared under the current FRS.

The Group has performed a preliminary assessment of the impact of SFRS(I) for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group does not expect to change its existing accounting policies on adoption of the new framework.

In adopting the new framework, the Group will be required to apply SFRS (I) 1 First-time Adoption of Singapore Financial Reporting Standards (International).

When the Group adopts SFRS(I) in 2018, the Group will apply SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied.

If there are changes to the accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. Except as described below, the Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. However, the Group has not earlier applied the following new or amended standards in preparing these statements. For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group assessed the transition options and the potential impact on its financial statements, and to implement these standards.

Reference	Description	Effective date (Annual periods beginning on)
SFRS(I) 9	Financial Instruments	1 January 2018
SFRS(I) 15	Revenue from Contracts with Customers	1 January 2018
SFRS(I) 16	Leases	1 January 2019

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(c) FRS not yet effective (cont'd)

Convergence with International Financial Reporting Standards (IFRS) (cont'd)

SFRS(I) 9 Financial Instruments

SFRS(I) 9 replaces most of the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

SFRS(I) 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.

During 2017, the Group completed its initial assessment of the impact on the Group's financial statements.

Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS(I) 9.

Transition - The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(c) FRS not yet effective (cont'd)

Convergence with International Financial Reporting Standards (IFRS) (cont'd)

SFRS(I) 15 Revenue from Contracts with Customers

Summary of the requirements

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also establishes principles to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. In addition, it also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, SFRS(I) 15 replaces existing revenue recognition guidance, including FRS 18 Revenue, FRS 11 Construction Contracts, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for the Construction of Real Estate, INT FRS 118 Transfers of Assets from Customers and INT FRS 31 Revenue – Barter Transactions Involving Advertising Services.

SFRS(I) 15 also includes clarification on how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided);
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

SFRS(I) 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Potential impact on the financial statements

During 2017, the Group completed its initial assessment of the impact on the Group's financial statements.

The Company does not have any operating business and is a cash company as defined under Rule 1017 of Section B: Rules of Catalist (the "Catalist Rules") of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Group does not expect any impact on the financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(c) FRS not yet effective (cont'd)

Convergence with International Financial Reporting Standards (IFRS) (cont'd)

SFRS(I) 16 Leases

Summary of the requirements

SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and financial liabilities to pay rentals with a term of more than 12 months, unless the underlying asset is of low value.

SFRS(I) 16 substantially carries forward the lessor accounting requirements in FRS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

When effective, SFRS(I) 16 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases – Incentives, and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied.

Potential impact on the financial statements

During 2017, the Group completed its initial assessment of the impact on the Group's financial statements.

The Group does not have any existing operating lease arrangement with a term of more than 12 months.

The Group does not expect any impact on the financial statements.

3(d) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(d) Summary of significant accounting policies (cont'd)

Consolidation (cont'd)

Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

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

The Group 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 Group 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 Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group 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.

Non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in ownership interests in subsidiaries without change of control

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 Group.

When the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(d) Summary of significant accounting policies (cont'd)

Consolidation (cont'd)

Changes in ownership interests in subsidiaries without change of control (cont'd)

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 interest. 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 FRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39 Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill

Goodwill on acquisition of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisition prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(d) Summary of significant accounting policies (cont'd)

Consolidation (cont'd)

Bargain purchase

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Subsidiary

In the Company's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Plant and equipment and depreciation

All items of plant and equipment are initially recorded at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation is calculating using the straight-line method to allocate the depreciable amount over their estimated useful lives as follows:

Office furniture and equipment	1 to 5 years
Computer	3 years
Renovation	5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

For acquisitions and disposals during the year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(d) Summary of significant accounting policies (cont'd)

Financial assets

Financial assets can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group and the Company does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available for sale financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group and the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include other receivables, amounts due from subsidiaries, amounts due from a related party, and cash and bank balances. They are subsequently measured at amortised cost using the effective interest method, less allowance for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits with financial institutions which are subject to an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(d) Summary of significant accounting policies (cont'd)

Financial liabilities

The Group's financial liabilities include other payables, and amounts due to a related party.

