PINE CAPITAL
GROUP

Annual Report 2018

Contents

CHAIRMAN'S STATEMENT AND OPERATION REVIEW

Dear Shareholders,

It is my pleasure to present to you the Annual Report of Pine Capital Group Limited (the "**Company**" or "**Pine Capital**", and together with its subsidiaries, the "**Group**") for the financial year ended 31 March 2018 ("**FY2018**").

In December 2017, our shareholders approved the Group's strategy of venturing into the financial services business. The Company's name was subsequently changed from OLS Enterprise Ltd. to Pine Capital Group Limited, to reflect the Group's new direction of business.

The Board's strategy is to create value for shareholders by positioning the Group as an Asia-based bespoke financial services specialist serving a diverse group of accredited clientele with differing investment needs. The region's fast-growing economies are underpinned by their large populations, rapid urbanisation, infrastructure construction and domestic consumer demand. Against this backdrop, the Group's business has immense growth potential.

Whether it is high net-worth sophisticated individuals seeking to protect or enhance their assets, or institutions with mandates and well-defined investment objectives, we are able to offer innovative investment strategy and solutions. Our investment solutions span all major asset classes from equities to fixed income and alternatives and our team's extensive experience and in-depth domain expertise enable us to deliver positive and risk-adjusted returns that are independent of market direction.

Forging ahead with our new business

During FY2018, the Group began putting into place its strategy to drive growth in the newly acquired financial services business. We began with the acquisition of a 51% controlling stake in Advance Capital Partners Asset Management Private Limited ("**ACPAM**") ("**ACPAM Acquisition**") in August 2017.

This was followed with the acquisition of a 100% stake in BSDCN Pte. Ltd. ("**BSDCN**") ("**BSDCN Acquisition**"), a company which holds a 9.98% stake in Pine Asia Asset Management Incorporation ("**PAAM**"), a Korean asset management company with approximately USD3 billion of assets under management ("**AUM**"), in September 2017.

The Group's journey on this business direction has only just begun. We will continuously seek out suitable set ups to add to the earlier two acquisitions of ACPAM and BSDCN. In addition, the Group will be making opportunistic investments as and when appropriate. In May 2018, the Group completed a Renounceable Non-Underwritten Rights and Warrants Issue exercise ("**Rights and Warrants Issue**"). A total of 787,210,747 Rights Shares were issued and gross proceeds of approximately S$1.97 million were raised.

Corporate developments in FY2018

Beginning December 2017, ACPAM entered into a series of investments further expanding its capital markets portfolio in Malaysia and Thailand.

In Malaysia, ACPAM further secured regulatory approval to subscribe convertible notes for two additional issuers in Eden Inc Berhad and Tiger Synergy Berhad totalling an amount up to MYR210 million. ACPAM also commenced drawdown for up to MYR150 million of convertible notes issued by Damansara Realty Berhad. As at the date of this Annual Report, ACPAM has further secured two additional investments totalling MYR360 million with the relevant documentation procedure in progress.

In Thailand, ACPAM has commenced the drawdown of Pranda Jewelry Public Company Limited's issue of up to THB500 million of convertible debentures. ACPAM will also be subscribing for up to THB500 million of convertible debentures to be issued by Simat Technologies Public Company Limited. The current deal flows within the Thailand market looks very healthy and we expect to secure several more deals in the near term. ACPAM's AUM grew by an additional USD30 million with the additional subscription of approximately USD29.8 million into Golden Fund SP, a segregated portfolio of Advance Credit Fund SPC. ACPAM is also in the documentation process of setting up several new funds which will contribute to its AUM.

CHAIRMAN'S STATEMENT AND OPERATION REVIEW

FY2018 FINANCIAL STATEMENT REVIEW

Income Statement review

The Group's FY2018 revenue was mainly derived from the financial services provided by its new subsidiary, ACPAM. The revenue from ACPAM spanned the period from August 2017 to March 2018, upon completion of its acquisition by the Company in August 2017.

For the twelve months ended 31 March 2018, the Group's revenue was S$893,000. The cost of sales was approximately S$361,000, thus resulting in a gross profit margin of 59.6%.

Administrative expenses comprise staff costs, operating leases, professional fees, client business expenses, travelling expenses and general office expenses. Administrative expenses decreased by 25.8% from approximately S$3.06 million in FY2017 to approximately S$2.27 million in FY2018 mainly due to lower professional fees incurred.

The Group has recognised loss amounting to S$44,000 from the discontinued operation arising from the disposal of Ellebeau Group Pte. Ltd. ("**Ellebeau Group**"), a former wholly owned subsidiary of the Company, after netting off the assets of Ellebeau Group and the cash consideration of S$88,000 paid by the purchaser.

As a whole, the Group recorded a total loss of S$2.06 million for FY2018 as compared to a total loss of S$2.43 million for FY2017.

Balance Sheet review

Property, plant and equipment amounting to S$94,000 in FY2018 was mainly attributed to the consolidation of the property, plant and equipment of ACPAM. The decrease in property, plant and equipment of S$41,000 from S$135,000 in FY2017 to S$94,000 in FY2018 was mainly attributed to the deconsolidation of Ellebeau Group during FY2018.

The Company has recorded an investment cost of approximately S$7.52 million with respect to the ACPAM Acquisition and BSDCN Acquisition in FY2018. In August 2017, the Company acquired 51% shareholding interest in ACPAM at an investment cost of S$1.5 million. In September 2017, the Company completed the acquisition of the entire issued and paid-up share capital of BSDCN with an investment cost of approximately S$6.02 million.

Available-for-sale investment refers to the 9.98% shareholding interest in PAAM held by the Group's wholly-owned subsidiary, BSDCN. The Company is in the process of completing a fair value exercise for PAAM.

Trade and other receivables of the Group decreased by S$852,000 or 89.9% from S$948,000 in FY2017 to S$96,000 in FY2018 mainly due to the deconsolidation of Ellebeau Group during the period of reporting. Other changes in the balance sheet attributed to the deconsolidation of Ellebreau Group include the elimination of S$430,000 of work-in-progress from the film production segment, and S$225,000 of amount due from an associated company.

Trade and other payables of the Group increased by approximately S$830,000 or 38.07% from approximately S$2.18 million in FY2017 to approximately S$3.01 million in FY2018 mainly attributable to an increase in other payables amounting to approximately S$2.52 million. This was due to outstanding balances on the cost of the BSDCN Acquisition as at 31 March 2018, after partially offsetting the deconsolidation of trade and other payables from the discontinued operations of Ellebeau Group.

The Group recorded net current liabilities of approximately S$2.14 million for FY2018. Nonetheless, the Group's financial position is expected to improve in view of the deferment of the payment timeline for the balance consideration amounting to approximately S$2.52 million ("**Tranche 2 Consideration**"), which was initially due and payable by 21 September 2018 pursuant to the BSDCN Acquisition. As announced by the Company on 12 June 2018 and 22 June 2018, the Company had on 12 June 2018 entered into a supplemental agreement with the vendor of the BSDCN Acquisition ("**Supplemental Agreement**") to *inter*

CHAIRMAN'S STATEMENT AND OPERATION REVIEW

alia, extend the payment date of the Tranche 2 Consideration. Pursuant to the Supplemental Agreement, the Company had on 12 June 2018 paid a sum of S$1.50 million of the Tranche 2 Consideration from the net proceeds raised from the Rights and Warrants Issue exercise which was completed on 7 May 2018, with the payment of the remaining balance of S$1.02 million having been extended to 21 September 2019. The Board is of the view that the working capital available to the Group is sufficient to meet its present requirements and for the next 12 months.

Cash Flow Statement Review

Cash flow generated from operating activities improved by S$569,000 or 28.31% from a deficit of approximately S$2.01 million in FY2017 to a deficit of approximately S$1.44 million in FY2018, mainly attributed to marginal improvement in financial performance from loss incurred of approximately S$2.39 million in FY2017 to loss incurred of approximately S$2.04 million in FY2018.

Net cash used in investing activities increased by approximately S$4.86 million from S$156,000 in FY2017 to approximately S$5.01 million in FY2018. This was attributable to (i) the ACPAM Acquisition and BSDCN Acquisition, which amounted to approximately S$4.41 million and (ii) cash outflow arising from the deconsolidation of cash at bank amounting to S$468,000 under Ellebeau Group.

Net cash generated from financing activities increased by approximately S$2.72 million from S$885,000 in FY2017 to approximately S$3.60 million in FY2018, largely due to proceeds raised from the issuance of new shares amounting to approximately S$3.60 million in FY2018.

As at 31 March 2018, the Group's cash and cash equivalents was S$768,000.

LOOKING AHEAD

The Group's current specialised financial services business is young, but certainly not untested. Pooled together, the Board of Directors, Management and staff possess the track record, domain expertise and experience spanning several decades to offer high value-add products and services to our clientele.

However, we are not resting on our laurels. We are eagerly seeking to diversify our core business into the provision of project management services for the projects or businesses directly or indirectly invested by the funds managed by our affiliated companies ("**Proposed Business Diversification**"). We believe that the current core business and the Proposed Business Diversification will give rise to a symbiotic business model that will potentially unlock efficient integration among our business segments. This strategic move will allow the Group to distinguish itself from other market players in the fund or asset management industry.

The resolution for the Proposed Business Diversification will be presented at an extraordinary general meeting for shareholders' approval.

I am confident that our business strategy together with the healthy macro-economic outlook for the Asia-Pacific region will enable the Company to progressively create value for our shareholders.

ACKNOWLEDGEMENTS

In conclusion, I would like to take the opportunity to express my deepest appreciation for the confidence and support bestowed upon us by our shareholders, partners, business associates and clients that underpins our progress and inspire us to achieve sustainable growth. I would also like to thank the Board for steering the Company towards its strategic objectives, and the Management and staff of the Group for their dedication and hard work.

Mr Tan Choon Wee
Interim CEO and Executive Chairman

6 July 2018

BOARD OF DIRECTORS

Tan Choon Wee
Interim CEO and Executive Chairman

Mr Tan was appointed as a Non-Executive Director on 8 August 2017 and re-designated as Interim CEO and Executive Chairman on 1 June 2018. Mr Tan is also the Executive Director and Chief Executive Officer of Advance Capital Partners Asset Management Private Limited ("**ACPAM**"). He manages the investment portfolio of ACPAM, including its flagship fund, Advance Opportunities Fund I. Prior to founding ACPAM, Mr Tan has also been managing the investment portfolio of Advance Opportunities Fund.

