









Enriching Value

ANNUAL REPORT 2016

OLS ENTERPRISE LTD.

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*This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. 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. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

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Dear Stakeholders,

On behalf of the Board of Directors of OLS Enterprise Ltd. (the "**Company**"), I am pleased to present the annual report for the financial year ended 31 March 2016 ("**FY2016**").

We have achieved significant milestones during FY2016. One of them was the completion of the Scheme of Arrangement with Scheme Creditors (the "**Creditors' Scheme**") on 11 May 2015, as this paved the way for the Company to produce a healthy balance sheet. Another milestone was the successful transfer to the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), resulting in the removal of the Company from the SGX-ST's Watch-List with effect from 1 October 2015.

These two milestones enabled us to forge ahead with our goal of having a sustainable business that will enhance shareholder value via the proposed reverse take-over of Malaysian Phosphate Additives Sdn Bhd ("**MPA**").

Developments in relation to the Proposed Acquisition

In July 2015, the Company entered into a definitive share purchase agreement ("**Share Purchase Agreement**") with the Shareholders of MPA to acquire the entire issued and paid-up share capital of MPA for a total consideration of an amount falling within the range of S$285 million to S$315 million (the "**Proposed Acquisition**").

Subsequent to the signing of the Share Purchase Agreement, Malaysian Phosphate Additives (Sarawak) Sdn Bhd, a 40%-owned associate of MPA, had on 3 February 2016 signed a power purchase agreement with Syarikat Sesco Berhad for the sale and purchase of electric power and energy for the Integrated Phosphate Plant project. This was followed subsequently on 12 May 2016 with the signing of an Engineering, Procurement and Construction contract for the construction of the Integrated Phosphate Plant. These developments are part of the conditions precedent of the Share Purchase Agreement.

The Company and the shareholders of MPA have, in May 2016, mutually agreed to extend the long-stop date to 30 November 2016 in order to facilitate fulfilment of the conditions precedent of the said agreement.

FY2016 Financial Results Summary

The Group faced a challenging business environment in FY2016 as weak regional conditions and rising costs resulted in lower demand and slimmer margins for our existing film production business.

Overall, the Group recorded net losses of S$869,000 for FY2016 as compared to a net profit of S$1.08 million in the preceding financial year ended 31 March 2015 ("**FY2015**"). The net losses in FY2016 was partly attributable to the impairment of intangible asset while the net profit that was reported in FY2015 was mainly due to a gain on disposal of discontinued operations from the Group's former subsidiaries and write-back of accruals in FY2015.

The Group improved its financial position in FY2016. Net assets was a positive S$3.76 million as at 31 March 2016 compared to a deficit of S$2.20 million as at 31 March 2015.

Income Statement Review

In FY2016, the Group's revenue was S$2.24 million, as compared to S$2.76 million in FY2015. The decrease in revenue was mainly due to a drop in activity in the film production business amidst weaker market sentiment and a weaker Malaysian Ringgit exchange rate against the Singapore Dollar during FY2016.

Despite the lower revenue, the Group's film production business, Mojo Films Sdn Bhd ("**Mojo**") remains profitable. Mojo achieved a gross profit of S$304,000 for FY2016, a decline of S$80,000 from S$384,000 in FY2015.

The Group's administrative expenses for FY2016 was approximately S$1.53 million. Administrative expenses reported in FY2015 was lower mainly due to write-back of accruals in respect of the termination of the previous reverse take-over project and directors' fees provided in prior years.

CHAIRMAN'S STATEMENT AND OPERATIONS REVIEW

Financial Position Review

The Group's non-current assets decreased from S$404,000 in FY2015 to S$124,000 in FY2016. In view of the declining revenue generated from Mojo and a more difficult business environment, intangible asset of S$345,000 which represents the goodwill arising from the acquisition of Mojo in FY2015 has been fully written-off in FY2016.

The Group's current assets decreased from S$9.01 million in FY2015 to S$6.97 million in FY2016 and this is mainly attributed to a decrease in cash and cash equivalents from S$7.86 million in FY2015 to S$4.91 million in FY2016. Cash payment of S$1.71 million had been used for settlement of liabilities pursuant to the Creditors' Scheme.

Trade and other payables decreased by S$9.33 million from S$11.56 million in FY2015 to S$2.23 million in FY2016 mainly due to the conversion of debt-to-equity pursuant to the Creditors' Scheme.

Convertible bonds increased from S$50,000 in FY2015 to S$1.05 million in FY2016 mainly due to additional drawdown of S$1.00 million of the Equity-Linked Notes ("**ELN**") in FY2016.

Cash Flow Statement Review

For FY2016, the Group reported a net decrease in cash and cash equivalents of S$2.95 million mainly due to the payment to scheme creditors in the first quarter of FY2016.

Acknowledgements

I would like to express my deepest appreciation to our shareholders, customers, business associates and suppliers for their support. To the management and staff of OLS, I thank you for your hard work and dedication, without which we would not be where we are today. Last but not least, I would like to thank the Board of Directors for their invaluable guidance in steering the Company towards fulfilling its objectives.

Mr Koo Ah Seang
Executive Chairman
4 July 2016

KOO AH SEANG
Executive Chairman

Mr. Koo was appointed as a Non-Executive Director on 10 December 2013 and re-designated as Executive Chairman on 28 January 2014. Mr. Koo has more than 20 years of experience and knowledge in general and financial management and corporate restructuring. Prior to joining the Group, Mr. Koo has served as Executive Director of several listed companies. Mr. Koo graduated from the University of Auckland (New Zealand) with a Bachelor of Commerce degree. He is a fellow member of the Institute of Singapore Chartered Accountants.

CHONG CHEE HOONG
Independent Director

Mr. Chong was appointed as Independent Director on 15 May 2014. Mr. Chong has more than 19 years of extensive experience in assurance practice and corporate management. Mr. Chong previously worked with SGX Main-board listed company, Debao Property Development Ltd as Chief Financial Officer and subsequently re-designated to drive the overseas business ventures. Mr. Chong is a fellow member of the Association of Chartered Certified Accountants, UK, since 2005.

GEOFFREY NG CHING FUNG
Lead Independent Director

Mr. Ng was appointed as Lead Independent Director on 22 January 2014. Mr. Ng has 20 years of experience in financial and investment management across a broad range of industries and countries. He is currently Director, Strategic Investments with Fortress Capital Asset Management and has served as CEO and Executive Director with Hong Leong Asset Management. He previously also worked with Dubai Investment Group as Senior Vice President covering global emerging markets and as Chief Investment Officer with Pacific Mutual Fund, a member of the OCBC Group. Mr. Ng holds a Bachelor of Commerce (High Honours) in Accounting and Finance from Carleton University, Canada. He is a Chartered Financial Analyst and Certified Financial Planner.

YONG CHOR KEN
Independent Director

Mr. Yong was appointed as Independent Director on 20 November 2015. Mr. Yong is in the field of corporate advisory, restructuring and recovery as well as forensic accounting and litigation support services. He has been a director of various other listed companies. Mr. Yong holds a degree in Bachelor of Accountancy from National University of Singapore and a Master of Business Administration from Nanyang Technological University. He is an approved liquidator registered with Accounting and Corporate Regulatory Authority (ACRA) in Singapore and a Fellow Chartered Accountant of Singapore, non-practising member of the Institute of Singapore Chartered Accountants.

FURTHER INFORMATION ON THE BOARD OF DIRECTORS

Koo Ah Seang

Role	Executive Chairman
Date of first appointment as a Director	10 December 2013
Date of first appointment as a Chairman	28 January 2014
Date of last re-election as a Director	3 April 2014
Length of Service as a Director (as at 31 March 2016)	2 Years 3 months
Board Committee(s) served on	Nominating Committee (Member)
Present directorship/chairmanship in other listed companies	Nil
Present principal commitments (other than directorships in other listed companies)	Nil
Past principal directorships/chairmanship held over the preceding 3 years in other listed companies (from to 1 April 2013 to 31 March 2016)	Nil
Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders	Holding of 1.28% of shares in the Company

Geoffrey Ng Ching Fung

Role	Lead Independent Director
Date of first appointment as a Director	22 January 2014
Date of last re-election as a Director	15 July 2015
Length of Service as a Director (as at 31 March 2016)	2 Years 2 months
Board Committee(s) served on	Audit Committee (Chairman) Remuneration Committee (Member)
Present directorship/chairmanship in other listed companies	Kronologi Asia Berhad (Independent Director)
Present principal commitments (other than directorships in other listed companies)	Fortress Capital Asset Management (M) Sdn Bhd (Director, Strategic Investments) Optimum Bay Sdn Bhd (Director)
Past principal directorships/chairmanship held over the preceding 3 years in other listed companies (from to 1 April 2013 to 31 March 2016)	Nil
Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders	Nil

Chong Chee Hoong

Role	Independent Director
Date of first appointment as a Director	15 May 2014
Date of last re-election as a Director	31 July 2014
Length of Service as a Director (as at 31 March 2016)	1 Year 10 months
Board Committee(s) served on	Remuneration Committee (Chairman) Audit Committee (Member) Nominating Committee (Member)
Present directorship/chairmanship in other listed companies	Nil
Present principal commitments (other than directorships in other listed companies)	Skyz Capital Sdn Bhd (Director)
Past principal directorships/chairmanship held over the preceding 3 years in other listed companies (from to 1 April 2013 to 31 March 2016)	Yuuzoo Corporation Limited (f.k.a W Corporation Limited) (Chairman of Nominating Committee) (ceased w.e.f 29 August 2014) (Independent Director and Chairman of Remuneration Committee) (ceased w.e.f. 25 February 2015)
Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders	Nil

Yong Chor Ken

Role	Independent Director
Date of first appointment as a Director	20 November 2015
Date of last re-election as a Director	NA
Length of Service as a Director (as at 31 March 2016)	4 months
Board Committee(s) served on	Nominating Committee (Chairman) Audit Committee (Member) Remuneration Committee (Member)
Present directorship/chairmanship in other listed companies	Nil
Present principal commitments (other than directorships in other listed companies)	Alternative Advisors Investments Pte Ltd (Director) Alternative Advisors Pte Ltd (Director) Transcorp Holdings Limited (Acting Chief Financial Officer)
Past principal directorships/chairmanship held over the preceding 3 years in other listed companies (from to 1 April 2013 to 31 March 2016)	Sincap Group Limited (Lead Independent Director and Chairman of Audit and Risk Committee) (ceased w.e.f 30 April 2015)
Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders	Nil

CORPORATE INFORMATION

BOARD OF DIRECTORS

Koo Ah Seang
(Executive Chairman)

Geoffrey Ng Ching Fung
(Lead Independent Director)

Chong Chee Hoong
(Independent Director)

Yong Chor Ken
(Independent Director)

AUDIT COMMITTEE

Geoffrey Ng Ching Fung
Chairman

Chong Chee Hoong
Member

Yong Chor Ken
Member

REMUNERATION COMMITTEE

Chong Chee Hoong
Chairman

Geoffrey Ng Ching Fung
Member

Yong Chor Ken
Member

NOMINATING COMMITTEE

Yong Chor Ken
Chairman

Chong Chee Hoong
Member

Koo Ah Seang
Member

CORPORATE OFFICE

10 Anson Road
#20-08 International Plaza
Singapore 079903
Telephone: (65) 6225 0515
Fax: (65) 6225 0508
Company Registration Number: 196800320E

REGISTERED OFFICE

80 Robinson Road, #02-00
Singapore 068898
Telephone: (65) 6236 3333
Fax: (65) 6236 4399

COMPANY SECRETARY

Kong Wei Fung
(appointed on 20 May 2016)

SHARE REGISTRAR AND WARRANT AGENT

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

CONTINUING SPONSOR

Provenance Capital Pte. Ltd.
96 Robinson Road
#13-01 SIF Building
Singapore 068899

AUDITORS

Nexia TS Public Accounting Corporation
100 Beach Road
#30-00 Shaw Tower
Singapore 189702

Director-In-Charge: Loh Ji Kin
Appointed since financial year ended 31 March 2013

PRINCIPAL BANKERS

United Overseas Bank Limited

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CORPORATE GOVERNANCE REPORT

OLS Enterprise Ltd. (the "**Company**") is committed to maintaining a high standard of corporate governance and has put in place self-regulatory corporate practices to protect the interests of its shareholders and enhance long-term shareholder value.