Financial liabilities are recognised when the Group and the Company becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the statement of comprehensive income. Financial liabilities are derecognised if the Group's and the Company's obligation specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Other payables and amounts due to a related party are initially recognised at fair value, and subsequently measured at amortised cost, using the effective interest method.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:
- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or Company or a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and the fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third party and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs in the statement of comprehensive income.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(d) Summary of significant accounting policies (cont'd)

Leases

Where the Group and the Company are the lessee

Operating leases

Rentals on operating leases are charged to statement of comprehensive income on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in statement of comprehensive income when incurred.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associate, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in statement of comprehensive income, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Employee benefits

Pension obligations

The Group and the Company participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to national pension schemes are charged to the statement of comprehensive income in the period to which the contributions relate.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(d) Summary of significant accounting policies (cont'd)

Employee benefits (cont'd)

Employee leave entitlements

Employee leave entitlements to annual leave are recognised when they accrue to the employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain managers are considered key management personnel.

Equity compensation benefits

Employees of the Group may receive remuneration in the form of equity-settled, share-based compensation plan as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the shares at the date on which options or shares are granted excluding the impact of any non-market vesting conditions (for example, profit and sales growth targets). This cost is recognised in statement of comprehensive income, with a corresponding increase in the share capital of the Company over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. The charge or credit to statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for shares that do not ultimately vest, except for shares where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided all other performance and/or service conditions are satisfied.

Impairment of non-financial assets

The carrying amounts of the Group's and the Company's non-financial assets subject to impairment are reviewed at end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the statement of comprehensive income. An impairment loss is reversed in the statement of comprehensive income if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(d) Summary of significant accounting policies (cont'd)

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Singapore dollars, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at end of the reporting period are recognised in statement of comprehensive income.

When a foreign operation is disposed of, a proportionate share of the accumulated translation differences is reclassified to statement of comprehensive income, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting statement of comprehensive income are presented in the income statement within "other losses - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Group entities

The results and financial position of all the Group entities (*none of which has the currency of a hyperinflationary economy*) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of that statement of financial position;
(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. All operating segments' operating results are reviewed regularly by the Group's directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Additional disclosures on operating segments are shown in Note 19 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

3(d) Summary of significant accounting policies (cont'd)

Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities.

The particular recognition methods adopted are disclosed in the individual policy statement associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 20.

4 Plant and equipment

	Office furniture and equipment	**Computer**	**Renovation**	**Total**
The Group	$'000	$'000	$'000	$'000
Cost				
At 1 April 2016	36	-	48	84
Addition	-	1	-	1
Written off	(30)	-	-	(30)
At 31 March 2017	**6**	**1**	**48**	**55**
Addition	**-**	**-**	**-**	**-**
Written off	**(6)**	**(1)**	**(48)**	**(55)**
At 31 December 2017	**-**	**-**	**-**	**-**
Accumulated depreciation				
At 1 April 2016	35	-	26	61
Depreciation for the year	-	-	10	10
Written off	(30)	-	-	(30)
At 31 March 2017	**5**	**-**	**36**	**41**
Depreciation for the year	**-**	**-**	**3**	**3**
Written off	**(5)**	**-**	**(39)**	**(44)**
At 31 December 2017	**-**	**-**	**-**	**-**
Carrying amount				
At 31 December 2017	-	-	-	-
At 31 March 2017	1	1	12	14

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

4 Plant and equipment (cont'd)

	Office furniture and equipment	Computer	Renovation	Total
The Company	$'000	$'000	$'000	$'000
Cost				
At 1 April 2016	31	-	48	79
Addition	-	1	-	1
Written off	(30)	-	-	(30)
At 31 March 2017	**1**	**1**	**48**	**50**
Addition	**-**	**-**	**-**	**-**
Written off	**(1)**	**(1)**	**(48)**	**(50)**
At 31 December 2017	**-**	**-**	**-**	**-**
Accumulated depreciation				
At 1 April 2016	30	-	26	56
Depreciation for the year	-	-	10	10
Written off	(30)	-	-	(30)
At 31 March 2017	**-**	**-**	**36**	**36**
Depreciation for the period	**-**	**-**	**3**	**3**
Written off	**-**	**-**	**(39)**	**(39)**
At 31 December 2017	**-**	**-**	**-**	**-**
Carrying amount				
At 31 December 2017	-	-	-	-
At 31 March 2017	1	1	12	14

5 Subsidiaries

	31 December 2017	31 March 2017
The Company	**$'000**	$'000
Unquoted equity investments, at cost	**1,503**	1,503
Allowance for impairment loss	**(1,503)**	(1,503)
	-	-

The movement on allowance for impairment loss during the financial year is as follow:-