Mr Tan has over two decades of investment experience in the capital markets and held significant roles in major banking and stockbroking firms since 1991. He was an Associate Director of Institutional Sales in UOB Kay Hian Pte Ltd prior to joining RHB Securities Sdn Bhd as Head of Institutional Sales and Securities Dealing. He has vast experience in marketing financial products such as convertible debts, private placements and IPOs to and executing program trading for large institutions. His clientele base consists of local and international institutions, including institutions in Hong Kong, London, Tokyo and New York.

Mr Tan had also served on the board of several companies listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and chaired the investment committee, where he led and executed series of fund raising and restructuring exercises including but not limited to equity placement, convertible bonds, rights issue, hybrid of debt and exchangeable rights at both listed group level and its subsidiaries. Some of his notable experiences include reverse takeover exercise for Horizon Education & Technologies Limited with Global Voice Group, a European company which owned a comprehensive fibre optic network in Germany; distressed debt buyout of Contel Corporation Limited, restructured its balance sheet and engineered the reverse takeover exercise with Yuuzoo Corporation Limited, a social media company while he served as vice chairman to the company; engineered several acquisitions for China Enersave Limited that built the company from SGD20 million to SGD250 million market capitalization and initiated fund raising exercises via placement and redeemable convertible program in excess of SGD150 million while he served as executive director; led several major acquisitions for Elektromotive Group Limited, including fund raising exercises for mergers and acquisitions purposes while he served as chairman of the investment committee and executive director.

Mr Tan graduated from the National University of Singapore with a Second Class Honours (Upper Division) Degree in Engineering (Mechanical).

Pan Ki Ro
Non-Executive Non-Independent Director

Mr Pan joined the Group on 12 February 2018 as a Non-Executive Non-Independent Director. Mr Pan has more than 30 years of experience in the finance and banking industry in South Korea. Mr Pan was the chief executive officer of Pine Asia Asset Management Inc ("**PAAM**") from 2013 to 2017.

Prior to PAAM, Mr Pan was the chief executive officer of Korean Infrastructure Investments Asset Management Co from 2005 to 2009. He was appointed as the chief financial officer for Korean Development Bank ("**KDB**") from 2003 to 2005. He had worked in KDB since 1973.

Mr Pan holds a Master of Business Administration (MBA) Degree from the Graduate School of Business, Indiana University at Bloomington (USA) and a Bachelor of Law Degree from Seoul National University (Korea).

BOARD OF DIRECTORS

Prof. Ling Chung Yee, Roy
Lead Independent Director

Prof. Ling was appointed as an Independent Director on 2 January 2018 and re-designated as Lead Independent Director on 1 June 2018. Prof. Ling is currently a Managing Director at RL Capital Management. He also serves as an independent board director at several listed companies across Asia, as an Adjunct Professor in Finance at the EDHEC Business School, and as a consultant for RHT Strategic Advisory and RHT Academy.

Prior to RL Capital, Prof. Ling spent more than 20 years in investment banking and held senior positions with JPMorgan, Lehman Brothers, Goldman Sachs and Salomon Smith Barney. His expertise is in Asia real estate, REIT IPOs and capital markets, and he has worked in New York, Hong Kong, Tokyo and Singapore. Prof. Ling was a former board director of the CFA Society of Japan. He was honored as the Real Estate Executive of the Year by Singapore Business Review in 2016, and as one of 20 Rising Stars in Real Estate by Institutional Investor in 2008.

Prof. Ling graduated from INSEAD with a Global EMBA and from the National University of Singapore with a Bachelors degree in Business Administration.

Chong Chee Hoong
Independent Director

Mr Chong joined the Group as an Independent Director since 15 May 2014. Mr Chong has more than 20 years of extensive experience in assurance practice and corporate management. Mr Chong previously worked with SGX-ST 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.

FURTHER INFORMATION ON BOARD OF DIRECTORS

Tan Choon Wee

Role	Interim Chief Executive Officer and Executive Chairman
Date of first appointment as a Director	8 August 2017
Date of last re-election as a Director	N.A.
Length of Service as a Director (as at 31 March 2018)	8 months
Board Committee(s) served on	Nominating Committee (Chairman) Remuneration Committee (Member)
Present directorship/chairmanship in other listed companies	Nil
Present principal commitments* **(other than directorships in other listed companies)**	Advance Capital Partners Asset Management Private Limited (Executive Director)
Past principle directorships/chairmanship held over the preceding 3 years in other listed companies (from to 1 April 2015 to 31 March 2018)	Electromotive Group Limited (n.k.a. Arion Entertainment Singapore Limited)
Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders	Nil

Pan Ki Ro

Role	Non-Executive Non-Independent Director
Date of first appointment as a Director	12 February 2018
Date of last re-election as a Director	N.A.
Length of Service as a Director (as at 31 March 2018)	1.5 months
Board Committee(s) served on	Audit Committee (Member)
Present directorship/chairmanship in other listed companies	Nil
Present principal commitments* **(other than directorships in other listed companies)**	Nil
Past principle directorships/chairmanship held over the preceding 3 years in other listed companies (from to 1 April 2015 to 31 March 2018)	Ecoenergy Holdings Co., Ltd (n.k.a. Ecobio Holdings Co., Ltd.)
Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders	Nil

FURTHER INFORMATION ON BOARD OF DIRECTORS

Prof. Ling Chung Yee, Roy	
Role	Lead Independent Director
Date of first appointment as a Director	2 January 2018
Date of last re-election as a Director	N.A.
Length of Service as a Director (as at 31 March 2018)	3 months
Board Committee(s) served on	Audit Committee (Member) Nominating Committee (Member) Remuneration Committee (Chairman)
Present directorship/chairmanship in other listed companies (as at 31 March 2018)	Arion Entertainment Singapore Ltd (Independent Director) Chaswood Resources Holdings Ltd (Lead Independent Director) Ley Choon Group Holdings Ltd (Lead Independent Director) United Food Holdings Ltd (Lead Independent Director) Vingroup JSC (Independent Director)
Present principal commitments* **(other than directorships in other listed companies)**	EDHEC Business School, Adjunct Professor in Finance RL Capital Management, Managing Director
Past principle directorships/chairmanship held over the preceding 3 years in other listed companies (from to 1 April 2015 to 31 March 2018)	China Flexible Packaging Holdings Ltd ChinaSing Investment Holdings Ltd Aquaint Capital Holdings Ltd JES International Holdings Ltd
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	28 July 2017
Length of Service as a Director (as at 31 March 2018)	3 Years 10 months
Board Committee(s) served on	Audit Committee (Chairman) Remuneration 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) PT Indo Sinar Jaya (Director)
Past principle directorships/chairmanship held over the preceding 3 years in other listed companies (from to 1 April 2015 to 31 March 2018)	Nil
Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders	Nil

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Choon Wee
(Interim CEO and Executive Chairman)

Pan Ki Ro
(Non-Executive Non-Independent Director)

Prof. Ling Chung Yee, Roy
(Lead Independent Director)

Chong Chee Hoong
(Independent Director)

AUDIT COMMITTEE

Chong Chee Hoong
Chairman

Prof. Ling Chung Yee, Roy
Member

Pan Ki Ro
Member

REMUNERATION COMMITTEE

Prof. Ling Chung Yee, Roy
Chairman

Chong Chee Hoong
Member

Tan Choon Wee
Member

NOMINATING COMMITTEE

Tan Choon Wee
Chairman

Chong Chee Hoong
Member

Prof. Ling Chung Yee, Roy
Member

CORPORATE OFFICE

16 Collyer Quay
#29-01 Income @ Raffles
Singapore 049318
Telephone: (65) 6718 2337
Fax: (65) 6221 2097
Website: www.pinecap.sg
Company Registration Number: 196800320E

REGISTERED OFFICE

8 Robinson Road, #13-00 ASO Building
Singapore 048544
Telephone: (65) 6443 4920
Fax: (65) 6443 4921

COMPANY SECRETARY

Yap Lian Seng
(appointed on 10 April 2017)

SHARE REGISTRAR

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

AUDITORS

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

Director-In-Charge: Low See Lien
Year Appointed: Since financial year ended 31 March 2018

PRINCIPAL BANKERS

United Overseas Bank Limited

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CORPORATE GOVERNANCE REPORT

Pine Capital Group Limited (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 shareholders 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 within this Report. 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 applicable laws, rules and regulations, the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the 2012 CG Code.

BOARD MATTERS

Principle 1 – The Board's Conduct of Affairs

Principle: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

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. The 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 Director(s). 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 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. identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;

6. setting the Group's values and standards, and ensuring that obligations to shareholders and other stakeholders are understood and met;

7. considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;

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

CORPORATE GOVERNANCE REPORT

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

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

The Company has adopted internal guidelines with clear directions to the Management which set forth matters that require the 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 discharge their duties and responsibilities at all times 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 2018 ("**FY2018**") are as follows:

Name	Board	Audit Committee	Nominating Committee	Remuneration Committee
Mr Tan Choon Wee (1)	7	2	2**	1
Mr Pan Ki Ro (2)	0	0	N.A.	N.A.
Prof. Ling Chung Yee, Roy (3)	2	1	0	1
Mr Chong Chee Hoong (4)	8	4	3	2
Mr Philip Wong Yee Teng (5)	5	3**	1**	1**
Mr Koo Ah Seang (6)	6	3**	3	1**
Mr Yong Chor Ken (7)	6	3	3	1
Number of meetings held	**8**	**4**	**3**	**2**

*: *By Invitation*
N.A.: *Not Applicable*

Notes:

(1) Mr Tan Choon Wee ("**Mr Tan**") was appointed as a Non-Executive Director of the Company with effect from 8 August 2017. He was appointed as a member of the AC and RC respectively with effect from 15 August 2017. Mr Tan was redesignated as Non-Executive Chairman and appointed chairman of the NC of the Company with effect from 3 January 2018. Mr Tan ceased to be a member of the AC with effect from 12 February 2018. He was further appointed as Interim Chief Executive Officer ("**CEO**") and redesignated as Interim CEO and Executive Chairman of the Company with effect from 1 June 2018.

(2) Mr Pan Ki Ro was appointed as a Non-Executive Non-Independent Director and a member of the AC of the Company with effect from 12 February 2018. There were no meetings of the Board and AC held between 12 February 2018 and 31 March 2018.

CORPORATE GOVERNANCE REPORT

(3) Prof. Ling Chung Yee, Roy ("**Prof. Ling**") was appointed as an Independent Director of the Company with effect from 2 January 2018. He was appointed chairman of the RC, and a member of the AC and NC respectively of the Company with effect from 3 January 2018. Prof. Ling was redesignated as Lead Independent Director of the Company with effect from 1 June 2018. There was no meeting of the NC held between 3 January 2018 and 31 March 2018.