The Company is in compliance with most of the guidelines in the Singapore Code of Corporate Governance 2012 (the "**2012 CG Code**") and any deviations from the 2012 CG Code are disclosed and explained. The Board will continue to enhance its corporate governance practices appropriate to the conduct of its business and to review such practices from time to time to ensure compliance with the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

BOARD MATTERS

Principle 1 - The Board's Conduct of Affairs

Board of Directors

The Company is effectively headed by the Board to lead and control it. Apart from its statutory duties and responsibilities, the Board is collectively responsible for the success of the Company and its subsidiaries (the "**Group**") and it works with the management ("**Management**") to achieve this. Management remains accountable to the Board. The Board oversees the affairs of the Group and focuses on strategies and policies, with particular attention paid to financial performance. It delegates the formulation of business policies and day-to-day management to the Executive Directors. In addition, the Board is directly responsible for decision making in respect of the following matters:

1. providing entrepreneurial leadership, setting strategic aims, and ensuring appropriate financial and human resources are in place for the Group to meet its objectives;

2. establishing a framework of prudent and effective controls which enables risks to be assessed and managed;

3. reviewing management performance and approving the recommendation for the nomination and appointment of key executives, as may be recommended by the Nominating Committee ("**NC**");

4. reviewing and endorsing the framework of remuneration for the Board and key management personnel, as may be recommended by the Remuneration Committee ("**RC**");

5. setting the Group's values and standards, and ensuring that obligations to shareholders and others are understood and met;

6. ensuring the Group's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct;

7. assuming responsibilities for good corporate governance and business practices; and

8. approving quarterly and full-year result announcements and interested person transactions.

The Company has adopted internal guidelines setting forth matters that require Board's approval, examples of which include corporate plans and budgets, acquisitions and disposals of investment and assets by the Company or any of its subsidiaries, change in capital structure, dividends and other returns to shareholders. All Directors objectively make decisions in the interests of the Company. The Board also delegates certain of its functions to the Audit Committee ("**AC**"), NC and RC and these functions are described separately under the various sections of each Committee below. Each Committee has its own defined terms of reference and operating procedures which are reviewed on a regular basis. The effectiveness of each Committee is also reviewed by the Board.

Directors' attendance at Board and Board Committee Meetings

The Board is scheduled to meet at least four (4) times a year and as and when warranted by circumstances. In order to assist the Directors in planning their attendance at Board and Committee Meetings, meeting dates are scheduled in advance in consultation with the Directors. Telephonic attendance, audio-video conferencing or by means of similar communication equipment whereby all persons participating in the meeting are able to hear each other at meetings are allowed under Article 107 of the Company's Constitution.

The number of meetings of the Board and the respective Board Committees held and attendance of each Director at these meetings in the financial year ended 31 March 2016 ("**FY2016**") are as follows:

Name	Board	Audit Committee	Nominating Committee	Remuneration Committee
Mr Koo Ah Seang Note 1	4	3	1	1
Mr Geoffrey Ng Ching Fung Note 2	4	4	1	1
Mr Chong Chee Hoong	4	4	1	1
Mr Yong Chor Ken Note 3	1	1	NA	NA
Number of meetings held	**4**	**4**	**1**	**1**

NA: Not Applicable

Notes:

1. Mr Koo Ah Seang ceased to be a member of AC and RC with effect from 20 November 2015.

2. Mr Geoffrey Ng Ching Fung ceased to be a Chairman of NC with effect from 20 November 2015.

3. Mr Yong Chor Ken was appointed as Independent Director, Chairman of NC and a member of AC and RC on 20 November 2015.

Training

All of the Directors have many years of corporate experience and are familiar with their duties and responsibilities as Directors. Directors are encouraged to undergo relevant training to enhance their skills and knowledge, particularly on new laws, regulations and changing risks affecting the Group's operations, from time to time. Other forms of training may include governance practices and training in accounting, legal and industry-specific knowledge (in writing or disseminated by way of briefings, presentation and/or handouts). Directors are also briefed by professionals either during Board meetings or at separate meetings on regulatory changes which have an important bearing on the Company and the Directors' obligations to the Company.

Newly appointed Directors will receive a formal letter setting out the Director's duties and obligations and will undergo an orientation program where the Executive Director will brief them on the Group's business, policies and governance practices to ensure that they are familiar with them.

The Company welcomes Directors to seek explanations or clarifications from and/or convene informal discussions with Management on any aspect of the Group's operations or business. Necessary arrangements will be made for the informal discussions or explanations as and when required.

Principle 2 - Board Composition and Guidance

The Board, as at the date of this report, comprises:

Mr Koo Ah Seang	(Executive Chairman)
Mr Geoffrey Ng Ching Fung	(Lead Independent Director)
Mr Chong Chee Hoong	(Independent Director)
Mr Yong Chor Ken	(Independent Director)

Currently, the Board comprises 4 (four) Directors, 3 (three) of whom are Independent Directors. The requirement of the 2012 CG Code that the independent directors must make up at least 1/3 of the Board is satisfied. There is therefore a good balance between the Executive and Non-Executive Directors and a strong and independent element on the Board. The Chairman is not an independent director, and the Company has complied with Guideline 2.2 of the 2012 CG Code on the requirement that at least half of the Board is made up of independent directors.

Mr Geoffrey Ng Ching Fung is the Lead Independent Director and he will be available to shareholders where they have concerns and for which contact through normal channels of the Chairman, the Chief Executive Officer ("**CEO**") or the Chief Financial Officer (where applicable) has failed to resolve or is inappropriate.

The Independent Directors consist of respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary and these competencies include accounting, finance and business management.

None of the Independent Directors have served on the Board beyond nine years from the date of his appointment. All independent directors, Mr Geoffrey Ng Ching Fung, Mr Chong Chee Hoong and Mr Yong Chor Ken have confirmed that they do not have any relationship with the Company, its related corporations or its 10% shareholders or their officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company.

The independence of each Director is reviewed annually by the NC. The NC has adopted the 2012 CG Code's definitions of an independent director in its review, and has reviewed and determined that the said Directors are independent. Taking into account the views of the NC, the Board determined that the said Directors are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, the said Directors' judgement.

The NC and the Board, taking into account the current nature and scope of the Group's operations and the impact of the number of Directors on the effectiveness in decision making, are of the view that the current board size is appropriate and effective and no individual or small group of individuals dominates the Board's decision making process. The NC and the Board are also of the view that the present Board has the appropriate mix of expertise, experience and competencies such as accounting or finance, business or management experience and industry knowledge for the effective functioning of the Board.

The Non-Executive Directors constructively challenge and help develop proposals on strategy and also review the performance of Management in meeting agreed goals and objectives, and extend guidance to Management. The Directors' objective judgement on corporate affairs and collective experience and knowledge are invaluable to the Group and allows for the useful exchange of ideas and views.

Principle 3 - Chairman and Chief Executive Officer

Mr Koo Ah Seang is the Executive Chairman of the Company and no CEO was appointed subsequent to the resignation of Mr Lawrence Rikio Komo as Group CEO with effect from 31 March 2014. During the absence of CEO of the Group, Mr Koo assumes the CEO responsibilities, such as, day to day operation of the Group and leads Management in setting the strategies, missions and translates the Board's decision and plans into action.

As the Chairman, he is responsible in:

1. leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda;

2. ensuring that the Directors receive accurate, timely and clear information;

3. ensuring effective communication with Shareholders;

4. encourage constructive relations between the Board and Management;

5. facilitate the effective contribution of Non-Executive Directors; and

6. promote high standards of corporate governance.

The Company has not adopted the recommendation of the 2012 CG Code to have different individuals appointed as the Chairman and the CEO. The Board is of the view that there is already an appropriate balance of power and sufficient strong independent element in the Board which could enable the independent exercise of objective judgement on corporate affairs of the Group, taking into account factors such as accountability and capacity of the Board and numbers of independent directors on the Board, as well as the size and scope of the affairs and operations of the Group.

Principle 4 - Board Membership

The NC comprises 3 members, a majority of whom, including the Chairman of the Committee are Independent Directors. The members of the NC are as follows:

Mr Yong Chor Ken (***Chairman***)	Independent Director
Mr Chong Chee Hoong ***(Member)***	Independent Director
Mr Koo Ah Seang ***(Member)***	Executive Chairman

The NC is scheduled to meet at least once a year. The principal functions of NC include, but are not limited to, the following:

1. making recommendations to the Board on all Board and key management personnel appointments;

2. the re-nomination of the Directors having regard to each Director's contribution and performance, including, if applicable, as an Independent Director;

3. determining annually whether or not a Director is independent;

4. deciding whether or not a Director is able to and has adequately carried out his duties as a director;

5. reviewing and recommending the training and professional development programmes for the Board; and

6. recommending to the Board the review of board succession plans for Directors, in particular, the Chairman and the CEO.

The NC reviews the need for appointment of additional Director(s) from time to time and the composition of the Board, including mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement the Board's existing attributes. The process of the search, selection and appointment of new Directors is as follows:

a) candidates are sourced and identified based on the needs of the relevant skills, experience, knowledge and expertise;

b) the NC meets with the short-listed candidates to assess their suitability taking into consideration the existing composition of the Board and strives to ensure that the Board has an appropriate balance of independent directors as well as qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with the strategic objectives and to ensure that the candidates are aware of the expectations and the level of commitment required of them; and

c) the NC makes recommendation to the Board for approval.

All newly appointed Directors during the year will hold office only until the next Annual General Meeting ("**AGM**") following his appointment and will be eligible for re-election but shall not be taken into account in determining the number of directors who are retiring by rotation at each financial year.

The NC reviews all nomination for appointments and re-appointments to the Board and submits its recommendations for approval by the Board, taking into account whether Directors are properly qualified for re-appointment by virtue of their skills, experience and contributions and an appropriate mix of core competencies for the Board to fulfill its roles and responsibilities.

Pursuant to the Company's Constitution, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) are required to retire by rotation. All Directors are required to submit themselves for re-election at least once every three (3) years.

The NC has recommended to the Board that both Mr Koo Ah Seang and Mr Yong Chor Ken be nominated for re-election at the forthcoming AGM of the Company pursuant to Articles 92 and 98 of the Company's Constitution respectively, they being eligible, have offered themselves for re-election at the forthcoming AGM. The Board recommends the Shareholders to approve the re-election of the said directors. The details of the proposed resolutions are stipulated in the Notice of AGM.

The NC Chairman is not, and is not directly associated with, any substantial Shareholder with an interest of 5% or more in the voting shares of the Company.

Each member of the NC shall abstain from voting on any resolutions and making any recommendation and/or participating in any deliberations in respect of matters in which he has an interest in.

The NC reviews and determines annually whether directors who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his duties as a director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and his actual conduct on the Board, in making this determination.

For FY2016, despite some of the Directors having multiple board representations and/or other principal commitments, the Directors had devoted sufficient time and attention to the affairs of the Company and had been adequately discharge his duties as a Director of the Company. The NC and the Board are of the view that such multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties to the Company. These Directors would widen the experience of the Board and give it a broader perspective. As such, the NC has decided not to fix a maximum limit on the number of directorship a director can hold.

Key information regarding the Directors such as academic, professional qualifications, shareholding in the Company and its related corporations, Board Committees served on (as a member or Chairman), date of first appointment as a Director, date of last re-appointment as a Director, directorships or chairmanships both present and those held over the preceding 3 years in other listed companies, and other principal commitments is disclosed in the "Board of Directors", "Further information on the Board of Directors" and "Directors' Statement" sections of the annual report.