	31 December 2017	31 March 2017
The Company	**$'000**	$'000
At beginning of period/year	**(1,503)**	(2,345)
Impairment loss utilised	**-**	842
At end of period/year	**(1,503)**	(1,503)

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

5 Subsidiaries (cont'd)

The details of the subsidiaries are as follow:

Name	Country of incorporation/ principal place of business	Cost of investment		Percentage of equity held		Principal activities
		31 Dec 2017	31 Mar 2017	**31 Dec 2017**	31 Mar 2017	
Held by the Company		**$'000**	$'000			
MAE Engineers Pte. Ltd.*	Singapore	**1,503**	1,503	**100%**	100%	Electrical and mechanical engineering consultants and contractors (currently not operational)
		1,503	1,503			

* Audited by Foo Kon Tan LLP

6 Other receivables

	The Group		The Company	
	31 December 2017	31 March 2017	**31 December 2017**	31 March 2017
	$'000	$'000	**$'000**	$'000
Sundry deposits	**1**	22	**1**	22
Sundry receivables	**14**	43	**14**	43
Allowance for impairment losses	**-**	(43)	**-**	(43)
Net sundry receivables	**15**	22	**15**	22

The allowance for impairment losses is as follows:

	The Group		The Company	
	31 December 2017	31 March 2017	**31 December 2017**	31 March 2017
	$'000	$'000	**$'000**	$'000
At beginning of period/year	**(43)**	(35)	**(43)**	(35)
Impairment loss recognised (Note 14)	**-**	(8)	**-**	(8)
Impairment loss utilised	**43**	–	**43**	-
At end of period/year	**-**	(43)	**-**	(43)

Other receivables are denominated in Singapore dollars.

On 31 December 2017, the Group and the Company wrote off the total balance of sundry receivables which amounted to $43,000. Accordingly, all related impairment losses related to those amounts were utilised.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

7 Amounts due from a subsidiary

	31 December 2017	31 March 2017
The Company	**$'000**	$'000
Amounts due from a subsidiary	**-**	9,253
Allowance for impairment losses	**-**	(9,253)
	-	-

The movement of allowance for impairment losses is as follows:

	9 month period ended 31 December 2017	Year ended 31 March 2017
The Company	**$'000**	$'000
At beginning of period/year	**(9,253)**	(9,206)
Impairment loss recognised	**(62)**	(80)
Impairment loss utilised	**9,315**	33
At end of period/year	–	(9,253)

The non-trade amounts due from a subsidiary represent advances that are unsecured, interest-free, repayable on demand, and are to be settled in cash. During the current financial year, management recognised an impairment loss of $62,000 (31 March 2017 - $80,000) on the amounts due from a subsidiary.

On 31 December 2017, the Company wrote off the total amount due from its subsidiary of $9,315,000 (31 March 2017 - $33,000). Accordingly, all impairment losses related to those amounts were utilised.

8 Amounts due from/(to) related party(ies)

The amounts due from/(to) related party(ies), representing advances that are unsecured, interest-free, repayable on demand and are to be settled in cash.

The amounts due from/(to) related party(ies) are denominated mainly in Malaysian Ringgit. The related parties are corporate entities who is subject to common control or common significant influence by a director of the Company.

9 Cash and bank balances

Cash and bank balances representing cash and cash equivalents, are denominated in Singapore dollars.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

10 Share capital

	Number of shares		Amounts	
	31 December 2017	31 March 2017	**31 December 2017**	31 March 2017
The Company	**'000**	'000	**$'000**	$'000
Ordinary shares issued and fully paid with no par value				
Balance at beginning and end	**73,632**	73,632	**36,827**	36,827

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

11 Other payables

	The Group		The Company	
	31 December 2017	31 March 2017	**31 December 2017**	31 March 2017
	$'000	$'000	**$'000**	$'000
Accruals	**370**	2,285	**359**	2,207
Miscellaneous creditors	**29**	205	**29**	205
Loans from directors	**290**	3,799	**290**	3,799
Financial liabilities at amortised cost	**689**	6,289	**678**	6,211

Other payables are denominated in Singapore dollars.

The loans from directors are unsecured, interest-free, repayable on demand, and is to be settled in cash.