(4) Mr Chong Chee Hoong was redesignated as an Independent Director of the Company with effect from 1 June 2018.

(5) Mr Philip Wong Yee Teng ("**Mr Wong**") was appointed as CEO of the Company with effect from 18 August 2017. He was appointed as a Director and redesignated as Executive Director and CEO of the Company with effect from 22 September 2017. Mr Wong had resigned as Executive Director and CEO of the Company with effect from 31 May 2018.

(6) Mr Koo Ah Seang was redesignated as Non-Executive Chairman of the Company with effect from 22 September 2017. He had resigned as a Non-Executive Chairman and a member of the NC of the Company with effect from 31 December 2017.

(7) Mr Yong Chor Ken had resigned as an Independent Director, chairman of the NC and RC respectively, and a member of the AC of the Company with effect from 31 December 2017.

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 information, by way of a letter, an email or otherwise, setting out the Director's duties and obligations and will undergo an orientation program where the Executive Director(s) will brief them on the Group's business, policies and governance practices to ensure that they are familiar with the same.

The Company welcomes Directors to seek explanations or clarifications from and/or convene informal discussions with the 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

Principle: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

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

Mr Tan Choon Wee	(Interim CEO and Executive Chairman)
Mr Pan Ki Ro	(Non-Executive Non-Independent Director)
Prof. Ling Chung Yee, Roy	(Lead Independent Director)
Mr Chong Chee Hoong	(Independent Director)

As the Chairman of the Board is part of the Management team and is also not an independent director, the Company is required to have at least half the Board comprising independent directors pursuant to Guideline 2.2 of the 2012 CG Code. Currently, the Board comprises four (4) Directors, two (2) of whom are Independent Directors. The requirement of the 2012 CG Code that independent directors must make up at least half of the Board is thus satisfied. There is therefore a good balance between the Executive and Non-Executive Directors and a strong and independent element on the Board.

CORPORATE GOVERNANCE REPORT

Although the Company is not in compliance with Principle 4.1 of the Code where the chairman of the NC is not an independent director and Principle 7.1 of the Code where one member of the RC is an executive director, the Board is of the opinion that the role of Mr Tan Choon Wee, Interim CEO and Executive Chairman, as the chairman of the NC as well as a member of the RC will not affect the independence of the NC and the RC as he shall abstain from voting on any resolutions and making any recommendation and/or participating in deliberations in respect of matters in which he has interest in (including in particular his remuneration) and taking into account that the majority of the NC and RC members are independent directors. The Board endeavours to comply with the requirement under the 2012 CG Code as soon as practicable.

Prof. Ling Chung Yee, Roy was redesignated as the Lead Independent Director of the Company with effect from 1 June 2018 and he will be available to shareholders where they have concerns and for which contact through normal channels of the Chairman, the 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, Prof. Ling Chung Yee, Roy and Mr Chong Chee Hoong, have confirmed that they do not have any relationship with the Company, its related corporations or its 10% shareholders or officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgment 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 of the views of the NC, the Board determined that the said Directors are independent in character and judgment and no relationships or circumstances which are likely to affect, or could appear to affect, the said Directors' judgment. To facilitate a more effective check on the Management, Non-Executive Directors are encouraged to meet regularly without the presence of the Management.

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 size of the Board 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 the Management in meeting agreed goals and objectives, and extend guidance to the Management. The Directors' objective judgment 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

Principle: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Tan Choon Wee ("**Mr Tan**") is the Interim CEO and Executive Chairman of the Company.

Being the Executive Chairman, Mr Tan is responsible for:

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

CORPORATE GOVERNANCE REPORT

2. setting the agenda of Board meetings and ensuring that adequate time is available for discussion of all items on the meeting agenda;

3. promoting a culture of openness and debate at the Board;

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

5. ensuring effective communication with shareholders;

6. encouraging constructive relations between the Board and the Management;

7. facilitating the effective contribution of Non-Executive Directors;

8. promoting high standards of corporate governance; and

9. the overall management and to grow the financial management businesses of the Group.

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 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.

As the Chairman of the Board is also (i) the CEO of the Company; (ii) part of the Management team; and (iii) not an independent director, the Company has complied with Guideline 3.3 of the 2012 CG Code with the appointment of Prof. Ling Chung Yee, Roy, an independent director, as Lead Independent Director.

Led by the Lead Independent Director, the Independent Directors meet periodically without the presence of the other Directors.

Principle 4 – Board Membership

Principle: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises three (3) members, the majority of whom are Independent Directors. The members of the NC are as follows:

Mr Tan Choon Wee	**Chairman** (Interim CEO and Executive Chairman)
Prof. Ling Chung Yee, Roy	**Member** (Lead Independent Director)
Mr Chong Chee Hoong	**Member** (Independent Director)

The Board notes that the composition of the NC is not in compliance with the 2012 CG Code as the chairman of the NC is not an independent director. The Board is of the opinion that the role of Mr Tan Choon Wee, Interim CEO and Executive Chairman, as the chairman of the NC will not affect the independence of the NC as he shall abstain from voting on any resolutions and making any recommendation and/or participating in deliberations in respect of matters in which he has interest in and taking into account that the majority of the NC members are independent directors.

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The NC is scheduled to meet at least once a year. The principle functions of and authorities conferred to the NC as delegated to it by the Board 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 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;

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

7. the development of a process for evaluation of the performance of the Board, its Board Committees and Directors.

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 appropriate recommendation to the Board for approval.

All newly appointed Director(s) during the year will hold office only until the next annual general meeting ("**AGM**") following their 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 determines annually, and as and when circumstances require, if a Director is independent, and will present its views, based on Guidelines 2.3 and 2.4 of the 2012 CG Code, to the Board for its consideration.

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 Article 92 of 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.

CORPORATE GOVERNANCE REPORT

The NC has recommended to the Board that Mr Chong Chee Hoong be nominated for re-election at the forthcoming AGM of the Company pursuant to Article 92 of the Company's Constitution and that Mr Tan Choon Wee, Prof. Ling Chung Yee, Roy and Mr Pan Ki Ro be nominated for re-election at the forthcoming AGM of the Company pursuant to Article 98 of the Constitution of the Company and they being eligible, have offered themselves for re-election at the forthcoming AGM. The Board recommends the shareholders approve the re-election of the said Directors. The details of the proposed resolutions are stipulated in the Notice of AGM.

Mr Tan Choon Wee, the NC Chairman, is deemed interested in 291,949,376 shares held by Advance Opportunities Fund, in the share capital of the Company pursuant to Section 7 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), as at date of this report.

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 FY2018, 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 adequately discharged their duties as Directors 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 directorships 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 three (3) years in other listed companies, and other principal commitments are disclosed in the "Board of Directors", "Further information on Board of Directors", and "Directors' Statement" sections of the Annual Report.

The Board has not appointed any alternate directors.

Principle 5 – Board Performance

Principle: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board has implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual Director to the effectiveness of the Board.

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 individual evaluation of Directors, 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 shareholders' value. The performance criteria do not change unless circumstances deem it necessary and a decision to change such performance criteria would be justified by the Board.

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The Chairman would act on the results of the performance evaluation, and in consultation with the NC, where appropriate, propose the gradual refreshment of the Board.

During the financial year under review, the Board evaluation exercise has been carried out by way of a Board assessment checklist, which was circulated to the Board members for completion. The assessment covers areas such as Board composition, information to the Board, Board procedures, Board accountability, CEO / Key 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 have reasonably and effectively discharged their duties and responsibilities. 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

Principle: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

In order to ensure that the Board is able to fulfill its responsibilities, the 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 staff 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 staff. Directors are entitled to request from the Management and are provided with such additional information as needed to make informed decisions in a timely manner.

The information provided by the Management includes board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and monthly internal financial statements. In respect of budgets, any material variance between the projections and actual results will also be disclosed and explained by the Management.

The Board, and the chairman 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.

CORPORATE GOVERNANCE REPORT

The Board members also have separate and independent access to the Company Secretary who ensures good information flow within the Board and its Committees and between the 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 are both subject to the Board's approval.

REMUNERATION MATTERS

Principle 7 – Procedures for Developing Remuneration Policies

Principle: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

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

Prof. Ling Chung Yee, Roy	**Chairman** (Lead Independent Director)
Mr Tan Choon Wee	**Member** (Interim CEO and Executive Chairman)
Mr Chong Chee Hoong	**Member** (Lead 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. If such independent professional advice is sought, the RC will ensure that its existing relationships, if any, between the Company and its remuneration consultants will not affect their independence and objectivity. The Company will also disclose the names and firms of the remuneration consultants in its annual remuneration report, which will include a statement on whether the remuneration consultants have any relationships with the Company. For FY2018, the RC has not engaged the services of a remuneration consultant.

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

1. to review and recommend to the Board a framework covering all aspects of remuneration and to determine the specific remuneration packages and terms of employment for each of the Executive Director(s) and key management personnel, including those employees related to the Executive Director(s) and 10% shareholders of the Group, 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;

2. to review the Company's obligations arising in the event of termination of the Executive Director(s)' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid awarding poor performance; and

3. to 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.

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Principle 8 – Level and Mix of Remuneration

Principle: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

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-kind are covered;

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

3. the level of remuneration of Non-Executive Director(s) 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 Director(s) 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 Director(s) and controlling shareholders of the Group 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 the 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. The RC also reviews whether Executive Director(s) or key management personnel should be eligible for benefits under long-term incentive schemes.

The remuneration policy for Executive Director(s) and key management personnel consists of salary, bonus, pension fund contributions and other allowances. The Executive Director(s) are paid in accordance with their respective service agreements. These service agreements are not excessively long and they do not have onerous removal clauses.

The service agreement with Mr Koo Ah Seang ("**Mr Koo**"), the former Executive Chairman of the Company, commenced on 28 January 2014 for a period of two years. The service agreement was renewed on 4 January 2016 for a period of another two years. Mr Koo and/or 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. As announced by the Company on 22 September 2017 via SGXNET, Mr Koo has resigned as an Executive Director and was redesignated as a Non-Executive Chairman of the Company with effect from 22 September 2017. As at 22 September 2017, Mr Koo was serving notice as per the service agreement entered into with the Company and his last day of service was scheduled to be 24 January 2018. On 29 December 2017, the Company announced via SGXNET that Mr Koo has resigned as Non-Executive Chairman of the Company and it was mutually agreed between the Company and Mr Koo that Mr Koo's last day of service was 31 December 2017, notwithstanding any notice period requirement in the service agreement entered into between the Company and Mr Koo previously.