Principle 5 - Board Performance

The NC assesses the performance and effectiveness of the Board as a whole. The appraisal process focuses on a set of performance criteria which includes the evaluation of the Board composition and size, the Board process, the Board effectiveness and training, provision of information to the Board and the Board standards of conduct. Such performance criteria are approved by the Board and they address how the Board will enhance long term shareholder value. The performance criteria do not change unless circumstances deem it necessary and a decision to change them would be justified by the Board.

The Chairman would act on the results of the performance evaluation, and in consultation with the NC, where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors in consultation with the NC.

During the financial year under review, the Board evaluation exercise has been carried out by way of a board assessment checklist, which is circulated to the Board members for completion. The assessment covers areas such as Board Composition, Information to the Board, Board Procedures, Board Accountability, CEO/Top Management, Standards of Conduct, Risk Management and Internal Control, Communication with Shareholders and Director self-evaluation. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made. Feedback and comments received from the Directors are reviewed by the NC, in consultation with the Chairman of the Board, to determine the actions required to improve the corporate governance of the Company and effectiveness of the Board as a whole.

The NC having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year reported on, is of the view that the performance of the Board as a whole has been satisfactory. The NC, in assessing the contribution of an individual director, has considered each Director's level of participation and attendance at Board and Board Committee meetings, his qualifications, experience, expertise and the time and effort dedicated to the Group's business and affairs. The NC is of the opinion that Directors have given sufficient time and attention to the Group and reasonably and effectively discharged its duties. The NC will review the appropriateness of the Board size, taking into consideration changes in the nature of the Group's business, the scope of operations, as well as changing regulatory requirements.

Principle 6 - Access to Information

In order to ensure that the Board is able to fulfill its responsibilities, Management provides the Board with periodic updates covering operational performance and financial results, market and business development updates and other important and relevant information.

Prior to each Board meeting, the Board is provided with relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. This is to give the Directors sufficient time to review and consider the matters being tabled and/or discussed. In addition, all relevant information on material events and transactions are circulated to Directors as and when they arise. Whenever necessary, Management will be invited to attend the Board meetings to answer queries and provide detailed insights into their areas of operations. The Board, either individually or as a group, also has separate and independent access to Management. The Board, and the Chairmen of the respective Committees, whether individually or as a group, are able to seek independent professional advice as and when necessary in furtherance of their duties at the Company's expense.

The Board members have separate and independent access to the Company Secretary who ensures good information flow within the Board and its Committees and between Management and Non-Executive Directors, as well as facilitates orientation and assists with professional development as required. The Company Secretary or his representative(s) attends all Board and Committees' meetings and ensures that the Board procedures and relevant rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

REMUNERATION MATTERS

Principle 7 - Procedures for Developing Remuneration Policies

The RC comprises 3 members, including the Chairman, are Independent Directors. The members of the RC are as follows:

Mr Chong Chee Hoong ***(Chairman)***	Independent Director
Mr Geoffrey Ng Ching Fung ***(Member)***	Lead Independent Director
Mr Yong Chor Ken ***(Member)***	Independent Director

The RC is scheduled to meet at least once a year. The RC is regulated by a set of terms of reference and has access to independent professional advice inside and outside the Company, if necessary, in respect of the remuneration of all Directors and key management personnel.

The RC's main duties include, but not limited to, the following:

1. review and recommend to the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for each of the Executive Directors and key management personnel, including those employees related to the Executive Directors and 10% shareholders of the Company, if any, bearing in mind the need for a cautious comparison (in order to prevent the risk of an upward ratchet of remuneration levels with no corresponding improvement in performance) of pay and employment conditions of comparable companies in the same or similar industries, and to submit such recommendations for endorsement by the entire Board; and

2. carry out its duties in a manner that is deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

Each RC member shall abstain from voting on any resolutions or making any recommendations and/or participating in the deliberations of the RC in respect of his remuneration package.

Principle 8 - Level and Mix of Remuneration

As part of its review, the RC shall ensure that:

1. all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, options and benefits-in-kinds are covered;

2. the remuneration packages of Directors and key management personnel are comparable to companies in the same or similar industries;

3. the level of remuneration of Non-Executive Directors are appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors, but also bearing in mind that Non-Executive Directors are not over-compensated to the extent that their independence may be compromised;

4. the level of remuneration is appropriate to attract, retain and motivate the Directors needed to run the Group successfully without such levels being more than is necessary for this purpose; and

5. the remuneration package of employees related to Executive Directors and controlling shareholders of the Company are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

The Company adopts a formal and transparent procedure for developing its policy on key management personnel remuneration and for determining the remuneration packages of individual Director. No Director is involved in making recommendation and/or deciding his own remuneration. In setting remuneration packages, the Company takes into account pay and employment conditions of comparable companies in the same or similar industries, as well as the Group's relative performance and the performance of the individual Director or key management personnel.

Executive Directors do not receive Directors' fees. The remuneration policy for Executive Directors and key management personnel consists of salary, bonus, pension fund contributions and other allowances. The Executive Directors are paid in accordance with their respective service agreements. These service agreements are not excessively long and they do not have onerous termination clauses.

The Executive Chairman, Mr Koo Ah Seang is responsible for the day-to-day operation of the Group. The service contract with Mr Koo commenced on 28 January 2014 for a period of 2 years and thereafter for such period as the Board may so decide. The service contract has been renewed on 4 January 2016 for a period of 2 years. Mr Koo and the Company may terminate the service agreement by giving to the other party not less than six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six months' salary based on his last drawn monthly salary.

Independent Directors are paid a basic fee and additional fees for serving on any of the Committees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account.

The Executive Directors owe fiduciary duties 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. As such, the Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Principle 9 - Disclosure on Remuneration

Directors' Remuneration

The Company believes that the disclosure in bands of S$250,000 provides sufficient overview of the remuneration of the Directors.

The breakdown showing the level and mix of each individual Director's remuneration for FY2016 are as follows:

Remuneration Band and Name of Directors	Salary and Benefit (inclusive of Employer's CPF) (%)	Bonus (%)	Other Benefits (%)	Director's Fee (%)	Total (%)
From S$250,000 to S$500,000					
Mr Koo Ah Seang	78.4	21.6	–	NA	100
Below S$250,000					
Mr Geoffrey Ng Ching Fung	NA	NA	NA	100	100
Mr Chong Chee Hoong	NA	NA	NA	100	100
Mr Yong Chor Ken[Note]	NA	NA	NA	100	100

Note:

Mr Yong Chor Ken was appointed as Independent Director, Chairman of NC and a member of RC and AC on 20 November 2015.

Key Management Personnel's Remuneration

Except for Mr Koo Ah Seang, the Executive Chairman, the Company did not have any key management personnel during FY2016.

There is no termination, retirement and post-employment benefits granted to the Directors, the CEO and the key management personnel.

For FY2016, none of the Directors' immediate family members are employees of the Group.

ACCOUNTABILITY AND AUDIT

Principle 10 - Accountability

In presenting the annual financial statements and announcements to the shareholders of the Company, it is the aim of the Board to provide the Shareholders with a balanced and understandable assessment of the Group's financial performance, financial position and business prospects. In respect of the annual budgets, any material variances between the projections and actual results are disclosed and explained to the Board by Management during the Board meetings.

The Board is primarily responsible to present a fair and balanced report of the financial affairs of the Group, which is prepared in accordance with the Companies Act (Chapter 50) of Singapore and the Singapore Financial Reporting Standards prescribed by the Accounting and Standards Council.

The financial performance and annual reports are announced or issued within the mandatory period under the Catalist Rules. The Board also provides negative assurance confirmation to Shareholders for the interim financial results announcements pursuant to Rule 705(5) of the Catalist Rules.

Management also provides the Board with periodic updates covering operational performance, financial results, marketing and business development efforts as well as other important and relevant information as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Principle 11 - Risk Management and Internal Controls

The Board ensures that Management maintains a sound system of internal controls and effective risk management policies to safeguard Shareholders' investments and the Group's assets.

For the full-year financial statements, based on the internal controls established and maintained by the Group, work performed by the external auditors, and regular reviews performed by Management, the various Board Committees and the Board, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management were adequate to provide reasonable assurance of the integrity and effectiveness of the Company in safeguarding the Group's assets and shareholder value as at 31 March 2016.

The system of internal controls provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

However, the Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board had received assurance from the Executive Chairman that the financial records as at 31 March 2016 have been properly maintained and the financial statements for FY2016 give a true and fair view of the Group's operations and finances and the Group's risk management and internal control systems are effective.

Principle 12 - Audit Committee

The AC comprises three (3) members, including the AC Chairman, are Independent Directors. The members of the AC are as follows:

Mr Geoffrey Ng Ching Fung ***(Chairman)***	Lead Independent Director
Mr Chong Chee Hoong ***(Member)***	Independent Director
Mr Yong Chor Ken ***(Member)***	Independent Director

The Board considers that the members of the AC are appropriately qualified to discharge their responsibilities. Majority of the AC members have accounting or related financial management expertise and experience. The AC takes measures to keep abreast of the changes to accounting standards and issues which have impact on financial statements, with training conducted by professionals or external consultants. No former partner or director of the Company's existing audit firm is a member of the AC.

The AC, which has written terms of reference, meets periodically to perform the following functions:

(a) review with the external auditors, the audit plans, their evaluation of the system of internal controls, their audit report, their management letter and Management's response;

(b) review the internal controls and internal procedures and ensure coordination between the external auditors and Management, and review the assistance given by Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);

(c) review the internal and external auditors' reports;

(d) review the co-operation given by the Company's officers to the internal and external auditors;

(e) review the annual and quarterly financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, going concern basis of the Company, compliance with accounting standards as well as compliance with the Catalist Rules and other relevant statutory/regulatory requirements;

(f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;

(g) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;

(h) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);

(i) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;

(j) review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;

(k) review the key financial risk areas, with a view to providing independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;

(l) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(m) review arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

(n) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time.

The AC is scheduled to meet at least four (4) times a year. For FY2016, the AC carried out the following activities in the discharge of its functions and duties including the deliberation and review of:

1. the unaudited quarterly and full-year financial results of the Group and the announcements and audited financial statements of the Group and of the Company prior to the submission to the Board for approval and releasing the results to the SGX-ST;

2. significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any formal announcements relating to the Group's financial performance before their submission to the Board;

3. the external audit plan in terms of their scope of audit prior to their commencement of their annual audit;

4. the external auditors' report in relation to audit and accounting issues arising from the audit and meeting with the external auditors without the presence of the executive board members and Management;

5. co-operation given by Management to the external auditors;

6. adequacy and effectiveness of the Group's internal audit function and material internal controls, including financial, operational and compliance and information technology controls and risk management policies and systems established by Management (collectively "**internal controls**");

7. nomination or recommendation of the re-appointment of external auditors;

8. approval for the remuneration and terms of engagement of the external auditors;

9. independence and objectivity of the external auditors at least annually; and

10. interested person transactions.

In addition to the above, the AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The external auditors have unrestricted access to the AC.

For FY2016, the AC had met the external auditors without the presence of Management. However, there was no major issues raised.

The aggregate amount of audit fee paid and/or payable to the external auditors, Nexia TS Public Accounting Corporation, amounted to approximately S$60,000 for FY2016. Nexia TS Public Accounting Corporation did not provide any non-audit services to the Group for FY2016.

The AC has reviewed and satisfied with the independence of the external auditors including the volume of non-audit services supplied by them and is satisfied with their position as independent external auditors. Accordingly, the AC has recommended the re-appointment of Nexia TS Public Accounting Corporation as external auditors of the Company for the financial year ending 31 March 2017 at the forthcoming AGM.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with the Rules 712 and 715 of the Catalist Rules.

Whistle-blowing policy

The Company recognises the need to have a whistle-blowing policy. In view of the prevailing financial predicament and lean staff strength, the Management and the Directors have devoted their efforts focusing on turning around the Company. Once successful, the Company will consider the adoption and implementation of a whistle blowing policy to provide arrangements for staff members to raise their concerns on possible financial and other improprieties and for appropriate follow up action to be taken.