12 Other income

	9 month period ended 31 December 2017	Year ended 31 March 2017
The Group	**$'000**	$'000
Waiver of payable	**58**	-
Others	**8**	10
	66	10

On 31 December 2017, a director of the Company undertook the obligation of a payable which amounted to $58,000, hence resulting in a waiver of payable.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

13 Staff costs

The Group	9 month period ended 31 December 2017 $'000	Year ended 31 March 2017 $'000
Directors' fee - directors of the Company	**43**	58
Directors' remuneration other than fees		
- CPF contributions	**-**	5
- Write back of directors' fees (Note 14)	**(600)**	-
- Write back of CPF contribution related to directors' remuneration (Note 14)	**(7)**	-
	(564)	63
Key management personnel (other than directors)		
- salaries and other related costs	**13**	29
- CPF contributions	**2**	5
	15	34
Other than key management personnel		
- salaries and other related costs	**42**	81
- CPF contributions	**6**	12
	48	93
Total staff costs	**(501)**	190

Mr. Ong Puay Koon ("OPK") and Mr. Ong Choon Lui who are the Executive Directors of the Company have agreed to waive their April 2016 to August 2016 accrued salaries and bonus and with effect from September 2016, they have also agreed to cease salary payments until further notice or until upon the successful completion of the RTO.

Ms Ong Ai Koon who is the daughter of OPK and the Chief Financial Officer of the Company has waived her April 2016 to August 2016 accrued salaries and bonus and has ceased salary payments from September 2016 up till October 2017.

Directors' interest in share scheme

During the current financial period, Nil (31 March 2017 - Nil) shares were granted to directors under Restricted Share Scheme ("RSS"). As at the reporting date, the Company has already issued a total of 24,210,000 (31 March 2017 - 24,210,000) shares to the directors under RSS. All RSS shares granted to the directors have now been issued. The RSS expired during the financial period on 13 July 2017.

During the current financial period, Nil (31 March 2017 - Nil) shares were granted. As at the reporting date, Nil (31 March 2017 - Nil) shares were issued to directors under Performance Share Scheme ("PSS"). The PSS expired during the financial period on 13 July 2017.

The number of directors of the Company with remuneration for the year from the Company and its subsidiary is in the following ranges:

	9 month period ended 31 December 2017	Year ended 31 March 2017
$250,000 to $499,999	**-**	-
Below $250,000	**6**	6
	6	6

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

14 Profit/(loss) before taxation

The Group	Note	9 month period ended 31 December 2017 $'000	Year ended 31 March 2017 $'000
Profit/(loss) before taxation is arrived at after charging/(crediting):			
Insurance expenses		**12**	17
Impairment loss on sundry receivables	6	**-**	8
Loss on disposal of a subsidiary		**-**	93
Plant and equipment written off		**11**	-
Printing and stationery expenses		**22**	26
Waiver of payable	12	**(58)**	-
Write back of directors' fees	13	**(600)**	-
Write back of CPF contribution related to directors' remuneration	13	**(7)**	-
Write back of operating expenses		**(2)**	-
Write back of professional fees		**(26)**	-

15 Taxation

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

The Group	9 month period ended 31 December 2017 $'000	Year ended 31 March 2017 $'000
Profit/ (loss) before taxation	**399**	(740)
Tax at statutory rate of 17% (31 March 2017 - 17%)	**68**	(126)
Tax effect on non-deductible expenses	**(68)**	126
	-	-

No current taxation has been provided in the financial statements as the Group has no taxable income.

Subject to agreement with tax authorities, the Group has unabsorbed tax losses amounting to approximately $39,079,000 (31 March 2017 - $39,079,000) available for offset against future taxable profits provided that the provisions of relevant countries' tax legislations are complied with. The related tax benefits of $6,643,000 (31 March 2017 - $6,643,000) have not been recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of respective countries in which the companies operate.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

16 Profit/(loss) per share

Basic profit/(loss) per share is calculated based on the consolidated loss attributable to owners of the parent divided by the weighted average number of ordinary shares in issue of 73,631,858 (31 March 2017 - 73,631,858) shares during the financial year.

The following reflects the profit or loss and share data used in the computation of basic and diluted profit/(loss) per share for the period/ year ended 31 December and 31 March:

	9 month period ended	Year ended
	31 December 2017	31 March 2017
The Group	**$'000**	$'000
Net profit/(loss) attributable to ordinary shareholders used in computation of basic and diluted profit/(loss) per share	**399**	(740)

The diluted profit/(loss) per share is the same as the basic profit/(loss) per share because of the net profit/(loss) suffered.