CORPORATE GOVERNANCE REPORT

Mr Philip Wong Yee Teng ("**Mr Wong**"), who was appointed as the Company's CEO with effect from 18 August 2017 and redesignated as the Company's Executive Director and CEO with effect from 22 September 2017, was responsible for the day-to-day operation of the Group during his tenure with the Company. The service contract with Mr Wong commenced on 18 August 2017 for a period of 2 years. Unless otherwise mutually agreed by the Company and Mr Wong in writing, Mr Wong and/or 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. As announced by the Company via SGXNET on 14 May 2018, Mr Wong has resigned as Executive Director and CEO of the Company with effect from 31 May 2018. It was mutually agreed between the Company and Mr Wong that Mr Wong's last day of service was 31 May 2018, notwithstanding any notice period requirement pursuant to the service agreement entered into between the Company and Mr Wong.

Following Mr Wong's resignation as Executive Director and CEO of the Company, Mr Tan Choon Wee ("**Mr Tan**") was appointed as Interim CEO and redesignated from Non-Executive Chairman to Interim CEO and Executive Chairman of the Company with effect from 1 June 2018. Mr Tan is responsible for the day-to-day operation and overall management, as well as to grow the financial management business of the Group. No service contract was entered into between the Company and Mr Tan. Save for all relevant business expenses in relation to the Company incurred by Mr Tan during the term of his appointment as Interim CEO which shall be borne by the Company, Mr Tan had volunteered not to receive any salary in respect of his service as Interim CEO of the Company. For the avoidance of doubt, Mr Tan shall be entitled to the Director's fees payable by the Company in respect of his role as a Non-Executive Director of the Company throughout FY2018.

Independent Directors are paid a basic fee and additional fees for serving on any of the Board 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 Company does not make use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Director(s) and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Director(s) owe fiduciary duties to the Company and the Company should be able to avail itself to remedies against the Executive Director(s) in the event of such breach of fiduciary duties.

Principle 9 – Disclosure on Remuneration

Principle: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Directors' Remuneration

The Company believes that the disclosure in bands of S$250,000 provides sufficient overview of the remuneration of the Directors. The Board is of the view that it would not be in the best interests of the Company to disclose the breakdown of each individual Director's remuneration, having regard to the highly competitive human resource environment, the confidential nature of staff remuneration matters and so as not to hamper the Company's efforts to retain and nurture its talent pool. For the same reasons, the Company does not believe it to be in its best interest to disclose the key performance indicators that are linked to the remuneration package, including any termination, retirement and post-employment benefits.

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The breakdown showing the level and mix of each individual Director's remuneration for FY2018 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 (1)	100	0	0	N.A.	100
Below S$250,000					
Mr Tan Choon Wee (2)	80.6	N.A.	N.A.	19.4	100
Mr Pan Ki Ro (3)	N.A.	N.A.	N.A.	100	100
Prof. Ling Chung Yee, Roy (4)	N.A.	N.A.	N.A.	100	100
Mr Chong Chee Hoong	N.A.	N.A.	N.A.	100	100
Mr Philip Wong Yee Teng (5)	100	0	0	N.A.	100
Mr Yong Chor Ken (6)	N.A.	N.A.	N.A.	100	100

Notes:

(1) Mr Koo Ah Seang was redesignated as Non-Executive Chairman of the Company with effect from 22 September 2017. He had resigned as a Non-Executive Chairman of the Company with effect from 31 December 2017.

(2) Mr Tan Choon Wee ("**Mr Tan**") was appointed as a Non-Executive Director of the Company with effect from 8 August 2017. Mr Tan was redesignated as Non-Executive Chairman of the Company with effect from 3 January 2018. He was further appointed as Interim CEO and redesignated as Interim CEO and Executive Chairman of the Company with effect from 1 June 2018. For avoidance of doubt, in FY2018, Mr Tan was remunerated by ACPAM in respect of his role as an Executive Director and Chief Executive Officer of ACPAM.

(3) Mr Pan Ki Ro was appointed as a Non-Executive Non-Independent Director of the Company with effect from 12 February 2018.

(4) Prof. Ling Chung Yee, Roy ("**Prof. Ling**") was appointed as an Independent Director of the Company with effect from 2 January 2018. Prof. Ling was redesignated as Lead Independent Director of the Company with effect from 1 June 2018.

(5) Mr Philip Wong Yee Teng ("**Mr Wong**") was appointed as CEO of the Company with effect from 18 August 2017. He was appointed as a Director and redesignated as Executive Director and CEO of the Company with effect from 22 September 2017. Mr Wong had resigned as Executive Director and CEO of the Company with effect from 31 May 2018.

(6) Mr Yong Chor Ken had resigned as an Independent Director of the Company with effect from 31 December 2017.

Key Management Personnel's remuneration

In FY2018, Mr Philip Wong Yee Teng ("**Mr Wong**"), whose remuneration information has been disclosed above, was the Company's sole key management personnel. Mr Wong was appointed as CEO of the Company with effect from 18 August 2017. He was appointed as a Director and redesignated as Executive Director and CEO of the Company with effect from 22 September 2017. Mr Wong had resigned as Executive Director and CEO of the Company with effect from 31 May 2018.

There are currently no benefits for termination, retirement and/or post-employment benefits granted to the Directors, CEO and key management personnel.

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The remuneration of Ms Charlene Tan ("**Ms Tan**"), who is the daughter of Mr Tan Choon Wee, Interim CEO and Executive Chairman of the Company, did not exceed S$50,000 in FY2018. Ms Tan is a Client Services Manager of Advance Capital Partners Asset Management Private Limited ("**ACPAM**"), a 51% owned subsidiary of the Company. The Board is of the opinion that Ms Tan's role as a Client Services Manager at ACPAM does not constitute a managerial position which requires disclosure under Rule 704(10) of the Catalist Rules as Ms Tan's duties and responsibilities in ACPAM do not involve decision-making with respect to the business and operation of ACPAM.

"**Immediate family member**" means the spouse, child, adopted child, stepchild, brother, sister and parent.

The Company does not currently have in place an employee share scheme. The Company will be seeking shareholders' approval at an extraordinary general meeting for, *inter alia*, a performance share scheme and a share option scheme in which (i) Directors (both non-executive and executive) and employees of the Company and its subsidiaries; (ii) directors and employees of the Company's parent company and its subsidiaries; and (iii) directors and employees of the Company's associated companies will be entitled to participate in. For further details, please refer to the Company's circular dated 12 July 2018.

ACCOUNTABILITY AND AUDIT

Principle 10 – Accountability

Principle: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

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 the Management during the Board meetings.

The Board is primarily responsible for presenting a fair and balanced report of the financial affairs of the Group (including interim and other price sensitive public reports, and reports to regulators (if required) which is prepared in accordance with the Companies Act and the Singapore Financial Reporting Standards).

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 half-yearly and quarterly financial results announcements pursuant to Rule 705(5) of the Catalist Rules.

The Management also provides the Board with management accounts and 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

Principle: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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

CORPORATE GOVERNANCE REPORT

The Board annually reviews the adequacy and effectiveness of the Company's risk management and internal control systems including finance, operational, compliance and IT control. For the period under review, based on the internal controls established and maintained by the Group, work performed by the external auditors, and regular reviews performed by the Management, 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 and effective to provide reasonable assurance of the integrity and effectiveness of the Company in safeguarding its assets and shareholders' value as at 31 March 2018.

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, despite their best efforts to implement risk management systems, no cost-effective system of internal control can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities. The system is designed to manage rather than eliminate all risks. As such, risk assessment and evaluation is an essential part of business planning and monitoring.

The Board had received assurance from Mr Philip Wong Yee Teng, the former Executive Director and CEO, who had resigned with effect from 31 May 2018, that:

(a) the financial records as at 31 March 2018 have been properly maintained and the financial statements for FY2018 give a true and fair view of the Company's operations and finances; and

(b) the Company's risk management and internal control systems in place are adequate and effective.

Whistle-blowing policy

The Company has put in place a whistle-blowing framework, endorsed by the AC, where employees of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. There were no whistle-blowing letters received since the implementation of the whistle-blowing framework on 30 May 2017, up to the date of this report.

Principle 12 – Audit Committee

Principle: The Board should establish an Audit Committee ("**AC**") with written terms of reference which clearly set out its authority and duties.

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

Mr Chong Chee Hoong	**Chairman** (Independent Director)
Prof. Ling Chung Yee, Roy	**Member** (Lead Independent Director)
Mr Pan Ki Ro	**Member** (Non-Executive Non-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. The AC members are regularly updated on changes to accounting standards and issues related to financial reporting through, *inter alia*, their meetings with the external auditors of the Company. Updates on changes in accounting standards and issues which have a direct impact on financial statements are prepared by external auditors

CORPORATE GOVERNANCE REPORT

and circulated to members of the AC periodically. No former partner or director of the Company's existing auditing 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 the 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 the 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 the 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.

CORPORATE GOVERNANCE REPORT

The AC is scheduled to meet at least four (4) times a year. For FY2018, 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 submission to the Board for approval and release of the results to the SGX-ST;

2. significant financial reporting issues and judgments 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 the external auditors' scope of audit prior to commencement of the annual audit;

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

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

6. reviewing at least annually the 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 the 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 the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

External Auditors

Nexia TS Public Accounting Corporation ("**Nexia TS**"), the external auditors of the Company, was responsible for providing services in connection with the audit of the financial statements of the Group for FY2018. The external auditors have unrestricted access to the AC. For FY2018, the AC had met with the external auditors without the presence of the Management. There were no major issues raised.

For FY2018, the remuneration for audit services provided by Nexia TS to the Group amounted to approximately S$60,000. There were no non-audit services provided by Nexia TS to the Group.

The AC has reviewed the independence of the external auditors and is satisfied with Nexia TS' position as independent external auditors. Accordingly, the AC has recommended the re-appointment of Nexia TS as external auditors of the Company for the financial year ending 31 March 2019 at the forthcoming AGM.

In the appointment of auditing firms for the Group, the AC is satisfied that the Company has complied with the Rules 712 and 716 of the Catalist Rules. PricewaterhouseCoopers LLP ("**PwC**") is the auditors of Advance Capital Partners Asset Management Private Limited ("**ACPAM**"), a 51% owned subsidiary of the Company. In this regard, the Board and AC are satisfied that the appointment of PwC as the auditors of ACPAM would not compromise the standard and effectiveness of the audit of the Company.