Principle 13 - Internal Audit

The Company has not engaged any external professional firm for its internal audit function. The Company currently has two subsidiaries, one is an investment holding company and the other is primarily engaged in marketing and advertisement production services in Malaysia. The AC and the Board review and monitor the adequacy of internal controls on a regular basis with the assistance of the external auditors, with their job scope to include certain prescribed internal control issues.

The AC and the Board will from time to time review the size and complexity of the Group and to engage an external professional firm for this function when the need arises.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 - Shareholder Rights

Shareholders are encouraged to participate and vote at all general meetings. The Directors ensure that the Shareholders are well informed of the rules, including voting procedures that govern general meetings.

Any notice of general meeting is issued at least 14 clear calendar days before the scheduled date of such meeting.

Principle 15 - Communication with Shareholders

The Company recognises the need to communicate regularly, effectively and fairly with Shareholders on all material matters affecting the Group and does not practise selective disclosure. In this respect, the Board presents a balanced and understandable assessment of the Group's performance, position and prospects and such responsibility extends to price sensitive announcements, including quarterly, half-yearly and full-year results and reports to regulators, if any, all of which are released through SGXNET. All press/media releases are announced through SGXNET before they are published. Where there is inadvertent disclosure made to a selected group, the Company ensures that the same is disclosed publicly via SGXNET as soon as practicable. To date, there have been no such inadvertent disclosures.

The Company had also engaged an external investor relation firm to ensure its communication with Shareholders is carried out in an effective manner.

The Directors had not recommended payment of final dividend for FY2016 as the Group did not have profits available for distribution for FY2016.

Principle 16 - Conduct of Shareholder Meetings

All shareholders of the Company will receive the annual report and notice of the upcoming AGM. The notice of the upcoming AGM will also be advertised in the newspaper and announced through SGXNET. At the AGM, Shareholders are encouraged to participate and are given the opportunity to air their views and ask questions regarding the Group and its businesses. Separate resolutions on each substantially separate issue are proposed at general meetings for approval. "Bundling" of resolutions are kept to a minimum and are done only where the resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications involved. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution.

The external auditors and legal advisors (if necessary) are present to assist the Directors in addressing any queries by Shareholders. In addition, the Chairmen of the AC, NC and RC may be present to address questions at the AGM.

The Company had not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that the integrity of the information and authentication of the identity of the Shareholders through the web is not compromised.

The Company records proceedings of all AGMs, substantial and relevant comments and queries from Shareholders together with the respective responses from the Board and Management. These are available to Shareholders upon request.

The Company will conduct its voting by poll at the forthcoming AGM in the presence of independent scrutineers. Explanation on polling procedures will be provided to Shareholders before the poll voting is conducted. The total numbers and percentage of valid votes cast for and against each resolution will be announced at the AGM and also to the SGX-ST after the AGM via SGXNet.

Dealings In Securities

In line with Rule 1204(19) of the Catalist Rules on dealings in securities, the Company has in place a policy prohibiting share dealings by all directors and officers of the Group during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, and one month before the announcement of the Company's full year financial statements, as the case may be, and ending on the date of the announcement of the relevant results. The Directors and officers of the Group are required to observe not to deal in the Company's securities on short term considerations.

The Directors are required to notify the Company of any dealings in the Company's securities (during the open window period) and within two (2) days of the transaction(s). At all times, the Directors and officers are aware that it is an offence to deal with securities in the Company and those of other companies when they are in possession of unpublished price-sensitive information in relation to those securities and that the laws on insider trading applies to them at all times. As such, the Directors and officers ensure that their dealings in securities, if any, do not contravene the law.

Material Contracts

Save for the service agreement entered into between the Executive Chairman and the Company and the Agreements which have been announced on the SGXNET, there were no other material contracts of the Company or its subsidiaries involving the interests of the CEO, Directors or controlling Shareholders, entered into during FY2016 or after FY2016 and up to the date of this report.

Risk Management

The Group regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as to take appropriate measures to control and mitigate these risks. The Group reviews all significant control policies and procedure and highlights all significant matters to the AC and the Board.

Interested Person Transactions ("IPT")

The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. All IPTs are subject to review by the AC to ensure compliance with the established procedures. In the event that a member of the AC is involved in any IPT, he will abstain from reviewing that particular transaction.

In compliance with Chapter 9 of the Catalist Rules, the Group confirms that there were no IPTs entered into during the financial year reported on, which exceeded SGD100,000 in value. The Group does not have a general mandate from Shareholders for recurring IPTs pursuant to Rule 920(1)(a)(i) of the Catalist Rules.

Corporate Social Responsibility

The Company recognises the need to foster a positive socially responsible corporate culture. However, in view of the prevailing financial predicament, Management and the Directors have devoted their efforts focusing on turning around the Company. Once successful, Management and Directors will look into developing good corporate citizenship policy.

Use of Proceeds

EQUITY-LINKED NOTES

The Company had on 20 August 2013 announced the proposed issuance of 1% unsecured equity-linked redeemable structured notes due on 2016 ("**ELN**") by the Company to Advance Opportunities Fund ("**AOF**"). The ELN was approved by Shareholders at an extraordinary general meeting on 20 November 2013. The ELN will be issued in 3 separate tranches totaling $50 million.

During FY2016, the Company had on 23 September 2015 issued the seventh sub-tranche of the Tranche 1 ELN with a principal amount of S$1 million.

	S$'000
Proceeds from the 7th sub-tranche of the Tranche 1 ELN	1,000
Use of proceeds	
ELN expenses	50
Total payments	50
Balance as at 31 March 2016	950

RIGHTS ISSUE

The Company had on 29 August 2014 completed the Renounceable Non-Underwritten Rights cum Warrants Issue exercise. A total of 824,302,230 Rights Shares were issued. Each Rights Share was issued at an issue price of S$0.008.

	S$'000
Proceeds from Rights Issue	
Balance as at 31 March 2015	6,235
Use of Proceeds	
Operating expenses	2,076
Scheme payments	1,714
RTO expenses	308
Total payments	4,098
Balance as at 31 March 2016	2,137

WARRANTS CONVERSION

A total of 2,655,166 Warrant Shares were issued. Each Warrant Share was issued at an issue price of S$0.009.

	S$'000
Proceeds from Warrants Conversion	
Balance as at 31 March 2015	24
Proceeds raised during the 12 months ended 31 March 2016	–*
Use of proceeds	
Operating expenses	24
Total payments	24
Balance as at 31 March 2016	–

* Less than S$1,000

NON-SPONSORSHIP FEES

Provenance Capital Pte. Ltd. was appointed as the Company's sponsor with effect from 1 October 2015.

With reference to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's sponsor during FY2016 after their appointment.

The Directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 March 2016 and the balance sheet of the Company as at 31 March 2016.

In the opinion of the Directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 24 to 57 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

Directors

The Directors of the Company in office at the date of this statement are as follows:

Mr Koo Ah Seang
Mr Geoffrey Ng Ching Fung
Mr Chong Chee Hoong
Mr Yong Chor Ken (appointed on 20 November 2015)

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director			Holdings in which director is deemed to have an interest		
	At 21.04.2016	At 31.03.2016	At 01.04.2015	At 21.04.2016	At 31.03.2016	At 01.04.2015
OLS Enterprise Ltd.						
(No. of ordinary shares)						
Koo Ah Seang	26,457,000	19,957,000	15,000,000	–	–	–

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company under option at the end of the financial year.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2016

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Mr Geoffrey Ng Ching Fung (Chairman)
Mr Chong Chee Hoong
Mr Yong Chor Ken

All members of the Audit Committee are non-executive and independent directors.

The Audit Committee performed the functions specified in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Audit Committee reviewed:

- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit; and
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2016 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Auditors

The independent auditor, Nexia TS Public Accounting Corporation has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Koo Ah Seang
Executive Chairman

Geoffrey Ng Ching Fung
Director

4 July 2016

Report on the Financial Statements

We have audited the accompanying financial statements of OLS Enterprise Ltd. (the "**Company**") and its subsidiary corporations (the "**Group**") set out on pages 24 to 57, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2016 and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "**Act**") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

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 the subsidiary corporation incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Loh Ji Kin
Appointed from financial year ended 31 March 2013

Singapore
4 July 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2016

	Note	2016 $'000	2015 $'000
Continuing operations			
Revenue	4	**2,244**	2,755
Cost of sales		**(1,940)**	(2,371)
Gross profit		**304**	384
Other income - net	5	**390**	433
Gain on disposal of discontinued operations	9	**–**	346
Expenses			
- Administrative		**(1,525)**	(368)
- Finance		**(2)**	–
(Loss)/profit before taxation		**(833)**	795
Income tax expense	8	**(36)**	(33)
(Loss)/profit from continuing operations		**(869)**	762
Discontinued operations			
Profit from discontinued operations, net of tax	9	**–**	320
Total (loss)/profit		**(869)**	1,082
Other comprehensive (loss)/income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation losses arising from consolidation		**(31)**	(58)
Total comprehensive (loss)/income		**(900)**	1,024
(Loss)/profit attributable to:			
Equity holders of the Company		**(886)**	1,040
Non-controlling interests		**17**	42
		(869)	1,082
(Loss)/profit attributable to equity holders of the Company relates to:			
(Loss)/profit from continuing operations		**(886)**	720
Profit from discontinued operations		**–**	320
		(886)	1,040
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(917)**	982
Non-controlling interests		**17**	42
		(900)	1,024
(Loss)/earnings per share for (loss)/profit from continuing and discontinued operations attributable to equity holders of the Company (cents per share)			
Basic (loss)/earnings per share			
From continuing operations	10(a)	**(0.05)**	0.08
From discontinued operations	10(a)	**–**	0.04
Diluted (loss)/earnings per share			
From continuing operations	10(b)	**(0.05)**	0.08
From discontinued operations	10(b)	**–**	0.03

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET - GROUP

As at 31 March 2016

	Note	2016 $'000	2015 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**124**	59
Intangible asset	12	**–**	345
		124	404
Current assets			
Trade and other receivables	14	**678**	1,106
Prepayments		**103**	30
Deferred share issue expenses	15	**797**	–
Work in progress	16	**487**	–
Income tax recoverable		**–**	10
Cash and cash equivalents	18	**4,906**	7,859
		6,971	9,005
Total assets		**7,095**	9,409
LIABILITIES			
Current liabilities			
Trade and other payables	19	**2,228**	11,558
Convertible bonds	20	**1,050**	50
Finance lease liabilities	21	**12**	–
Current income tax liabilities		**4**	–
		3,294	11,608
Net current assets/(liabilities)		**3,677**	(2,603)
Non-current liabilities			
Finance lease liabilities	21	**42**	–
Total liabilities		**3,336**	11,608
NET ASSETS/(LIABILITIES)		**3,759**	(2,199)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	**14,476**	7,618
Accumulated losses		**(10,800)**	(9,914)
Currency translation reserve		**(89)**	(58)
		3,587	(2,354)
Non-controlling interests		**172**	155
Total equity		**3,759**	(2,199)

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET - COMPANY

As at 31 March 2016

	Note	2016 $'000	2015 $'000
ASSETS			
Non-current assets			
Investments in subsidiary corporations	13	**77**	550
Current assets			
Trade and other receivables	14	**2**	37
Prepayments		**85**	27
Deferred share issue expenses	15	**797**	–
Amount due from subsidiary corporation	17	**255**	–
Cash and cash equivalents	18	**4,631**	7,428
		5,770	7,492
Total assets		**5,847**	8,042
LIABILITIES			
Current liabilities			
Trade and other payables	19	**1,027**	10,085
Convertible bonds	20	**1,050**	50
Amount due to subsidiary corporation	17	**–**	41
Total liabilities		**2,077**	10,176
Net current assets/(liabilities)		**3,693**	(2,684)
NET ASSETS/(LIABILITIES)		**3,770**	(2,134)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	**14,476**	7,618
Accumulated losses		**(10,706)**	(9,752)
Total equity		**3,770**	(2,134)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2016