17 Operating lease commitments

At the end of reporting period, the Group and the Company were committed to making the following rental payments in respect of non-cancellable operating leases of office equipment, office premise and warehouse premise with an original term of more than one year:

	The Group		**The Company**	
	31 December 2017	31 March 2017	**31 December 2017**	31 March 2017
	$'000	$'000	**$'000**	$'000
Not later than one year, representing total operating lease commitments	**5**	11	**5**	10

On 18 April 2017, the Company entered into a lease with a company, in which a substantial shareholder of the Company, who is also a director but not a shareholder of that company. The lease term is for a period of 12 months, commencing from 15 May 2017 to 14 May 2018, at a monthly rental of $1,000.

18 Share schemes

The Restricted Share Scheme ("RSS") and Performance Share Scheme ("PSS") of the Company were approved and adopted by its members at an extraordinary meeting on 14 July 2007. The share schemes are supervised by the Remuneration Committee comprising directors of the Company, duly authorised and appointed by the Board. The total share-based payment for the year is $Nil (31 March 2017 - $Nil), which comprise $Nil (31 March 2017 - $Nil) and $Nil (31 March 2017 - $Nil) of RSS and PSS respectively.

Restricted Share Scheme ("RSS")

The RSS shares will typically vest only after the satisfactory completion of time-based service conditions, that is, after the employees and directors of the Company and its subsidiaries ("Participants") have served the Company and/or any of its subsidiaries for a specified number of years (also known as time-based restricted awards). No minimum vesting periods are prescribed under RSS, and the length of the vesting period(s) in respect of each RSS share will be determined on a case-by-case basis. The eligible Participants are to receive fully paid shares free of charge. The RSS may be granted at any time in the year although it is anticipated this would be once a year. The RSS shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the RSS was approved. There was no shares (31 March 2017 - Nil) granted and issued under RSS in the year to eligible Participants. The RSS expired during the financial period on 13 July 2017.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

18 Share schemes (cont'd)

Performance Share Scheme ("PSS")

The PSS is based on specific and pre-determined measurable targets which are not time-related. The PSS contemplates the award of fully paid shares when and after pre-determined measurable performance and/or any significant contribution to the Company has been achieved. The eligible Participants are to receive fully paid shares free of charge. The PSS may be granted at any time in the year although it is anticipated this would be once a year. The PSS shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date on which the PSS was approved. There was no shares (31 March 2017 - Nil) granted and issued under PSS to eligible Participants. The PSS expired during the financial period on 13 July 2017.

19 Segment information

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services different markets.

Business segments

Following the disposal of Lereno Sdn Bhd on 17 August 2015, the Company ceased to have any operating subsidiaries or business and has become a cash company as defined under Rule 1017 of the Catalist Rules of the Listing Manual of SGX-ST. Accordingly, the revenue and results information regarding the Group's business segment for the years ended 31 December 2017 and 31 March 2017 relate to the Company's corporate office function.

Geographical segments

The Group's geographical segments are based on the geographical location of the assets. All the plant and equipment are located in Singapore. Sales to external customers disclosed in geographical segments are attributed to geographic areas based on origins of the Group's customers.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax expenses and provision for taxation. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

20 Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, foreign currency risk and credit risk. The Group's principal financial instruments comprise amounts due to related parties, obligations under hire-purchase and cash and bank balances. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Group and the Company do not hold or issue derivative financial instruments.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

20 Financial risk management objectives and policies (cont'd)

20.1 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

As at the end of the reporting period, the Group's currency exposures are insignificant.

20.2 Interest rate risk

Interest rate risk is the risk that the fair value of the Group's and the Company's financial instruments will fluctuate due to changes in market interest rates. As at the end of the reporting period, the Group and the Company do not have exposure to interest rate risk.

20.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge obligation and cause the Group and the Company to incur a financial loss.

The carrying amounts of trade and other receivables, amounts due from subsidiaries and a related party and cash and bank balances represent the Group's and the Company's exposure to credit risk. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and other receivables (including related party balances), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the statement of financial position.

(i) Financial assets that are neither past due nor impaired

Cash at banks that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies.

Other receivables, and amounts due from a related party that are neither past due nor impaired are substantially companies with good collection track records with the Group and the Company.

(ii) Financial assets that are past due but not impaired

There are no financial assets that are past due but not impaired.

(iii) Financial assets that are past due and impaired

There are no financial assets that are past due and impaired.