CORPORATE GOVERNANCE REPORT

Principle 13 – Internal Audit

Principle: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has not engaged any external professional firm for its internal audit function. The Company currently has two subsidiaries – (i) BSDCN Pte. Ltd. ("**BSDCN**"), the Company's wholly-owned subsidiary, is an investment holding company which has a 9.98% shareholding interest in Pine Asia Asset Management Inc ("**Pine Asia**"). Pine Asia is a Korean asset management company registered with the Financial Supervisory Commission of the Republic of Korea, and manages a variety of both public and private investment funds, which concentrates on investments, primarily in Asia, in equity securities, real estate and fixed income securities; and (ii) Advance Capital Partners Asset Management Private Limited ("**ACPAM**"), the Company's 51% owned subsidiary, is primarily engaged in the business of providing asset management services. The AC and the Board review and monitor the adequacy of internal controls on a regular basis with the assistance of the external auditors, whose job scope includes certain prescribed internal control issues. In addition, ACPAM, a registered fund and investment management company ("**RFMC**") registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations of Singapore, has in place compliance arrangements and is subject to regular internal audit that are commensurate with the nature, scale and complexity of its business.

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 the internal audit function when the need arises.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 – Shareholder Rights

Principle: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company is committed to establishing a corporate governance culture that promotes fair and equitable treatment of all shareholders. All shareholders are treated fairly and equitably, and enjoy specific rights under the Companies Act and the Company's Constitution.

These rights include, amongst others, pecuniary rights, for example, the right to participate in profit distributions and membership rights such as the right to participate in general meetings and the right to exercise their voting rights. Under Article 65 of the Company's Constitution, all shareholders are entitled to attend and vote at the general meetings in person or by proxy. Further, pursuant to Article 72 of the Company's Constitution, a shareholder can appoint up to a maximum of two proxies, who need not be shareholders of the Company, to attend and vote at general meetings.

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.

As at 3 January 2016, the Companies Act has been amended to, amongst other things, allow certain members who are "relevant intermediaries" to attend and participate at general meetings without being constrained by the two-proxy requirement. A "relevant intermediary" as defined under the Companies Act includes (a) corporations holding licenses in providing nominee and custodial services and who hold shares in that capacity and (b) the CPF Board which purchases shares on behalf of the CPF investors.

CORPORATE GOVERNANCE REPORT

Shareholders are given notice of general meetings with sufficient notice period as required in the Companies Act and are informed of the relevant rules and procedures governing general meetings. Shareholders are provided with the opportunity to raise questions and participate at such general meetings on any issues that they may have with respect to the resolutions to be passed.

The Company respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure. All material information and changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares are disclosed in a timely manner via SGXNET announcements.

Principle 15 – Communication with Shareholders

Principle: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair 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 practice 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-year and full-year results and reports to regulators, if any, all of which are released through SGXNET. All press/media releases are announced timely 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 to all others as soon as practicable. To date, there have been no such inadvertent disclosures.

The Chairman and Board members engage in dialogue with shareholders before and after every general meeting to gather the views and/or inputs and address the concerns of shareholders. 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 FY2018 as the Group did not have profits available for distribution for FY2018.

Principle 16 – Conduct of Shareholder Meetings

Principle: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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 vote, 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 raised by shareholders. In addition, the Chairman of the Board, and the respective chairman of the AC, NC and RC endeavor to be present to address questions at the AGM.

The Company has 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.

CORPORATE GOVERNANCE REPORT

The Company Secretary minutes the proceedings of all AGMs, substantial and relevant comments and queries from shareholders together with the respective responses from the Board and the Management. These minutes are available to shareholders of the Company at their request.

The Company will put all resolutions to vote by poll at the forthcoming AGM in the presence of independent scrutineers. Explanation on the 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 the 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 (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year, and one (1) 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 abstain from dealing 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 law 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

In line with Rule 1204(8) of the Catalist Rules, and save for the service agreements entered into between the Company and (i) Mr Koo Ah Seang, former Executive Chairman who was redesignated to Non-Executive Chairman of the Company with effect from 22 September 2017, and who resigned as Non-Executive Chairman of the Company with effect from 31 December 2017; and (ii) Mr Philip Wong Yee Teng, former CEO who was redesignated to Executive Director and CEO of the Company with effect from 22 September 2017 and resigned as Executive Director and CEO of the Company with effect from 31 May 2018, and the relevant announcements of which have been published on SGXNET, there were no other material contracts of the Company or its subsidiaries involving the interests of the CEO, Directors or controlling shareholders, either still subsisting at the end of FY2018 or if not then subsisting, entered into since the end of the previous financial year.

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 a member of the AC is involved in any IPT, he will abstain from reviewing that particular transaction.

CORPORATE GOVERNANCE REPORT

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 S$100,000 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 of the Group, the Management and Directors have devoted their efforts towards turning the Company around. Once successful, the Management and Directors will look into developing a policy on corporate social responsibility.

Use of Proceeds

EQUITY-LINKED NOTES

The ELN programs had matured and expired on 18 December 2016. The utilisation of the proceeds from the 8th sub-tranche of the Tranche 1 ELN is listed below.

Proceeds from the 8th sub-tranche of the Tranche 1 ELN	**S$'000**
Balance as at 1 April 2017	923
Use of proceeds	
Professional fees	(236)
RTO expenses (terminated)	(132)
Operating expenses	(555)
Total payments	(923)
Balance as at 31 March 2018	–

The above use of proceeds are in accordance with the allocation as stated in the Company's circular dated 4 November 2013 and approved by the shareholders of the Company at the extraordinary general meeting held on 20 November 2013.

PLACEMENT SHARES 2017

In August 2017, the Company had issued 1,212,121,211 ordinary shares at the issue price of S$0.00297 per share for an aggregate subscription which amounted to S$3,600,000.

	S$'000
Proceeds from Placement Shares 2017	3,600
Use of proceeds	
Acquisition of BSDCN	(3,500)
Professional fees	(100)
Total payments	(3,600)
Balance as at 31 March 2018	–

CORPORATE GOVERNANCE REPORT

The above use of proceeds are in accordance with the allocation as announced by the Company on 15 August 2017 via the SGXNET.

RIGHTS AND WARRANTS ISSUE 2018

The Company had on 7 May 2018 completed the Renounceable Non-Underwritten Rights and Warrants Issue exercise. A total of 787,210,747 Rights Shares with 251,907,400 Warrants were issued. Each Rights Share was issued at an issue price of S$0.0025. Each Warrant carries the right to subscribe for one (1) Warrant Share at an exercise price of S$0.0020, on the basis of twenty-five (25) Rights Shares for every one hundred (100) Shares held by shareholders as at the books closure date.

	S$'000
Proceeds from Rights and Warrants Issue 2018	1,968
Use of proceeds	
Rights issue expenses	(328)
Operating expenses	(140)
Payment for Tranche 2 Consideration of BSDCN Acquisition	(1,500)
Total payments	(1,968)
Balance as at date of this Annual Report	–

The above use of proceeds are in accordance with the allocation as announced by the Company on 13 June 2018 and 2 July 2018 via the SGXNET.

SPONSORSHIP

Provenance Capital Pte. Ltd. ("**Provenance Capital**") was appointed as the Company's continuing sponsor with effect from 1 October 2015. With reference to Rule 1204(21) of the Catalist Rules, Provenance Capital did not provide any non-sponsor services to the Company and no non-sponsor fees were paid by the Company to Provenance Capital during FY2018.

With effect from 1 January 2018, the Company appointed Asian Corporate Advisors Pte. Ltd. ("**ACA**") to act as its new continuing sponsor, in place of Provenance Capital. With reference to Rule 1204(21) of the Catalist Rules, ACA did not provide any non-sponsor services to the Company and no non-sponsor fees were paid by the Company to ACA during the period from 1 January 2018 to 31 March 2018.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2018 and the balance sheet of the Company as at 31 March 2018.

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 37 to 80 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 2018 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 Tan Choon Wee	(appointed on 8 August 2017)
Mr Pan Ki Ro	(appointed on 12 February 2018)
Prof. Ling Chung Yee, Roy	(appointed on 2 January 2018)
Mr Chong Chee Hoong	

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement 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 31.03.2018	**At 01.04.2017**	**At 31.03.2018**	**At 01.04.2017**
The Company				
(No. of ordinary shares)				
Tan Choon Wee	–	–	263,905,926	439,533,037

The director's interests in the ordinary shares of the Company as at 21 April 2018 were the same as those as at 31 March 2018.

DIRECTORS' STATEMENT

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 and its subsidiary corporations under option at the end of the financial year.

Audit Committee

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

Mr Chong Chee Hoong	(Chairman)
Prof. Ling Chung Yee, Roy	(Member)
Mr Pan Ki Ro	(Member)

Most members of the Audit Committee were 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 2018 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.

Independent auditor

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

On behalf of the Board of Directors

Tan Choon Wee
Director

Ling Chung Yee, Roy
Director

6 July 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PINE CAPITAL GROUP LIMITED
(formerly known as OLS Enterprise Ltd.)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pine Capital Group Limited (formerly known as OLS Enterprise Ltd.) (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 37 to 80.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

(1) Business Combinations

In August 2017, the Group acquired 51% of the share capital of Advance Capital Partners Asset Management Private Limited ("ACPAM") with an investment cost of $1,500,000. In September 2017, the Group acquired the entire share capital of BSDCN Pte. Ltd. ("BSDCN") with an investment cost of $6,024,000. These business combinations are significant events during the financial year and the acquired entities represent significant new lines of business for the Group. Therefore we considered these as key audit matter.

How our audit addressed the matter

Our audit procedures included the review of the relevant acquisition agreements to check that the acquisitions are accounted for at the correct effective date of the transactions and the provisional Purchase Price Allocation ("PPA") and goodwill on acquisitions are correct. The Group is finalising its PPA exercises of these acquisitions to determine the fair value of all identifiable assets acquired and liabilities assumed.

In accordance with FRS 103, the Group is allowed to report in its financial statements the provisional amount of goodwill and the measurement period wherein the Group is allowed to adjust the provisional amounts recognised shall not exceed one year from the date of acquisition.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PINE CAPITAL GROUP LIMITED
(formerly known as OLS Enterprise Ltd.)