		← Attributable to equity holders of the Company →					
	Note	Share capital $'000	Accumulated losses $'000	Currency translation reserve* $'000	Total S$'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2015		7,618	(9,914)	(58)	(2,354)	155	(2,199)
(Loss)/profit for the financial year		–	(886)	–	(886)	17	(869)
Other comprehensive loss for the financial year		–	–	(31)	(31)	–	(31)
Total comprehensive (loss)/ income for the financial year		–	(886)	(31)	(917)	17	(900)
Issuance of ordinary shares – Scheme arrangement	22	6,858	–	–	6,858	–	6,858
At 31 March 2016		**14,476**	**(10,800)**	**(89)**	**3,587**	**172**	**3,759**
At 1 April 2014		187,835	(222,663)	24,773	(10,055)	(1,177)	(11,232)
Profit for the financial year							
- Continuing operations		–	720	–	720	42	762
- Discontinued operations		–	320	–	320	–	320
Other comprehensive loss for the financial year		–	–	(58)	(58)	–	(58)
Total comprehensive income/ (loss) for the financial year		–	1,040	(58)	982	42	1,024
Issuance of ordinary shares pursuant to:							
– Conversion of ELN	22	1,550	–	–	1,550	–	1,550
– Rights issue	22	6,594	–	–	6,594	–	6,594
– Exercise of warrants	22	24	–	–	24	–	24
Capital reduction	22	(734,382)	734,382	–	–	–	–
Change in reserve from disposal of discontinued operations	22	545,997	(522,673)	(24,773)	(1,449)	1,177	(272)
Acquisition of a subsidiary corporation		–	–	–	–	113	113
At 31 March 2015		**7,618**	**(9,914)**	**(58)**	**(2,354)**	**155**	**(2,199)**

* Not available for distribution.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2016

	Note	2016 $'000	2015 $'000
Cash flow from operating activities:			
Total (loss)/profit		**(869)**	1,082
Adjustments for:			
– Depreciation of property, plant and equipment		**49**	34
– Impairment loss – goodwill	6	**345**	–
– Income tax expense	8	**36**	33
– Interest expense		**2**	–
– Interest income	5	**(22)**	(19)
– Gain on sale of discontinued operations	9	**–**	(346)
– Unrealised currency translation gains		**(20)**	(330)
		(479)	454
Operating cash flow before working capital changes, net of effects from acquisition of a subsidiary corporation:			
Trade and other receivables and prepayments		**355**	(123)
Trade and other payables		**(2,961)**	(2,769)
Deferred share issue expenses		**(308)**	–
Work in progress		**(487)**	–
Cash used in operations		**(3,880)**	(2,438)
Interest received		**22**	19
Interest paid		**(2)**	–
Income tax paid		**(22)**	(43)
Net cash used in operating activities		**(3,882)**	(2,462)
Cash flows from investing activities			
Additions to property, plant and equipment		**(53)**	(51)
Acquisition of a subsidiary, net of cash acquired	13(d)	**–**	(406)
Net cash outflow from disposal of discontinued operations	9(c)	**–**	(1)
Net cash used in investing activities		**(53)**	(458)
Cash flows from financing activities			
Proceeds from issuance of ELN		**1,000**	1,000
Proceeds from issuance of rights shares	22	**–**	6,594
Proceeds from exercise of warrants	22	**–**	24
Repayment of finance lease liabilities		**(18)**	–
Net cash provided by financing activities		**982**	7,618
Net (decrease)/increase in cash and cash equivalents		**(2,953)**	4,698
Cash and cash equivalents at beginning of financial year		**7,859**	3,161
Cash and cash equivalents at end of financial year	18	**4,906**	7,859

The accompanying notes form an integral part of these financial statements.

1. CORPORATE INFORMATION

OLS Enterprise Ltd. (the "**Company**") is a public limited liability company incorporated and domiciled in the Republic of Singapore.

The registered office of the Company is 80 Robinson Road, #02-00, Singapore 068898. The current principal place of business of the Company is 10 Anson Road, #20-08 International Plaza, Singapore 079903.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiary corporations are disclosed in Note 13 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 April 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("**INT FRS**") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Group accounting

(a) Subsidiary Corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporation have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of subsidiary corporations' net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in subsidiary corporations, even if this results in the non-controlling interests having a deficit balance.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Group accounting (Cont'd)

(a) Subsidiary Corporations (Cont'd)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) 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 (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interests in subsidiary corporations that do not result in a loss of control over the subsidiary corporations are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Currency translation

a) 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 ("**functional currency**"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

b) Transactions and balances

Transactions in 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 exchange 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 the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "Finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other gains and losses".

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.

c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of hyperinflationary economic) 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 exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the 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 currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is direct attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over the estimated useful life as follows:

Computers	–	5 years
Leasehold improvement	–	2 to 6 years
Motor vehicles	–	10 years
Furniture and equipment	–	2 to 8 years

The residual value, useful life and depreciation method are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognized in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other income - net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.5 Intangible asset

Goodwill on acquisition

Goodwill on acquisition of subsidiary corporations or businesses on or after 1 January 2010 represents the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired.

2.6 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("**CGU**") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiary corporations

Property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.8 Financial assets

The Group classifies its financial assets in loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

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 are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "Trade and other receivables" (Note 14) and "Cash and cash equivalents" (Note 18) on the balance sheet.

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial assets (Cont'd)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Financial assets are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.9 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.10 Work in progress

Work in progress comprises direct labour and other direct film production costs of uncompleted projects as at year end. Work in progress is carried at lower of cost and net realisable value. Net realisable value is the project revenue excluding variation order less the estimated costs of completion and applicable variable selling expenses, if any.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and short-term deposits with financial institutions which are subject to an insignificant risk of changes in value. For purpose of the consolidated statement of cash flows, these include bank overdrafts, if any, that form an integral part of the Group's cash management.

2.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate has been made of the amount of the obligation. Provisions are not recognised for future operating losses.

2.13 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of non-derivative financial liabilities, plus directly attributable transaction costs.

Subsequent to initial recognition, non-derivative financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

2.16 Convertible bonds

The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the embedded equity conversion option (equity component), which is presented in equity net of any deferred tax effect. The embedded option is recognised initially at its fair value and subsequently carried at fair value. Any change to the fair value of the embedded option is recognised in profit or loss. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, the carrying amounts of the liability and equity components are transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

2.17 Fair value estimation of financial assets and financial liabilities

The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Group pays fixed contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. The Group has no further payment obligations once the obligations have been paid.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Employee benefits (Cont'd)

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for estimated liability for annual leave as a result of service rendered by employees up to the balance sheet date.

(c) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date in accordance with the provision of the employment contract and/or local labour laws.

2.19 Leases

(a) When the Group is the lessee:

The Group leases motor vehicles under finance leases and office spaces under operating leases from non-related parties.

(i) Lessee - Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as property, plant and equipment and finance lease liability respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee - Operating leases

Leases where substantially all risks and rewards incidental to ownership of the leased assets are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.20 Revenue

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

Revenue is recognised when the amount of revenue and related cost can be reliably measured. It is probable that the collectability of the related receivables is reasonably assured and when specific criteria for each of the Group's activities are met as follows:

(a) Service revenue

Revenue from services rendered for film production are recognised when these services have been performed and accepted by customers in accordance to the relevant terms and conditions of the contracts, hence, direct production costs incurred relating to film production are deferred and recognised as "Work in progress" until the revenue is recognised. The corresponding advances received from customers are deferred and classified as "Advances received from customers" under "Trade and other payables".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Revenue (Cont'd)

(b) Interest income

Interest income is recognised using the effective interest method.

2.21 Income taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date, in the countries where the Group operates and generates taxable income.

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 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 subsidiary corporations, 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 in 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 balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (productivity and innovation credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 24, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Discontinued operations

Discontinued operations are components of an entity that either have been disposed of, or that are classified as held-for sale and:

(a) represent a major line of business or geographical area of operations; or

(b) are part of a single co-ordinated plan to dispose of a separate line of business or geographical area of operations; or

(c) are subsidiary corporations acquired exclusively with a view to resale.

2.25 Deferred share issue expenses

Reverse take-over ("**RTO**") expenses are capitalised as deferred share issue expenses when it is directly attributable to issuance of new ordinary shares pursuant to the RTO. Deferred share issue expense will be deducted against share capital upon the issuance of ordinary shares.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 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:

(a) Impairment of non-financial asset - goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of the Group's goodwill as at 31 March 2016 is $Nil (2015: $345,000).

(b) Impairment of financial assets - loans and receivables

The determination of impairment of financial assets requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost; and the financial health of a business outlook for the financial asset, including factors such as industry and sector performance, operational and financing cash flow. Details of trade and other receivables and allowance for impairment are disclosed in Note 14.

4. REVENUE

	Group	
	2016	2015
	$'000	$'000
Services rendered	**2,244**	2,755

5. OTHER INCOME - NET

	Group	
	2016	2015
	$'000	$'000
Currency exchange gains - net	**–**	42
Recovery of bad debts	**149**	111
Refund of goods and services tax	**94**	95
Reversal of provision for professional fees	**52**	–
Interest income – short term bank deposits	**22**	19
Others	**73**	166
	390	433

6. EXPENSES BY NATURE

	Group	
	2016	2015
	$'000	$'000
Depreciation of property, plant and equipment (Note 11)	**49**	30
Rental expense on operating lease	**185**	68
Fees paid/payable to auditor of the Company for:		
– audit services	**60**	85
– non-audit services	**–**	197
Employee compensation (Note 7)	**745**	881
Impairment loss – goodwill (Note 12)	**345**	–
Professionals and consultants	**352**	296
Audio, camera and lightings	**440**	370
Talent fee	**88**	74
Post production cost	**261**	148
Subcontractor production cost	**704**	566
Others	**236**	24
Total cost of sales and administrative expenses	**3,465**	2,739

7. EMPLOYEE COMPENSATION

	Group	
	2016	**2015**
	$'000	**$'000**
Wages and salaries	**576**	731
Directors' fees	**118**	114
Employer's contribution to defined contribution plan	**51**	36
	745	881

8. INCOME TAXES

	Group	
	2016	**2015**
	$'000	**$'000**
Tax expense attributable to (loss)/profit is made up of:		
From continuing operations		
- (Loss)/profit for the financial year		
Current income tax		
- Foreign	**30**	33
- Under provision in prior financial years:		
Current income tax	**6**	–
- Foreign	**36**	33

There is no tax attributable to discontinued operations for the financial year ended 31 March 2015.

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
(Loss)/profit before tax from continuing operations	**(833)**	795
Profit before tax from discontinued operations	**–**	320
(Loss)/profit before tax	**(833)**	1,115
Tax calculated at tax rate of 17% (2015: 17%)	**(142)**	189
Effect of:		
- Different tax rate in other country	**1**	–
- Expenses not deductible for tax purposes	**278**	116
- Income not subjected to tax	**(104)**	(272)
- Others	**(3)**	–
Tax charges	**30**	33

9. DISCONTINUED OPERATIONS

The Company has completed the disposal of its entire equity interest in Transcu Ltd and Transcu Green Tech Pte. Ltd. ("**disposal groups**") in the financial year ended 31 March 2015.

Consequent to the above transactions, management has derecognised the assets and liabilities associated with the disposal groups and recognised a gain on disposal of discontinued operations of $346,000 in the financial year ended 31 March 2015.