20.4 Liquidity risk

Liquidity or funding risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

20 Financial risk management objectives and policies (cont'd)

20.4 Liquidity risk (cont'd)

The Group's objective is to maintain a balance between continuity of funding and flexibility through amounts due to related parties. To ensure the continuity of funding for the Group's operations, the Group obtains short-term funding from its major shareholders.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

		Contractual discounted cash flows			
	Carrying Amount	Total	Less than 1 year	Between 2 and 5 years	Over 5 years
The Group	$'000	$'000	$'000	$'000	$'000
31 December 2017					
Other payables	**689**	**689**	**689**	**-**	**-**
Amounts due to related parties	**5,197**	**5,197**	**5,197**	**-**	**-**
	5,886	**5,886**	**5,886**	**-**	**-**
31 March 2017					
Other payables	6,289	6,289	6,289	-	-
Amounts due to related parties	36	36	36	-	-
	6,325	6,325	6,325	**-**	**-**

		Contractual discounted cash flows			
	Carrying Amount	Total	Less than 1 year	Between 2 and 5 years	Over 5 years
The Company	$'000	$'000	$'000	$'000	$'000
31 December 2017					
Other payables	**678**	**678**	**678**	**-**	**-**
Amounts due to related parties	**5,197**	**5,197**	**5,197**	**-**	**-**
	5,875	**5,875**	**5,875**	**-**	**-**
31 March 2017					
Other payables	6,211	6,211	6,211	-	-
Amounts due to related parties	36	36	36	-	-
	6,247	6,247	6,247	-	-

The Group obtains written continuing financial support from one of the Company's substantial shareholders to meet its liabilities and normal operating expenses to be incurred.

21 Capital management

The Company is currently a cash company as defined under Rule 1017 of the Catalist Rules of SGX-ST, seeking a new business through the acquisition of Knit Textile to maximise shareholders' value, as disclosed in Note 2 to the financial statements. The Group and the Company manage its capital to ensure that it is able to continue as a going concern and is dependent on short-term funding from its major shareholders and accordingly, management considers liquidity as the key constituent of capital management.

There were no changes in the Group's and the Company's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

21 Capital management (cont'd)

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as other payables and amounts due to related parties less cash and cash equivalents. Capital includes equity attributable to the equity holders.

The gearing ratio is calculated as net debt divided by total capital as follows:

	31 December 2017	31 March 2017
The Group	**$'000**	$'000
Other payables (Note 11)	**689**	6,289
Add: Amounts due to related parties (Note 8)	**5,197**	36
Less: Cash and bank balances (Note 9)	**(20)**	(23)
Net debt	**5,866**	6,302
Deficit in total equity attributable to equity holders of the parent	**(5,840)**	(6,239)
Net debt-to-adjusted capital ratio	**NA#**	NA#

	31 December 2017	31 March 2017
The Company	**$'000**	$'000
Other payables (Note 11)	**678**	6,211
Add: Amounts due to related parties (Note 8)	**5,197**	36
Less: Cash and bank balances (Note 9)	**(14)**	(18)
Net debt	**5,861**	6,229
Deficit in total equity attributable to equity holders of the parent	**(5,835)**	(6,166)
Net debt-to-adjusted capital ratio	**NA#**	NA#

Not applicable as the Group and the Company are in net debt position.

22 Financial instruments

Fair value

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to be approximate their fair values.

However, the Group and the Company do not anticipate that the carrying amounts recorded at the end of reporting period would be significantly different from the values that would eventually be received or settled.

Notes to the Financial Statements

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

23 Subsequent events

Put and call option

On 26 September 2017, the Company entered into a conditional put and call option for the acquisition of Knit Textile as disclosed in Note 2 of this report. As at the date of this report, the conditional put and call option has not been exercised as the due diligence process is still in progress.

Disposal of subsidiary

As part of the conditional put and call option agreement entered into on 26 September 2017, the Company is required to dispose of its interest in its subsidiary, MAE Engineers Pte Ltd. As at the date of this report, the subsidiary has not been disposed off yet.

Extension of time

On 6 February 2018, the Company, via its sponsor has obtained a 6.5 months time extension from SGX-ST (i.e., till 31 August 2018) to complete the proposed acquisition of Knit Textile.

24 Comparative figures

Due to a change in the Group and Company's financial year end, the current financial period from 1 April 2017 to 31 December 2017 comprise 9 months, as compared to the prior financial year ended 31 March 2017 which comprise 12 months. The consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes are therefore, not comparable.