Key Audit Matters (Cont'd)

(2) Discontinued operations

In December 2017, the Group disposed its 100% interest in Ellebeau Group Pte Ltd., an investment holding corporation with 51% interest in Mojo Films Sdn Bhd and 28% interest in Mojo Films Co Ltd which are both involved in video production and filming services. The disposal was a significant event during the financial year and the disposed group represented the whole line of business of the Group before the acquisition of the new subsidiary corporations. Accounting for discontinued operations involves computation of profit or loss from discontinued operations and proper presentation and disclosures in the financial statements as required by FRS 105. Therefore we considered this as key audit matter.

How our audit addressed the matter

Our audit procedures included review of relevant documents, computation of profit or loss from discontinued operations and the related journal entries made in the accounting records. We have also reviewed appropriateness of the presentation and disclosures in the financial statements. Based on the procedures performed, we concluded that the discontinued operations are properly accounted, presented and disclosed in the financial statements.

(3) Available-for-sale financial assets

The Group has unlisted equity securities classified as available-for-sale financial assets of $2,287,000 which represents 25% of the Group's total assets. These financial assets are classified as Level 3 fair value measurement hierarchy.

The valuation of the Group's available-for-sale financial assets was considered as key audit matter due to the degree of complexity involved and the significance of judgements and estimates made by management in valuing the financial assets. In particular, the determination of Level 3 fair value is considerably more subjective given the limited market information.

Management determines the level 3 fair value of the investments using the best information available in the circumstances taking into account all information that is reasonably available.

How our audit addressed the matter

Our audit procedures included review and assessment of management's basis, methodology and assumptions used in the estimation of fair value in the available-for-sale financial assets with the involvement of our internal valuation specialist. Based on the procedures performed, we considered management's valuation of AFS to be appropriate.

In addition, we have assessed the adequacy of the related disclosures in the financial statements in relation to the Group's exposure to financial instrument valuation risk.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PINE CAPITAL GROUP LIMITED
(formerly known as OLS Enterprise Ltd.)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does nut include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PINE CAPITAL GROUP LIMITED
(formerly known as OLS Enterprise Ltd.)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Low See Lien.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

6 July 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Continuing operations			
Revenue	4	**893**	–
Cost of sales		**(361)**	–
Gross profit		**532**	–
Other gains - net	5	**69**	157
Expenses			
- Administrative		**(2,265)**	(3,056)
Loss from continuing operations before tax		**(1,664)**	(2,899)
Income tax	8	**–**	–
Loss after tax from continuing operations		**(1,664)**	(2,899)
(Loss)/profit from discontinued operations, net of tax	9	**(391)**	466
Total loss		**(2,055)**	(2,433)
Other comprehensive loss, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation losses arising from consolidation		**27**	12
- Available-for-sale-financial assets – fair value gain		**898**	–
Total comprehensive loss		**(1,130)**	(2,421)
Loss attributable to:			
Equity holders of the Company			
- Loss from continuing operations, net of tax		**(1,516)**	(2,899)
- (Loss)/profit from discontinued operations, net of tax		**(244)**	423
Loss attributed to equity holders		**(1,760)**	(2,476)
Non-controlling interests			
- Loss from continuing operations, net of tax		**(148)**	–
- (Loss)/profit from discontinued operations, net of tax		**(147)**	43
(Loss)/profit attributed to the non-controlling interests		**(295)**	43
Loss per share attributable to equity holders of the Company (cents per share)			
Basic loss per share			
- From continuing operations	10	**(0.047)**	(0.132)
- From discontinued operations	10	**(0.008)**	0.019
Diluted loss per share			
- From continuing operations	10	**(0.047)**	(0.132)
- From discontinued operations	10	**(0.008)**	0.019

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

BALANCE SHEET - GROUP

As at 31 March 2018

	Note	2018 $'000	2017 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**94**	135
Investment in an associated company	12	**13**	89
Goodwill	14	**5,791**	–
Available-for-sale investments	15	**2,287**	–
		8,185	224
Current assets			
Trade and other receivables	16	**96**	948
Prepayment		**6**	46
Work in progress	17	**–**	430
Amount due from associated company	18	**–**	225
Income tax recoverable		**–**	8
Cash and cash equivalents	19	**768**	3,622
		870	5,279
Total assets		**9,055**	5,503
LIABILITIES			
Current liabilities			
Trade and other payables	20	**3,007**	2,177
Finance lease liabilities	21	**–**	11
		3,007	2,188
Net current (liabilities)/assets		**(2,137)**	3,091
Non-current liabilies			
Finance lease liabilities	21	**–**	27
Provision for reinstatement costs	22	**71**	–
		71	27
Total liabilities		**3,078**	2,215
Net assets		**5,977**	3,288
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	**20,027**	16,426
Accumulated losses		**(15,036)**	(13,276)
Currency translation reserve		**(50)**	(77)
Fair value reserve		**898**	–
		5,839	3,073
Non-controlling interests		**138**	215
Total equity		**5,977**	3,288

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

BALANCE SHEET - COMPANY

As at 31 March 2018

	Note	**2018**	2017
		$'000	$'000
ASSETS			
Non-current assets			
Investments in subsidiary corporations	13	**7,524**	–
Current assets			
Trade and other receivables	16	**18**	2
Prepayment		**–**	35
Amount due from subsidiary corporation	18	**5**	3
Cash and cash equivalents	19	**426**	3,287
		449	3,327
Total assets		**7,973**	3,327
LIABILITIES			
Current liabilities			
Trade and other payables	20	**2,826**	506
Total liabilities		**2,826**	506
Net current (liabilities)/assets		**(2,377)**	2,821
Net assets		**5,147**	2,821
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	**20,027**	16,426
Accumulated losses		**(14,880)**	(13,605)
Total equity		**5,147**	2,821

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

		Attributable to equity holders of the Company						
	Note	Share capital $'000	Accumulated losses $'000	Currency translation reserve* $'000	Fair value reserve* $'000	Total S$'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2017		16,426	(13,276)	(77)	–	3,073	215	3,288
Net loss for the financial year		–	(1,760)	–	–	(1,760)	(295)	(2,055)
Other comprehensive income for the financial year		–	–	27	898	925	–	925
Total comprehensive (loss)/ income for the financial year		–	(1,760)	27	898	(835)	(295)	(1,130)
Acquisition of subsidiary corporations	26		–	–	–	–	287	287
Discontinued operations	9		–	–	–	–	(69)	(69)
Issuance of ordinary shares	23	3,601	–	–	–	3,601	–	3,601
At 31 March 2018		**20,027**	**(15,036)**	**(50)**	**898**	**5,839**	**138**	**5,977**

* Not available for distribution.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

		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 2016		14,476	(10,800)	(89)	3,587	172	3,759
Net (loss)/profit for the financial year		–	(2,476)	–	(2,476)	43	(2,433)
Other comprehensive income for the financial year		–	–	12	12	–	12
Total comprehensive (loss)/ income for the financial year		–	(2,476)	12	(2,464)	43	(2,421)
Issuance of ordinary shares	23	1,950	–	–	1,950	–	1,950
At 31 March 2017		**16,426**	**(13,276)**	**(77)**	**3,073**	**215**	**3,288**

* 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 2018

	Note	2018 $'000	2017 $'000
Cash flow from operating activities:			
Loss from continuing operations before tax		**(1,664)**	(2,899)
(Loss)/profit from discontinued before tax operations		**(373)**	510
		(2,037)	(2,389)
Adjustments for:			
- Acquisition expenses		**131**	–
- Depreciation of property, plant and equipment	6	**30**	38
- Interest expense		**–**	2
- Interest income	5	**(10)**	(36)
- Loss on disposal of a subsidiary	9	**44**	–
- Unrealised currency translation gains		**(1)**	27
Operating cash flow before working capital changes:		**(1,843)**	(2,358)
Trade and other receivables and prepayments		**420**	(213)
Trade and other payables		**(31)**	(51)
Deferred share issue expenses		**–**	797
Amount due from associated company		**–**	(225)
Work in progress		**–**	57
Cash used in operations		**(1,454)**	(1,993)
Interest received		**10**	36
Income tax paid		**–**	(56)
Net cash used in operating activities		**(1,444)**	(2,013)
Cash flows from investing activities			
Additions to property, plant and equipment	11	**(4)**	(67)
Investment in associated company		**–**	(89)
Net cash outflow arising from the acquisition of subsidiaries	26	**(4,408)**	–
Acquisition related costs	26	**(131)**	–
Net cash outflow from discontinued operations	9	**(468)**	–
Net cash used in investing activities		**(5,011)**	(156)
Cash flows from financing activities			
Interest paid		**–**	(2)
Proceeds from issuance of ordinary shares	23	**3,601**	–
Proceeds from bonds converted		**–**	1,000
ELN conversion share cost		**–**	(100)
Repayment of finance lease liabilities		**–**	(13)
Net cash provided by financing activities		**3,601**	885
Net decrease in cash and cash equivalents		**(2,854)**	(1,284)
Cash and cash equivalents at beginning of financial year		**3,622**	4,906
Cash and cash equivalents at end of financial year	19	**768**	3,622

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Pine Capital Group Limited (formerly known as 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 8 Robinson Road, #13-00 ASO Building, Singapore 048544. The current principal place of business of the Company is 16 Collyer Quay, #29-01 Income @ Raffles, Singapore 049318.

On 29 December 2017, the Company changed its name from OLS Enterprise Ltd. to Pine Capital Group Limited.

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 2017

On 1 April 2017, 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.

FRS 7 Statement of cash flows

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

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 corporations 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.

(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 identifiable net 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 for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

2.2 Group accounting (Cont'd)

(a) Subsidiary Corporations (Cont'd)

(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.

2.3 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 and have been rounded to the nearest thousand ("$'000").

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

2.3 Currency translation (Cont'd)

(c) Translation of Group entities' financial statements

The results and balance sheet 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.

2.4 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 directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

2.4 Property, plant and equipment

(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 recognised 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 gains - net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.5 Intangible asset

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

2.8 Financial assets

(a) Classification

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.

(i) 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 16) and "Cash and cash equivalents" (Note 19) on the balance sheet.

(ii) Available-for-sale asset

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the reporting date.

(b) Recognition and derecognition

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.

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.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

2.8 Financial assets (Cont'd)

(e) Impairment

The Group assess at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

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 amount 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.

(ii) Available-for-sale asset

In addition to the objective evidence of impairment described in Note 2.8(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit and loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

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 for liabilities and charges

(a) General

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

(b) Asset dismantlement, removal or restoration

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2.13 Trade and other payables

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

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

2.15 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.

(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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 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

Service fees are revenues from administrative services rendered in the subscriptions of notes issued pursuant to subscription agreements.

Management fee are recognised as revenues over the period for which the services are provided.