(a) The results of the discontinued operations are as follows:

	Group 2015 $'000
Other income	320
Expenses	–
Profit before income tax from discontinued operations	320
Income tax expense	–
Profit after tax from discontinued operations	320

(b) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group 2015 $'000
Operating cash outflows	(395)
Investing cash inflows	345
Financing cash inflows	–
Total cash outflows	(50)

(c) The assets and liabilities of the discontinued operations at the point of disposal are as follows:

	Group 2015 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	(1)
Total assets	(1)
Trade and other payables	347
Total liabilities	347
Net liabilities derecognised from discontinued operations/disposed of	346
The aggregate cash outflows from the disposal of the discontinued operations were:	
Net liabilities disposed of (as above)	(346)
Gain on disposal	(346)
Cash proceeds from disposal	–
Less: Cash and cash equivalents in subsidiary corporation disposed	(1)
Net cash outflows from disposal of discontinued operations	(1)

10. (LOSS)/EARNINGS PER SHARE

The following table reflects the share information used in the computation of basic and diluted loss per share for the financial years ended 31 March:

	Group	
	2016	2015
Weighted average number of ordinary shares for the purpose of basic (loss)/ earnings per share ('000)	1,870,650	911,884
Effect of dilutive potential ordinary shares: - Convertible bonds ('000)	–	12,500
Weighted average number of ordinary shares for the purposes of diluted (loss)/ earnings per share ('000 shares)	1,870,650	924,384

For the financial year ended 31 March 2016, the dilutive potential shares from convertible bonds and warrants were not included in the calculation of (loss)/earnings per share because they are antidilutive.

For the financial year ended 31 March 2015, the dilutive potential shares from warrants were not included in the calculation of earnings per share because they are antidilutive.

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group					
	Continuing operations		Discontinued operations		Total	
	2016	2015	2016	2015	2016	2015
(Loss)/profit attributable to equity holders of the Company ($'000)	(886)	720	–	320	(886)	1,040
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	1,870,650	911,884	–	911,884	1,870,650	911,884
Basic (loss)/earnings per share (cents)	(0.05)	0.08	–	0.04	(0.05)	0.12

(b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share, net (loss)/profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

	Group					
	Continuing operations		Discontinued operations		Total	
	2016	2015	2016	2015	2016	2015
(Loss)/profit attributable to equity holders of the Company ($'000)	(886)	720	–	320	(886)	1,040
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	1,870,650	924,384	–	924,384	1,870,650	924,384
Diluted (loss)/earnings per share (cents)	(0.05)	0.08	–	0.03	(0.05)	0.11

11. PROPERTY, PLANT AND EQUIPMENT

	Computers $'000	Leasehold improvement $'000	Motor Vehicle $'000	Furniture and Equipment $'000	Total $'000
Group					
2016					
Cost					
Beginning of financial year	6	46	–	37	89
Additions	7	31	72	15	125
Currency translation	–	(2)	(4)	(5)	(11)
End of financial year	**13**	**75**	**68**	**47**	**203**
Accumulated depreciation					
Beginning of financial year	2	5	–	23	30
Depreciation charge (Note 6)	3	10	15	21	49
Currency translation	–*	–*	–*	–*	–*
End of financial year	**5**	**15**	**15**	**44**	**79**
Net carrying amount					
End of financial year	**8**	**60**	**53**	**3**	**124**
2015					
Cost					
Beginning of financial year	–	–	–	5	5
Acquisition of subsidiary (Note 13(d))	3	10	–	25	38
Additions	3	36	–	12	51
Disposal - Discontinued operations	–	–	–	(5)	(5)
End of financial year	**6**	**46**	**–**	**37**	**89**
Accumulated depreciation					
Beginning of financial year	–	–	–	1	1
Depreciation charge - Continuing operations (Note 6)	2	5	–	23	30
Depreciation charge - Discontinued operations	–	–	–	4	4
Disposal - Discontinued operations	–	–	–	(5)	(5)
End of financial year	**2**	**5**	**–**	**23**	**30**
Net carrying amount					
End of financial year	**4**	**41**	**–**	**14**	**59**

* Less than $1,000

Included within additions in the consolidated financial statements are motor vehicles acquired under finance lease amounting to $72,000 (2015: $ Nil).

12. INTANGIBLE ASSET

Goodwill arising on consolidation

	Group	
	2016	**2015**
	$'000	**$'000**
Beginning of the financial year	**345**	–
Acquisition of a subsidiary corporation(Note 13(d))	**–**	345
Impairment loss (Note 6)	**(345)**	–
End of the financial year	**–**	345

Impairment tests for goodwill

Goodwill is allocated to cash-generating-unit ("**CGU**") identified according to country of operation and business segment as follows:

		Group	
		2016	**2015**
Country	**Business segment**	**$'000**	**$'000**
Malaysia	Production of films, consulting and contracting	–	345

The CGU's net profit decreased for the current financial year and loss is also projected after the current financial year due to the declining revenue and tougher business environment in the region. Accordingly, the Directors believe that the carrying amount of the CGU, including goodwill exceeds the recoverable amount of the CGU through future use or sale. Hence, an impairment charge of $345,000 (2015: $Nil) is recognised and included in "Administrative expenses" in the consolidated statement of comprehensive income.

In prior financial year, the recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations:

	Group
	2015
Gross margin[1]	27.3%
Growth rate[2]	3.0%
Discounted rate[3]	23.4%

1 Budgeted gross margin

2 Weighted average growth rate used to extrapolate cash flows beyond the budget period

3 Pre-tax discount rate applied to the pre-tax cash flow projections

These assumptions were used for the analysis of CGU. Management determined budgeted gross margin based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the segment.

13. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2016	2015
	$'000	$'000
Unquoted equity investments, at cost		
Beginning of financial year	**550**	326,153
Additions	**–**	550
Disposals	**–**	(326,153)
Impairment loss	**(473)**	–
End of financial year	**77**	550

The subsidiary corporation incurred net loss for the current financial year and loss is projected after the current financial year due to the declining revenue and tougher business environment in the region. Accordingly, the Directors believe the carrying amount of these assets in the Company's balance sheet exceeded its recoverable amount through its future use or sale, therefore, these assets were impaired as at 31 March 2016.

(a) Composition of the Group

The Group has the following subsidiary corporations as at 31 March 2016:

Name	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group	
			2016	2015
			%	%
Held by the Company				
Ellebeau Group Pte. Ltd.[1]	Investment holding	Singapore	**100**	100
Held by Ellebeau Group Pte. Ltd.				
Mojo Films Sdn Bhd[2]	Production of films, consulting and contracting	Malaysia	**51**	51

1 Audited by Nexia TS Public Accounting Corporation, Singapore.

2 Audited by Nexia TS Public Accounting Corporation, Singapore for consolidation purposes.

(b) Interests in subsidiary corporation with material non-controlling interests ("NCI")

The Group has the following subsidiary corporation that have NCI that are material to the Group.

Name	Country of incorporation and place of business	Proportion of ownership interest held by NCI		Profit allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period	
		2016	2015	2016	2015	2016	2015
				$'000	$'000	$'000	$'000
Mojo Films Sdn Bhd	Malaysia	49%	49%	**17**	**42**	**172**	**155**

13. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONT'D)

(c) Summarised financial information about subsidiary corporation with material NCI

Set out below is the summarised financial information for the subsidiary corporation that has non-controlling interests that are material to the Group. Information presented are before inter-company eliminations.

There were no transactions with non-controlling interests for the financial years ended 31 March 2015 and 2016.

Summarised balance sheet

	2016 $'000	2015 $'000
Current		
Assets	**1,250**	1,417
Liabilities	**(1,002)**	(1,255)
Net current assets	**248**	162
Non-current		
Assets	**158**	154
Liabilities	**(55)**	–
Net non-current assets	**103**	154
Net assets	**351**	316

Summarised statement of comprehensive income

	2016 $'000	2015 $'000
Revenue	**2,244**	2,755
Operating expenses	**(2,172)**	(2,636)
Profit before income tax	**72**	119
Income tax expense	**(36)**	(33)
Profit after tax	**36**	86
Other comprehensive income	**–**	–
Total comprehensive income	**36**	86

Summarised cash flows

	2016 $'000	2015 $'000
Operating cash (outflows)/inflows	**(107)**	429
Investing cash outflows	**(121)**	(51)
Financing cash inflows	**54**	–
Total cash (outflows)/inflows	**(174)**	378

13. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONT'D)

(d) Acquisition of subsidiary

On 1 April 2014 (the "**acquisition date**"), the Company's subsidiary corporation, Ellebeau Group Pte. Ltd. acquired a 51% equity interest in Mojo Films Sdn Bhd ("**Mojo**"), which is principally engaged in the production of films, consulting and contracting. Upon the acquisition, Mojo became a subsidiary corporation of the Company.

The fair value of the identifiable assets and liabilities of Mojo as at the acquisition date were:

	Fair value recognised on acquisition 2015 $'000
Property, plant and equipment (Note 11)	38
Trade and other receivables	964
Cash and cash equivalents	53
	1,055
Trade and other payables	(828)
Total identifiable net assets at fair value	227
Non-controlling interest measured at the non-controlling interests' proportionate share of Mojo's net identifiable assets	(113)
Goodwill arising from acquisition (Note 12)	345
Total consideration paid	459
Consideration transferred for the acquisition of Mojo	
Cash paid	459
Effect of the acquisition of Mojo on cash flows	
Total consideration for 51% equity interest acquired	459
Less: Cash and cash equivalents of subsidiary acquired	(53)
Net cash outflow on acquisition	406

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables				
– non-related parties	**480**	830	**–**	–
Deposits	**8**	21	**–**	12
Other receivables				
– non-related parties	**190**	255	**2**	25
Less: Allowance for impairment of other receivables – non-related parties				
Beginning of the year	**–**	(3,252)	**–**	–
Utilised during the year	**–**	3,252	**–**	–
End of financial year	**–**	–	**–**	–
Total trade and other receivables	**678**	1,106	**2**	37

15. DEFERRED SHARE ISSUE EXPENSES

	Group and Company	
	2016	2015
	$'000	$'000
The deferred share issue expenses are as follows:		
Legal fees	**305**	–
Financial advisory fees	**109**	–
Consultancy fees	**219**	–
Other professional fees	**164**	–
	797	–

16. WORK IN PROGRESS

Work in progress comprises direct labor and other direct film production costs of uncompleted projects. Work in progress is stated at lower of cost and net realisable value.

17. AMOUNT DUE FROM/TO SUBSIDIARY CORPORATION

Amount due from/to subsidiary corporation is interest free, unsecured and repayable on demand.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following amounts:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Bank balances	**2,903**	4,853	**2,613**	4,428
Cash on hand	**3**	6	**–**	–
Short-term deposits	**2,000**	3,000	**2,000**	3,000
	4,906	7,859	**4,631**	7,428

Bank balances and short-term deposits earn interest at floating rates based on daily bank deposit rates.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Current				
Scheme creditors				
- Shareholders	**–**	7,686	**–**	7,686
- Non-related parties	**–**	886	**–**	886
	–	8,572	**–**	8,572
Other payables – non related parties	**1,481**	552	**763**	334
Accrued expenses	**439**	2,434	**264**	1,179
Advances received from customers	**308**	–	**–**	–
	2,228	11,558	**1,027**	10,085

19. TRADE AND OTHER PAYABLES (CONT'D)

On 31 July 2014, the Company successfully obtained the sanction of the High Court of the Republic of Singapore to enter into scheme of arrangement with its creditors who are proven to have a claim(s) against the Company (the "**Scheme Creditors**") under section 210 of the Act (the "**Creditors Scheme**"), pursuant to which:-

(a) 20% of the debts due and owing to entitled Scheme Creditors under the Creditors' Scheme as admitted by the Company or which were proven as against the Company (the "**Adjudicated Debts**") shall be satisfied in cash by the Company to entitled Scheme Creditors; and

(b) the remaining 80% of the Adjudicated Debts shall be satisfied by way of an allotment and issue of new ordinary shares in the capital of the Company ("**Shares**") at an issue price of $0.008 per Share to entitled Scheme Creditors (the "**Debt-to-Equity Conversion**"). Such Shares will be credited as fully paid, free from any liens, charges and other encumbrances and ranking pari passu in all respects with the then existing Shares.

On 11 May 2015, these amounts were fully converted into new ordinary shares as disclosed in Note 22.