Shareholding Statistics

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

SHARE CAPITAL INFORMATION

Issued and fully paid-up capital	:	$38,627,389.49
Number of Shares	:	73,631,858
Class of shares	:	Ordinary Shares
Voting rights	:	One vote per share
Number of treasury shares and subsidiary holdings	:	Nil

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 19 March 2018, approximately 61.87% of the issued Ordinary Shares of the Company is being held by the public and therefore, Rule 723 of Section B: Rules of Catalist of the SGX-ST Listing Manual (the "Catalist Rules") has been complied with.

SUBSTANTIAL SHAREHOLDERS AS AT 19 March 2018

	Direct Interest	%	Deemed Interest	%
Ong Puay Koon [1]	1,297,240	1.76	19,467,321	26.44
Bin Tai Holdings Private Limited	18,214,144	24.74	-	-
Spektra Anggun Sdn Bhd	5,565,300	7.56	-	-

Notes:

(1) By virtue of Section 7 of the Companies Act, Ong Puay Koon is deemed interested in 18,214,144 shares of the Company held by Bin Tai Holdings Private Limited and 1,253,177 shares held by Bintai Kinden Corporation Berhad.

LERENO BIO-CHEM LTD
DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS
AS AT 19 MARCH 2018

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	615	14.19	18,137	0.02
100 - 1,000	1,603	36.98	790,806	1.07
1,001 - 10,000	1,638	37.78	6,020,453	8.18
10,001 - 1,000,000	467	10.77	27,072,530	36.77
1,000,001 and above	12	0.28	39,729,932	53.96
Total	4,335	100.00	73,631,858	100.00

Shareholding Statistics

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 31 DECEMBER 2017

LERENO BIO-CHEM LTD
LIST OF TWENTY LARGEST SHAREHOLDERS
AS AT 19 MARCH 2018

No.	Name	No. of Shares	%
1	BIN TAI HOLDINGS PRIVATE LIMITED	18,214,144	24.74
2	SPEKTRA ANGGUN SDN BHD	5,565,300	7.56
3	PHILLIP SECURITIES PTE LTD	2,730,520	3.71
4	HAI KHIM ELECTRIC	2,500,000	3.40
5	ANDREA RUTH BOULT	1,689,820	2.29
6	DESA KONSEP SDN BHD	1,574,000	2.14
7	OCBC SECURITIES PRIVATE LTD	1,497,497	2.03
8	RHB SECURITIES SINGAPORE PTE LTD	1,333,350	1.81
9	ONG PUAY KOON @ MAH SOCK HENG	1,297,240	1.76
10	BINTAI KINDEN CORPORATION BERHAD	1,253,177	1.70
11	ONG CHOON LUI (WANG CHUNLEI)	1,074,584	1.46
12	TAN CHONG HOE	1,000,300	1.36
13	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	990,714	1.35
14	KONG OI-YI DAWN	961,248	1.31
15	UOB KAY HIAN PTE LTD	857,760	1.16
16	SEACARE FOUNDATION PTE LTD	768,620	1.04
17	FOOK YUAN INTERNATIONAL PTE. LTD.	630,000	0.86
18	TAN LYE SENG	607,074	0.82
19	SEOW LAI ENG ANNE	542,200	0.74
20	RAFFLES NOMINEES (PTE) LTD	491,030	0.67
	Total:	**45,578,578**	**61.91**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 10 Anson Road, #36-05A International Plaza, Singapore 079903 on Monday, 23 April 2018 at 10.30 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial period ended 31 December 2017 and the Auditors' Report thereon. (Resolution 1)

2. To re-elect the following Directors retiring pursuant to Regulation 95 of the Company's Constitution:-

   (a) Tan Sri Dato' Kamaruzzaman Bin Shariff (Resolution 2)

   (b) Mr Wong Heang Fine (Resolution 3)

   [See Explanatory Note 1]

3. To approve the Directors' fees of S$43,200 for the financial period ended 31 December 2017. (31 March 2017: S$57,600) (Resolution 4)

4. To re-appoint Messrs Foo Kon Tan LLP as auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

5. **RENEWAL OF SHARE ISSUE MANDATE**

"That pursuant to Section 161 of the Companies Act, Chapter 50 and subject to Rule 806 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options or convertible securities (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares:

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;

(b) issue shares in pursuance of any Instruments made or granted by the Directors or conversion of securities while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force), provided that:

(i) the aggregate number of Shares and convertible securities/Instruments to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

Notice of Annual General Meeting

(ii) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution, after adjusting for:

(1) new Shares arising from the conversion or exercise of convertible securities,

(2) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist of the SGX-ST; and

(3) any subsequent bonus issue, consolidation or subdivision of Shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and

(iv) such authority shall, unless revoked or varied by the Company at a general meeting, 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; and

(c) the Directors be and are hereby authorised to do any and all acts which they deem necessary and expedient in connection with paragraphs (a) and (b) above." **(Resolution 6)**

[See Explanatory Note 2]

ANY OTHER BUSINESS

6. To transact any other business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD
Pan Mi Keay
Company Secretary
6 April 2018

Explanatory Notes:-

1. Tan Sri Dato' Kamaruzzaman Bin Shariff, upon re-election as Director of the Company, remains as Chairman of the Board and Remuneration Committee and a member of the Nominating Committee and he will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST. Mr Wong Heang Fine, upon re-election as Director of the Company, remains as a member of the Audit Committee and Remuneration Committee and he will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST.

   Detailed information of Tan Sri Dato' Kamaruzzaman Bin Shariff and Mr Wong Heang Fine can be found under the "Board of Directors" section in the Company's Annual Report 2017.

Notice of Annual General Meeting

2. The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company from the date of this meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in the general meeting, whichever is the earlier, to allot and issue shares and/or convertible securities in the Company at any time. The number of shares and/or convertible securities that the Directors may allot and issue under this resolution would not exceed 100 per cent (100%) of the issued share capital (excluding treasury shares and subsidiary holdings), of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company, at the time the resolution is passed.

Notes:-

(1) (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy.A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, 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" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

(2) A proxy need not be a member of the Company.

(3) A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.

(4) The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting in order for the proxy to be entitled to attend and vote at the Annual General Meeting.

This notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this notice.

This notice has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone: 65-6532 3829) at 1 Robinson Road, #21- 02 AIA Tower, Singapore 048542.

Notice of Annual General Meeting

PERSONAL DATA PRIVACY

By 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 in order for the Company (or its agents or service providers) 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 or service providers), 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 or service providers) 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.

PROXY FORM

LERENO BIO-CHEM LTD.

(Incorporated in the Republic of Singapore)
(Registration No. 197401961C

IMPORTANT

1 For investors who have used their CPF monies ("CPF Investors") and/or their SRS monies ("SRS Investors") to buy the Company's shares, this Annual Report 2017 is sent to them at the request of their CPF and/or SRS Approved Nominees (as the case may be) solely FOR INFORMATION ONLY.
2 This Proxy Form is not valid for use by CPF investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors and SRS Investors may attend and cast their votes at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as the case may be) to appoint the Chairman of the AGM to act as their proxy, in which case, the respective CPF Investors and/or SRS Investors shall be precluded from attending the AGM.

Personal Data Privacy

By 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 dated 6 April 2018.

I/We, _____ (Name) NRIC/Passport No. _____ of

_____ (Address)

being a member/members of LERENO BIO-CHEM LTD. (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings to be represented by proxy (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings to be represented by proxy (%)

as my proxy/our proxies, to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 10 Anson Road #36-05A, International Plaza Singapore 079903 on Monday, 23 April 2018 at 10.30 a.m. and at any adjournment thereof.

I/We direct my proxy/our proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" at the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial period ended 31 December 2017 and the Auditors' Report thereon.		
2.	To re-elect Tan Sri Dato' Kamaruzzaman Bin Shariff, a Director retiring pursuant to Regulation 95 of the Company's Constitution.		
3.	To re-elect Mr Wong Heang Fine, a Director retiring pursuant to Regulation 95 of the Company's Constitution.		
4.	To approve the Directors' fees of S$43,200 for the financial period ended 31 December 2017. (31 March 2017: S$57,600)		
5.	To re-appoint Foo Kon Tan LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.		

Dated this _____ day of _____ 2018

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

_____

Signature of Shareholder(s) or, Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Postage stamp

LERENO BIO-CHEM LTD.

Company's Share Registrar

Tricor Barbinder Share Registration Services

80 Robinson Road

#11-02

Singapore 068898

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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 (Cap 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2 (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, 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" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3 The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than forty-eight (48) hours before the time appointed for the meeting.

4 Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

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5 The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7 A corporation that 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.

8 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares 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.

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LERENO BIO-CHEM LTD

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The sponsor, has not independently verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Ong Hwee Li at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, Telephone (65) 6532 3829.