Performance fees are recognised when the right to receive payment is established.

(b) Interest income

Interest income is recognised using the effective interest method.

2.18 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

2.18 Income taxes (Cont'd)

(a) Current income tax (Cont'd)

(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.

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.

2.19 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 25, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.20 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.

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 Fair value of unlisted available-for-sale financial assets

The unlisted available-for-sale financial assets of the Group comprise equity securities that are not traded in an active market. The fair value of the unlisted available-for-sale financial assets is determined by management using valuation techniques in accordance with Note 2.8. In determining these fair values, the management evaluates and assesses amongst other factors, such as industry and sector outlook, other market comparable and other prevailing market factors and conditions whether there are significant adverse changes in the business environment where the investee operates, probability of insolvency or significant difficulties of the investee.

If the fair value had been 5% higher/lower from the management estimates, the fair value gain would have been higher/lower by $114,000 (2016: $Nil) for the financial year ended 31 March 2018.

The carrying amount of available-for-sale financial assets at the reporting date is disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Going concern

The Group is in net current liabilities position of $2,137,000 (2017: net current asset: $3,091,000) as at 31 March 2018 and the Group incurred a total comprehensive loss of $1,130,000 (2017: $2,421,000) and net cash used in operating activities of $1,444,000 (2017: $2,013,000) for the financial year then ended.

These conditions indicate the existence of events or conditions that may cast significant doubt about the Group's and the Company's ability to continue as going concerns. Nevertheless, the Directors prepared the financial statements based on the going concern assumption, and had undertaken the following measure to continue funding the operations:

(i) Raised $1,640,000 from the Rights and Warrants Issue, which was completed on 7 May 2018.

(ii) On 12 June 2018, the Company had signed a Supplemental Agreement with the Vendor of BSDCN to defer unconditionally, part of the payment amounting to $1,000,000 due on 21 September 2018 to 21 September 2019.

Should the going concern assumption on which the financial statements are prepared be inappropriate, adjustments will have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may need to reclassify non-current assets and non-current liabilities to current assets and current liabilities respectively. No such adjustments have been reflected in these financial statements.

4. REVENUE

	Group	
	2018	2017
	$'000	$'000
Continuing operations		
Service fees	**810**	–
Management fees	**72**	–
Performance fees	**11**	–
	893	–

5. OTHER GAINS - NET

	Group	
	2018	2017
	$'000	$'000
Continuing operations		
Foreign exchange gain/(loss) - net	**13**	(1)
Interest income – short term bank deposits	**10**	36
Refund of goods and services tax	**–**	61
Others	**46**	61
	69	157

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

6. LOSS BEFORE TAX

Loss before taxation has been arrived after charging:

	Group	
	2018	2017
	$'000	$'000
Continuing operations		
Depreciation of property, plant and equipment (Note 11)	**30**	–
Rental expense on operating lease	**270**	64
Audit fees paid to auditor of the Company for:	**60**	60
Employee compensation (Note 7)	**964**	548
Directors' fees	**125**	118
Professionals and consultants	**513**	1,756

7. EMPLOYEE COMPENSATION

	Group	
	2018	2017
	$'000	$'000
Continuing operations		
Directors' remuneration other than fee:		
- Wages and salaries	**470**	455
- Employer's contribution to defined contribution plans including Central Provident Fund	**12**	12
	482	467
Other than directors:		
Wages and salaries	**427**	67
Employer's contribution to defined contribution plans including Central Provident Fund	**55**	13
Other short-term benefits	**–**	1
	482	81
	964	548

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

8. INCOME TAX

	Group	
	2018	2017
	$'000	$'000
Current income tax – continuing operations	**–**	–

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

	Group	
	2018	2017
	$'000	$'000
Loss before tax from continuing operations	**(1,664)**	(2,899)
Tax calculated at tax rate of 17% (2017: 17%)	**(283)**	(493)
Effect of:		
- Deferred tax asset not recognised	**62**	127
- Expenses not deductible for tax purposes	**221**	366
Tax charge	**–**	–

Subject to agreement with the tax authorities, the Group has unutilised tax losses amounting to $852,000 and $490,000 respectively at the balance sheet date which can be carried forward for offsetting against future taxable income subject to compliance with the provisions of the Income Tax Act of Singapore and meeting certain statutory requirements in Singapore.

9. DISCONTINUED OPERATIONS

In December 2017, the Group disposed its 100% interest in Ellebeau Group Pte Ltd., an investment holding corporation with 51% interest in Mojo Films Sdn Bhd and 28% interest in Mojo Films Co Ltd which are both involved in video production and filming services. The Group has derecognised the assets and liabilities of the disposal groups and recognised a loss of $44,000 for the financial year ended 31 March 2018.

The results of the discontinued operation are as follows:

	2018	2017
	$'000	$'000
Revenue	**1,437**	3,597
Expenses	**(1,766)**	(3,087)
(Loss)/profit before tax from discontinued operations	**(329)**	510
Income tax	**(18)**	(44)
(Loss)/profit after tax from discontinued operations	**(347)**	466
Pre-tax loss recognised on the re-measurement of disposal group to fair value less cost to sell	**(44)**	–
(Loss)/profit for the year from discontinued operations	**(391)**	466

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

9. DISCONTINUED OPERATIONS (CONT'D)

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

	Group	
	2018	2017
	$'000	$'000
Operating activities	**270**	149
Investing activities	**(49)**	(136)
Financing activities	**–**	(14)
Net cash inflow/(outflow)	**221**	(1)

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

	Group
	2018
	$'000
Property, plant and equipment (Note 11)	**139**
Investment in an associated company	**92**
Trade and other receivables	**1,209**
Cash and bank balance	**556**
Total assets	**1,996**
Trade and other payables	**1,828**
Finance lease liabilites	**32**
Total liabilities	**1,860**
Net assets derecognised	**136**
Non-controlling interests	**(69)**
Net assets disposed of	**67**

The aggregate cash outflows arising from the disposal of the discontinued operations were:

	Group
	2018
	$'000
Net assets disposed of (as above)	**67**
- Reclassification of currency translation reserve	**65**
	132
Loss on disposal	**(44)**
Cash proceed from disposal	**88**
Less: Cash and cash equivalents in subsidiary disposed of	**(556)**
Net cash outflow on disposal of discontinued operations	**(468)**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

10. LOSS 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	
	2018	2017
Weighted average number of ordinary shares for the purpose of basic/diluted loss per share ('000)	**3,215,999**	2,195,067

For the financial year ended 31 March 2018, the dilutive potential shares from warrants were not included in the calculation of loss per share because they are anti-dilutive.

(a) Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2018	2017
Loss attributable to equity holders of the Company ($'000)	**(1,760)**	(2,476)
Less:		
(Loss)/profit for the year from discontinued operations	**(244)**	423
Loss for the purposes of basic loss per shares from continuing operations	**(1,516)**	(2,899)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	**3,215,999**	2,195,067
Basic and diluted loss per share (cents)		
- Continuing operations	**(0.047)**	(0.132)
- Discontinued operations	**(0.008)**	0.019

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

11. PROPERTY, PLANT AND EQUIPMENT

	Computers $'000	Leasehold improvement $'000	Motor vehicle $'000	Furniture and equipment $'000	Total $'000
Group					
2018					
Cost					
Beginning of financial year	16	53	66	85	220
Acquisition of subsidiary corporation (Note 26)	10	95	–	15	120
Additions	5	2	2	13	22
- Continuing operation	3	1	–	–	4
- Discontinued operation	2	1	2	13	18
Disposal (Note 9)	(18)	(54)	(68)	(98)	(238)
End of financial year	13	96	–	15	124
Accumulated depreciation					
Beginning of financial year	6	19	22	38	85
Depreciation charge	5	29	5	5	44
- Continuing operation (Note 6)	3	23	–	4	30
- Discontinued operation	2	6	5	1	14
Disposals (Note 9)	(8)	(25)	(27)	(39)	(99)
End of financial year	3	23	–	4	30
Net carrying amount					
End of financial year	10	73	–	11	94

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Computers	Leasehold improvement	Motor vehicle	Furniture and equipment	Total
	$'000	$'000	$'000	$'000	$'000
2017					
Cost					
Beginning of financial year	13	75	68	47	203
Additions	5	20	–	42	67
Currency translation	(2)	(42)	(2)	(4)	(50)
End of financial year	16	53	66	85	220
Accumulated depreciation					
Beginning of financial year	5	15	15	44	79
Depreciation charge	3	10	7	18	38
Currency translation	(2)	(6)	–*	(24)	(32)
End of financial year	6	19	22	38	85
Net carrying amount					
End of financial year	10	34	44	47	135

*Less than $1,000

The carrying amounts of motor vehicles under finance leases amounted to $Nil (2017: 38,000) as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

12. INVESTMENT IN ASSOCIATED COMPANY

	Group	
	2018	2017
	$'000	$'000
Unquoted equity investments, at cost		
Beginning of financial year	**89**	89
Additions	**13**	–
Disposal	**(89)**	–
End of financial year	**13**	89

Details of the associated company are as follows:

Name of associated company	Principal activities	Country of incorporation and place of business	% of ownership interest	
			2018	2017
			%	%
Held by subsidiary corporation				
Mojo Film Co., Ltd.	Production of films, consulting and contracting	Thailand	**–**	28%
Advance Capital Partners Asset Management (HK) Pte Limited	Asset management	Hong Kong	**50%**	–

The associate company is newly incorporated and is currently dormant.

13. INVESTMENT IN SUBSIDIARY CORPORATIONS

	Company	
	2018	2017
	$'000	$'000
Unquoted equity investments, at cost		
Beginning of financial year	**477**	77
Additions	**7,524**	400
Disposal (Note 9)	**(477)**	–
End of financial year	**7,524**	477
Impairment loss		
Beginning of financial year	**(477)**	–
Disposal	**477**	(477)
End of financial year	**–**	(477)
End of financial year	**7,524**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

13. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONT'D)

The Group acquired two subsidiary corporations, Advance Capital Partner Assets Management Private Limited and BSDCN Pte. Ltd. on 7 August 2017 and 21 September 2017 respectively, as disclosed in Note 26.

On November 2017, the Group disposed Ellebeau Group Pte Ltd and its subsidiary corporation, as disclosed in Note 9.