20. CONVERTIBLE BONDS

	Group and Company	
	2016	2015
	$'000	$'000
Convertible bonds	1,050	50

The Company had on 20 August 2013 announced the proposed issue of 1% unsecured equity linked redeemable structured notes ("**Convertible Bonds**" or "**ELN**") due on 2016 to Advance Opportunities Funds (the "**ELN Subscriber**"). The ELN was approved by Shareholders at an extraordinary general meeting on 20 November 2013. The ELN are to be issued in 3 separate tranches totalling $50 million.

During the financial year ended 31 March 2015, the ELN Subscriber has subscribed for $1,000,000 Convertible Bonds. The ELN Subscriber has, in accordance with the conditions, converted its $1,000,000 Convertible Bonds issued in current financial year and $550,000 convert bonds issued in previous financial year (totaling $1,550,000) into 805,147,057 new ordinary shares of the Company (Note 22).

During the financial year ended 31 March 2016, the ELN Subscriber has subscribed for additional $1,000,000 Convertible Bonds.

Subsequent to the year ended 31 March 2016, the ELN Subscriber has, in accordance with the conditions, converted its $450,000 Convertible Bonds issued in the current financial year and $50,000 Convertible Bonds issued in the previous financial year (totaling $500,000) into 104,166,666 new ordinary shares of the Company on 17 May 2016.

As at the date of these financial statements, $550,000 Convertible Bonds remains unconverted.

Management is of the opinion that the fair value of the Convertible Bonds as at 31 March 2016 is not materially different from its carrying amount.

21. FINANCE LEASE LIABILITIES

The Group leases motor vehicles from non-related party under finance lease. The lease agreement does not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Group	
	2016	2015
	$'000	$'000
Minimum lease payments due		
– Not later than one year	14	–
– Between one and five years	46	–
	60	–
Less : Future finance charges	(6)	–
Present value of finance lease liabilities	54	–

The present values of finance lease liabilities are analysed as follows:

	Group	
	2016	2015
	$'000	$'000
Not later than one year	12	–
Between one and five years	42	–
Total	54	–

Finance lease liabilities of the Group are effectively secured over the leased motor vehicles (Note 11), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

22. SHARE CAPITAL

	2016		2015	
	No. of shares '000	Amount $'000	No. of shares '000	Amount $'000
Group and Company				
At beginning of financial year	1,109,461	7,618	10,028,642	187,835
Conversion of Convertible Bonds (Note 20)	–	–	805,147	1,550
Share consolidation	–	–	(10,551,281)	–
Issuance of shares pursuant to rights issue	–	–	824,302	6,594
Capital reduction	–	–	–	(734,382)
Issue of shares pursuant to exercise of warrants	4	–	2,651	24
Issue of shares pursuant to scheme of arrangement	857,212	6,858	–	–
Change in reserves from disposal of discontinued operations*	–	–	–	545,997
	1,966,667	14,476	1,109,461	7,618

** This relates to the share capital of the entities arising from the reverse takeover in financial year ended 31 March 2009. In view of the disposal of the subsidiary corporations during the year, the share capital of the disposal group was reversed.*

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value. The newly issued shares rank pari passu in all respects with the previously issued shares.

22. SHARE CAPITAL (CONT'D)

On 25 July 2014, 10,716,141,748 existing ordinary shares in the capital of the Company were consolidated into 164,860,446 ordinary shares in the capital of the Company by consolidating every sixty five (65) existing ordinary shares in the capital of the Company into one (1) ordinary share in the capital of the Company.

On 28 August 2014, the Company issued and allotted 824,302,230 Rights Shares and 824,302,230 Warrants. Of these, the 824,302,230 Rights shares was fully subscribed and paid up at $0.008 per share by 28th August which has resulted in the increase in share capital of $6,594,418.

In connection with the issuance of Rights shares, 824,302,230 free detachable warrants were issued on the basis of one warrants for every one rights share subscribed. Each warrant can be exercised to subscribe for one new share at $0.009 within 3 years from the date of issuance. As at the end of the current financial year, 821,650,974 warrants remained unexercised.

On 22 September 2014, the Company has completed the reduction of its issued and paid up capital from $740,976,332 divided into 989,162,676 ordinary shares to $6,594,420 divided into 989,162,676 ordinary shares by way of writing off the accumulated losses of the Company as at 30 June 2014.

On 26 November 2014, the Company has issued and allotted 2,600,000 new ordinary shares pursuant to the exercise of 2,600,000 warrants at the exercise price of $0.009 each amounting to a total of $23,400.

On 12 January 2015, the Company has issued and allotted 51,256 new ordinary shares pursuant to the exercise of 51,256 warrants at the exercise price of $0.009 each amounting to a total of $461.

On 11 May 2015, the Company issued and allotted 857,212,000 Scheme Shares pursuant to the arrangement with scheme creditors as disclosed in Note 19. The Scheme Shares rank pari passu in all respects with the existing shares, except for any dividends, rights, allotments or other distributions which were approved before the date of allotment and issuance of the Scheme Shares.

23. COMMITMENTS

Operating lease commitments – where the Group is a lessee

As at the balance sheet date, the Group had the following minimum lease payments under operating leases on office spaces with initial or remaining term of one year or more:

	Group	
	2016	**2015**
	$'000	**$'000**
Non-cancellable amount payable:		
- within 1 year	**82**	33
- between 1 to 5 year	**20**	–
	102	33

These operating leases have an average tenure of between 1 to 2 years, and certain leases are cancellable within 6 months to 1 year. Certain leases include options to renew the leases after the expiry of the initial tenure. Lease payments under these leases are usually fixed for the entire initial tenure. There are no restrictions placed upon the lessee by entering into these leases.

24. SEGMENT INFORMATION

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

(i) The film production segment is engaged in the production of films, consulting and contracting; and

(ii) The corporate segment provides corporate support services to the Group.

24. SEGMENT INFORMATION (CONT'D)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit and loss which in certain respects, as detailed in the table below, may be measured differently from operating profit or loss in the consolidated financial statements.

For the financial years ended 31 March 2016 and 2015, there is no single customer of the Group that represented 10% or more of the Group's revenue.

The following table presents revenue and capital expenditure information regarding the Group's business segments as follows:

	Production of film and consulting $'000	Corporate $'000	Total for continuing operations $'000
31 March 2016			
Revenue			
Sales to external customer	2,244	–	2,244
Results			
Segment profit/(loss)	36	(905)	(869)
Interest income	–	22	22
Depreciation of property, plant and equipment	47	1	48
Impairment loss - goodwill	345	–	345
Segment assets	1,176	5,919	7,095
Segment assets includes:			
Additions to:			
- property, plant and equipment	125	–	125
Segment liabilities	1,057	2,279	3,336

	← Continuing Operations →			
	Production of film and consulting $'000	Corporate $'000	Discontinued operations $'000	Total $'000
31 March 2015				
Revenue				
Sales to external customer	2,755	–	–	2,755
Results				
Segment profit	126	636	320	1,082
Interest income	–	19	–	19
Depreciation of property, plant and equipment	30	–	4	34
Segment assets	1,695	7,714	–	9,409
Segment assets includes:				
Additions to:				
- property, plant and equipment	51	–	–	51
- intangible asset	345	–	–	345
Segment liabilities	1,255	10,353	–	11,608

Geographical information

The revenue of the Group was all derived from Malaysia for the financial years ended 31 March 2015 and 2016.

The non-current assets of the Group comprise $122,000 (2015: $404,000) from Malaysia and $2,000 (2015: $Nil) from Singapore.

25. RELATED PARTY DISCLOSURES

An entity or individual is considered a related party of the Group for the purpose of the financial statements if it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa or it is subject to common control or common significant influence.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and its related parties on terms agreed between the parties.

(a) Compensation of directors and key management personnel

	2016 $'000	2015 $'000
Wages and salaries, representing total compensation paid to directors and key management personnel	**564**	652
Comprised amounts paid to:		
- Directors of the Company	**564**	534
- Key management personnel	**–**	118
	564	652

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose to its market risk (including currency risk and interest rate risk and price risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance

(a) Market risk

(i) Currency risk

The Group is not exposed to significant currency risk as the purchases and sales transactions entered into by the Group are denominated in the respective entities' functional currencies – Singapore Dollar (SGD) for Singapore entities and Malaysia Ringgit (MYR) for the Malaysia entity.

(ii) Price risk

The Group is not exposed to equity price risk as it does not hold equity securities.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from interest-bearing bank deposits. Changes in interest rates do not have significant impact to the financial statements.

(b) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The trade receivables of the Group comprise 3 debtors (2015: 6 debtors) that individually represented 8% -19% (2015: 9% - 21%) of trade receivables.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk (Cont'd)

Financial assets that are neither past due or impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

There were no trade receivables past due or impaired that were re-negotiated during the financial year.

Financial assets that are past due and/or impaired

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Past due less 3 months	**164**	349
Past due 3 to 6 months	**47**	–
Past due more than 6 months	**169**	229

There are no trade receivables that are past due and impaired as at 31 March 2016 and 2015

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding through adequate credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 18.

Management monitors rolling forecasts of the Group's and Company's liquidity reserve and cash and cash equivalents (Note 18) on the basis of expected cash flow. This is generally carried out at local level in the operating entities of the Group in accordance with the practice and limits set by the Group. These limits vary by operating entity to take into account the working capital requirement of each entity. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet the working capital requirements, monitoring liquidity ratios and maintaining debt and equity financing plans.

The Group's and the Company's financial liabilities have a maturity profile of less than a year at the balance sheet date based on contractual undiscounted payments, except for non-current portion of finance lease liabilities as disclosed in Note 21.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on gearing ratio. Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as convertible bonds, finance lease liabilities and trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Capital risk (Cont'd)

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Net (assets)/debt	**(1,574)**	3,749	**(2,554)**	2,748
Total equity	**3,759**	(2,199)	**3,770**	(2,134)
Total capital	**2,185**	1,550	**1,216**	614
Gearing ratio	**NM**	240%	**NM**	450%

NM: Not meaningful

The Group and the Company are not subject to externally imposed capital requirements for the financial years ended 31 March 2016 and 2015.

(e) Fair value measurement

The fair values of trade and other receivables, trade and other payables, convertible bonds and finance lease liabilities are assumed to approximate their carrying amounts.

(f) Financial instrument by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Loans and receivables	**5,584**	8,965	**4,888**	7,465
Financial liabilities at amortised cost	**3,024**	11,608	**2,077**	10,176

(g) Offsetting financial assets and financial liabilities

The Group and the Company do not have financial instruments subject to enforceable master netting arrangements or similar arrangements.

27. OTHER MATTER

*Proposed reverse-takeover ("**RTO**") of the Company*

On 22 May 2015, the Company entered into a term sheet with (i) Right Earth Sdn Bhd; (ii) Casa Lite Sdn Bhd; (iii) Malaysia Technology Development Corporation Sdn Bhd; and Mr. Lim Lee Wan, being the current and potential shareholders of Malaysian Phosphate Additives Sdn Bhd (the "**Target**" or "**MPA**"), together with its subsidiary corporation and associated companies, to acquire the entire issued and paid up share capital of the Target ("**Proposed Acquisition**").

In July 2015, the Company entered into a definitive share purchase agreement ("**Share Purchase Agreement**") with the shareholders of MPA to acquire the entire issued and paid up share capital of MPA for a total consideration an amount falling within the range of $285 million to $315 million.

Subsequent to the signing of the Share Purchase Agreement, Malaysian Phosphate Additives (Sarawak) Sdn Bhd, a 40%-owned associate of MPA, had on 3 February 2016 signed a power purchase agreement with Syarikat Sesco Bhd for the sale and purchase of electric power and energy for the integrated Phosphate Plant Project. This was followed subsequently on 12 May 2016 with the signing of an Engineering, Procurement and Construction contract for the construction of the Integrated Phosphate Plant. These developments are part of the conditions precedent of the Share Purchase Agreement.

27. OTHER MATTER (CONT'D)

*Proposed reverse-takeover ("**RTO**") of the Company (Cont'd)*

The Company and the shareholders of MPA have, in May 2016, mutually agreed to extend the long-stop date to 30 November 2016 in order to facilitate fulfillment of the conditions precedent of the said agreement.

The Proposed Acquisition, if undertaken and completed, is expected to result in a very substantial acquisition or a reverse-takeover of the Company pursuant to Rule 1015 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

As at the date of these financial statements, the proposed RTO is in progress.

28. SUBSEQUENT EVENT

On 30 June 2016, the Company announced that its wholly-owned subsidiary, Ellebeau Group Pte. Ltd. ("**EGPL**") and its 51% owned subsidiary, Mojo Films Sdn. Bhd. ("**Mojo Malaysia**"), had on 28 June 2016, invested in 40,000 ordinary shares representing 8% and 200,000 ordinary shares representing 40% respectively in the equity of Mojo Film Co., Ltd. ("**Mojo Thailand**"), a company newly incorporated under the laws of Thailand (the "**Share Investments**").

Following the Share Investments, the Group has an effective interest of 28.4% in Mojo Thailand.

The principal activity of Mojo Thailand is to provide support services for the production of motion pictures in Thailand. The entire issued share capital of Mojo Thailand is THB5,000,000 comprising 500,000 ordinary shares of par value THB10 each.

The consideration paid by EGPL and Mojo Malaysia for the 8% and 40% interest in Mojo Thailand are THB400,000 (approximately SGD16,000) and THB2,000,000 (approximately SGD80,000) respectively representing the par value of the shares. The share investments are funded through internal resources.

The remaining 52% of the interest in Mojo Thailand are held by two unrelated individuals.

29. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory accounting standards and amendments to existing accounting standards that have been published and relevant for the Group's accounting periods beginning on or after 1 April 2016 which the Group has not early adopted:

- Amendments to FRS 27: Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 107: Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2016)
- Amendment to FRS 19: Employee Benefits (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the mandatory effective date of this amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28).
- Amendments to FRS 1: Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016)

29. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

- Amendments to FRS 7: Disclosure Initiative (effective for annual periods beginning on or after 1 January 2017)
- Amendments to FRS 12: Recognition of Deferred Tax Assets for unutilised losses (effective for annual periods beginning on or after 1 January 2017)
- FRS 115: Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
- FRS 109: Financial Instruments (effective for annual periods beginning on or after 1 January 2018)

The Group has yet to assess the full impact from adoption of the above standards and intends to apply the relevant standards in the financial years where the standards become effective.

30. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of OLS Enterprise Ltd. on 4 July 2016.

ANALYSIS OF SHAREHOLDINGS

As at 21 June 2016

ISSUED AND FULLY PAID-UP CAPITAL	:	S$14,976,012
NO. OF SHARES ISSUED	:	2,070,843,565
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE
TREASURY SHARES	:	NIL

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1,743	25.33	53,041	0.00
100 - 1,000	1,596	23.19	863,266	0.04
1,001 - 10,000	1,678	24.38	6,772,055	0.33
10,001 - 1,000,000	1,700	24.70	257,329,199	12.43
1,000,001 & above	165	2.40	1,805,826,004	87.20
TOTAL	6,882	100.00	2,070,843,565	100.00

TOP TWENTY SHAREHOLDERS	NO. OF SHARES	%
CIMB SECURITIES (SINGAPORE) PTE LTD	611,341,153	29.52
MAYBANK KIM ENG SECURITIES PTE LTD	108,299,299	5.23
TOH SOON HUAT	100,000,000	4.83
STAMFORD LAW CORPORATION	67,071,000	3.24
CITIBANK NOMINEES SINGAPORE PTE LTD	42,270,870	2.04
LEE THIAM SENG	40,000,000	1.93
LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	30,000,000	1.45
TAN HUI GEK	30,000,000	1.45
LEE SIEW HONG KATHELIN	29,303,900	1.41
ONG KHENG CHYE	28,086,400	1.36
CHUA SUAN CHAI	27,800,000	1.34
PHILLIP SECURITIES PTE LTD	26,870,730	1.30
KOO AH SEANG	26,457,000	1.28
TAN YOO HENG	25,438,847	1.23
NG CHENG HUAT	23,303,000	1.13
KOH KIM LENG COLIN	23,295,000	1.12
HENRY CHAN LOCKE HIEN	22,600,000	1.09
DBS NOMINEES PTE LTD	22,326,905	1.08
CHUA SUAN KEOW	21,931,500	1.06
TAY WEE KWANG	18,226,300	0.88
TOTAL	1,324,621,904	63.97

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 21 June 2016)

		Direct Interest		Deemed Interest	
No	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1	Advance Opportunities Fund	486,220,723[1]	23.48	–	–
2	Toh Soon Huat	100,000,000	4.83	14,170,200[2]	0.68

Notes:

(1) The 486,220,723 shares are registered and held through CIMB Securities (Singapore) Pte. Ltd.
(2) The deemed interest in 14,170,200 shares are held through Phillip Securities Pte Ltd.

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 21 June 2016, approximately 69.73% of the issued shares of the Company were held in the hands of the public. Accordingly, Rule 723 of the Catalist Rules has been complied with.

ANALYSIS OF WARRANTHOLDINGS

As at 21 June 2016

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	68	2.86	3,643	0.00
100 - 1,000	396	16.64	346,679	0.04
1,001 - 10,000	529	22.24	2,718,328	0.34
10,001 - 1,000,000	1,272	53.47	179,560,384	21.85
1,000,001 & above	114	4.79	639,018,030	77.77
TOTAL	2,379	100.00	821,647,064	100.00

TOP TWENTY WARRANTHOLDERS	NO. OF WARRANTS	%
CIMB SECURITIES (SINGAPORE) PTE LTD	71,770,745	8.73
KULKARNI SACHIN SHRIKANT	46,031,345	5.60
ONG SOO YONG	35,000,000	4.26
CHUA SUAN KEOW	34,448,700	4.19
LEE SIEW HONG KATHELIN	19,411,077	2.36
TAN YOO HENG	18,438,847	2.24
LEE BERNARD	18,100,000	2.20
PHILLIP SECURITIES PTE LTD	17,924,708	2.18
YONG KIN SEN	15,000,000	1.82
CHUA SUAN CHAI	14,410,100	1.75
LIN SIEW KIM	13,286,893	1.62
PUAY MENG HO	13,280,000	1.62
TEH KAH CHAN	13,126,616	1.60
RAFFLES NOMINEES (PTE) LTD	12,215,951	1.49
OCBC SECURITIES PRIVATE LTD	11,880,438	1.45
LEE TZE-WAYNE MARK IAN	11,069,700	1.35
LEE YOONG TAI	10,178,500	1.24
KWAN WAI KEONG	10,000,000	1.22
ENG WAH HOLDINGS PTE LTD	9,693,000	1.18
TAN CHIN WAH	8,600,000	1.05
TOTAL	403,866,620	49.15

NOTICE IS HEREBY GIVEN that the Annual General Meeting of OLS Enterprise Ltd. (the "**Company**") will be held at YMCA @ one orchard, One Orchard Road, Singapore 238824, on 26 July 2016 at 3.00 p.m., for the purpose of transacting the following business:

As Ordinary Business:

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2016 and the Directors' Statement together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$160,000 for the financial year ending 31 March 2017, payable quarterly in arrears (FY2016: S$120,000).
[See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect Mr Koo Ah Seang who is retiring by rotation pursuant to Article 92 of the Company's Constitution.
[See Explanatory Note (ii)] **(Resolution 3)**

4. To re-elect Mr Yong Chor Ken who is retiring pursuant to Article 98 of the Company's Constitution.
[See Explanatory Note (iii)] **(Resolution 4)**

5. To re-appoint Messrs Nexia TS Public Accounting Corporation as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

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

As Special Business:

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

7. **Authority to Allot and Issue Shares** **(Resolution 6)**

"THAT pursuant to Section 161 of the Companies Act (Chapter 50) (the "**Act**") and Rule 806(2) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), and notwithstanding the provisions of the Constitution of the Company, the Directors of the Company be authorised and empowered to:

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

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that may 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, convertible securities 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; and

II (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided always that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed 100% of the total number of issued shares in the capital of the Company (excluding treasury shares)(as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro rata basis to the shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares)(as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of the total issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;

(ii) (where applicable) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

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

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iv)]

BY ORDER OF THE BOARD

Kong Wei Fung
Company Secretary

Singapore
11 July 2016

Explanatory Notes:

(i) **Resolution 2**

The Directors' fees proposed for the financial year ending 31 March 2017 are calculated based on the assumption that all Directors will hold office until the end of the financial year. This resolution is to facilitate payment of Directors' fees on current financial year basis. In the event the Directors' fees proposed is insufficient (e.g. due to the enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

(ii) **Resolution 3**

Mr Koo Ah Seang will, upon re-election as a Director of the Company, remain as the Chairman of the Board and member of the Nominating Committee.

(iii) **Resolution 4**

Mr Yong Chor Ken will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of Audit and Remuneration Committees. The Board of Directors considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(iv) **Resolution 6**

This is to empower the Directors of the Company, effective until conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, without seeking any further approval from shareholders in a general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of passing of this Resolution. For issue of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all Shareholders, the aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution.

Notes:

1. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Act.

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

3. If the member is a corporation or limited liability partnership, the instrument appointing the proxy must be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or the limited liability partnership.

4. The instrument appointing a proxy(ies) must be deposited at the Registered Office of the Company at 80 Robinson Road, #02-00, Singapore 068898, not less than 48 hours before the time appointed for holding the Annual General Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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OLS ENTERPRISE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.196800320E)

PROXY FORM

Important :

1. A relevant intermediary (as defined in Section 181 of the Companies Act (Chapter 50)) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy OLS Enterprise Ltd. shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have queries regarding their appointment as proxies.

I/We, _____ (name) _____ (NRIC No./Passport No./Company Registration No.)

of _____ (address)

being a member/members of OLS Enterprise Ltd. (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/them, the Chairman of the Annual General Meeting of the Company ("**AGM**"), as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf at the AGM to be held at YMCA @ one orchard, One Orchard Road, Singapore 238824, on 26 July 2016 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for/against the resolutions proposed at the AGM as indicated hereunder. In the absence of specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

ORDINARY RESOLUTION NO.	ORDINARY BUSINESS	No. of Votes For*	No. of Votes Against*
Resolution 1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2016 and the Directors' Statement together with the Auditors' Report		
Resolution 2	To approve the payment of Directors' fees for the financial year ending 31 March 2017, to be paid quarterly in arrears		
Resolution 3	To re-elect Mr Koo Ah Seang as a Director of the Company		
Resolution 4	To re-elect Mr Yong Chor Ken as a Director of the Company		
Resolution 5	To re-appoint Messrs Nexia TS Public Accounting Corporation as auditors of the Company and authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS	**No. of Votes For***	**No. of Votes Against***
Resolution 6	To approve the authority to allot and issue shares		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick "X" in the relevant box provided. Alternatively, if you wish to exercise your votes both "For" or "Against" the relevant resolution, please indicate the number of shares in in the boxes provided.

Date _____ this day of _____ 2016

Total Number of Shares held in	
CDP Register	
Register of Members	

_____

Signature(s) / Common Seal of members(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES TO PROXY FORM:

IMPORTANT

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. 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 who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50).

3. A proxy need not be a member of the Company.

4. An investor who buy shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the meeting but would like to vote, may inform their CPF and SRS Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the meeting.

5. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 80 Robinson Road, #02-00, Singapore 068898, not less than 48 hours before the time appointed for holding the meeting.

6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

7. Where the instrument appointing a proxy or proxies is executed by a corporation or limited liability partnership, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or the limited liability partnership.

8. 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.

9. A corporation which is a member may by resolution of its directors or other governing body authorise 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).

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By 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 11 July 2016.

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