(a) Composition of the Group

The Group has the following subsidiary corporations as at 31 March 2018:

Name	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group	
			2018	2017
			%	%
Held by the Company				
Ellebeau Group Pte. Ltd.[1]	Investment holding	Singapore	**–**	100
Advance Capital Partners Asset Management Private Limited[2, 3, 4]	Fund management activities and corporate finance advisory services	Singapore	**51%**	–
BSDCN Pte. Ltd.[1]	Investment holding	Singapore	**100%**	–
Held by Ellebeau Group Pte. Ltd.				
Mojo Films Sdn Bhd[2]	Production of films, consulting and contracting	Malaysia	**–**	51

1 Audited by Nexia TS Public Accounting Corporation, Singapore.

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

3 Audited by PricewaterhouseCooper LLP for statutory audit purpose.

4 In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirm they are satisfied that the appointment of different auditor for its subsidiaries and significant associated companies would not compromise the standard and effectiveness of the audit of the Company.

(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/(loss) allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period	
		2018	2017	**2018**	2017	**2018**	2017
				$'000	$'000	**$'000**	$'000
Mojo Films Sdn Bhd	Malaysia	**–**	49%	**–**	43	**–**	215
Advance Capital Partners Asset Management Private Limited	Singapore	**49%**	–	**(148)**	–	**(138)**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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 2018 and 2017.

Summarised balance sheet

	Advance Capital Partners Asset Management Private Limited As at 31 March 2018 $'000	Mojo Films Sdn Bhd As at 31 March 2017 $'000
Current		
Assets	**428**	1,680
Liabilities	**(181)**	(1,494)
Net current assets	**247**	186
Non-current		
Assets	**107**	297
Liabilities	**(71)**	(43)
Net non-current assets	**36**	254
Net assets	**283**	440

Summarised statement of comprehensive income

	Advance Capital Partners Asset Management Private Limited from the date of acquisition to financial year ended 31 March 2018 $'000	Mojo Films Sdn Bhd for the financial year ended 31 March 2017 $'000
Revenue	**893**	3,597
Operating expenses	**(1,195)**	(3,465)
(Loss)/Profit before income tax	**(302)**	132
Income tax expense	**–**	(43)
(Loss)/Profit after tax	**(302)**	89
Other comprehensive income	**–**	3
Total comprehensive (loss)/income	**(302)**	92

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

13. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONT'D)

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

Summarised cash flows

	Advance Capital Partners Asset Management Private Limtied	Mojo Films Sdn Bhd
	As at 31 March 2018	As at 31 March 2017
	$'000	$'000
Operating cash (outflows)/inflows	**(130)**	149
Investing cash outflows	**(138)**	(136)
Financing cash inflows/(outflows	**610**	(14)
Total cash inflows/(outflows)	**342**	(1)

14. GOODWILL

	Group	
	2018	2017
	$'000	$'000
Cost		
Beginning of financial year	**–**	–
Acquisition of subsidiaries (Note 26)	**5,791**	–
End of financial year	**5,791**	–

<u>Goodwill arising from the acquisitions</u>

Goodwill arising from the ACPAM and BSDCN acquired on 7 August 2017 and 21 September 2017 respectively are provisionally determined as the Group is still in the midst of assessing the fair value of all identified assets acquired and liabilities assumed. The PPA exercise is expected to be finalised within 12 months from date of acquisition.

15. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2018	2017
	$'000	$'000
Unquoted equity investment, at cost	**1,389**	–
Fair value gain	**898**	–
Unquoted equity investment, at fair value	**2,287**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Trade receivables				
- non-related parties	**–**	806	**–**	–
Deposits	**94**	6	**18**	–
GST receivable	**2**	–	**–**	–
Other receivables				
- non-related parties	**–**	136	**–**	2
Total trade and other receivables	**96**	948	**18**	2

17. 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.

18. AMOUNT DUE FROM ASSOCIATED COMPANY/SUBSIDIARY CORPORATION

Amount due from associated company and subsidiary corporations are interest free, unsecured and are repayable on demand.

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following amounts:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Bank balances	**768**	1,594	**426**	1,280
Cash on hand	**–**	21	**–**	–
Short-term bank deposits	**–**	2,007	**–**	2,007
	768	3,622	**426**	3,287

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Trade payables				
- non related parties	**–**	434	**–**	–
Other payables				
- non related parties	**2,569**	361	**2,524**	166
Amount due to directors	**–**	125	**–**	–
Accrued expenses	**328**	781	**302**	340
Deposits	**110**	–	**–**	–
Advances received from customers	**–**	476	**–**	–
	3,007	2,177	**2,826**	506

Other payables as at 31 March 2018 mainly relate to outstanding balances on the acquisition of BSDCN Pte. Ltd. (Note 26)

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	
	2018	2017
	$'000	$'000
Minimum lease payments due		
- Not later than one year	**–**	13
- Between one and five years	**–**	29
	–	42
Less : Future finance charges	**–**	(4)
Present value of finance lease liabilities	**–**	38

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

21. FINANCE LEASE LIABILITIES (CONT'D)

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

	Group	
	2018	2017
	$'000	$'000
Not later than one year	**–**	11
Between one and five years	**–**	27
Total	**–**	38

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. PROVISION FOR REINSTATEMENT COSTS

	Group	
	2018	2017
	$'000	$'000
Beginning of financial year	**–**	–
Addition	**71**	–
End of financial year	**71**	–

The provision relates to the Group's obligation to reinstate leased premises to its original condition upon termination of the lease and is based on the management's estimate in similar situations. The Group expects to incur the liability upon the termination of the lease.

23. SHARE CAPITAL

	2018		2017	
	No. of shares	**Amount**	No. of shares	Amount
	'000	**$'000**	'000	$'000
Group and Company				
Beginning of financial year	**2,458,344**	**16,426**	1,966,677	14,476
Conversion of Convertible Bonds[(1)]	**–**	**–**	491,667	2,050
Exercise of warrants[(2)]	**120**	**1**	–	–
Issuance of ordinary shares[(3)]	**1,212,121**	**3,600**	–	–
Conversion bonds cost	**–**	**–**	–	(100)
End of financial year	**3,670,585**	**20,027**	2,458,344	16,426

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

23. SHARE CAPITAL (CONT'D)

(1) Conversion of Convertible Bonds

The ELN Subscriber has subscribed for additional $1,000,000 Convertible Bonds during the financial year ended 31 March 2017. The ELN Subscriber has, in accordance with the conditions, fully converted its $1,000,000 Convertible Bonds issued in financial year ended 31 March 2017 and $1,050,000 Convertible Bonds issued in financial year ended 31 March 2016 and 31 March 2015 (totaling $2,050,000) into 491,666,666 new ordinary shares of the Company.

(2) Exercise of warrants

In August 2017, a total of 119,425 warrants have been exercised to purchase ordinary shares of the Company at an exercise price of S$0.009 per share with an aggregate amount of S$1,074.83. The unexercised 821,527,639 warrants have expired on 25 August 2017.

(3) Issuance of ordinary shares

On 12 September 2017, the Company has issued 1,212,121,211 ordinary shares at the issue price of S$0.00297 per share for an aggregate subscription amount of S$3,600,000.

24. COMMITMENTS

Operating lease commitments – where the Group is a lessee

As at the balance sheet dates, 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	
	2018	2017
	$'000	$'000
Non-cancellable amounts payable:		
- Not later than one year	**87**	79
- Later than one year but not later than five years	**102**	34
- Later than five years	**189**	–
	378	113

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.

25. SEGMENT INFORMATION

For management purposes, the Group is organised into following reportable operating segments as follows:

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

(ii) The financial services segment relates to fund management activities and corporate finance advisory services.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

25. SEGMENT INFORMATION (CONT'D)

The film production segment was discontinued during the year. Prior to deconsolidation of Ellebeau Group Pte. Ltd. and its subsidiary corporation, the Group has only one reportable operating segment. Accordingly, there are no operating segments that have been aggregated to form the above reportable operating segment for financial year ended 31 March 2017 and 2018.

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 may be measured differently from operating profit or loss in the consolidated financial statements.

Geographical information

As the business of the Group is engaged entirely in Singapore for the financial year ended 31 March 2018, no reporting by geographical location of operation is required.

The non-current assets of the Group comprise $Nil (2017: $224,000) from Malaysia and $8,185,000 from Singapore (2017: $Nil).

26. BUSINESS COMBINATION

(a) Acquisition of subsidiary corporations

On 7 August 2017, the Company had acquired 51% of share capital of Advance Capital Partners Asset Management Private Limited with an investment cost of S$1,500,000.

The Company also completed the acquisition of the entire equity share of BSDCN Pte. Ltd. on 21 September 2017 with an investment cost of $6,024,000.

The acquisition is expected to provide the Group with an increase share of the fund management market. The Group also expects to reduce costs through economies of scale.

Details of the consideration paid, the asset acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follow:

(i) Purchase consideration

	Advance Capital Partners Asset Management Private Limited $'000	BSDCN Pte. Ltd. $'000	Total $'000
Cash paid	1,500	3,500	5,000
Other payable (Note 20)	–	2,524	2,524
Total consideration transferred	1,500	6,024	7,524

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

26. BUSINESS COMBINATION (CONT'D)

(a) Acquisition of subsidiaries (Cont'd)

(ii) Identifiable assets acquired and liabilities assumed at acquisition date

	Advance Capital Partners Asset Management Private Limited $'000	BSDCN Pte. Ltd. $'000	Total $'000
Property, plant and equipment (Note 11)	120	–	120
Investment in associated company	13	–	13
Available-for-sale investments	–	1,439	1,439
Other receivables	92	–	92
Cash and cash equivalents	592	–	592
Other payables	(161)	(4)	(165)
Provision for reinstatement cost	(71)	–	(71)
Net identifiable assets	585	1,435	2,020
Non-controlling interest	(287)	–	(287)
Add: Goodwill (Note 14)	1,202	4,589	5,791
Total consideration transferred	1,500	6,024	7,524

(iii) Effect on cash flow of the Group

	Advance Capital Partners Asset Management Private Limited $'000	BSDCN Pte. Ltd. $'000	Total $'000
Cash paid (per (i) above)	1,500	3,500	5,000
Less: Cash and cash equivalents in subsidiaries acquired	(592)	–	(592)
Net cash outflow on acquisition	908	3,500	4,408

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

26. BUSINESS COMBINATION (CONT'D)

(b) Acquisition-related costs

ACPAM

Acquisition-related costs of $49,000 were expensed in the consolidated statement of comprehensive income and in investing cash flows in the consolidated statement of cash flows.

BSDCN

Acquisition-related costs of $82,000 were expensed in the consolidated statement of comprehensive income and in investing cash flows in the consolidated statement of cash flows.

(c) Goodwill

ACPAM

Goodwill arising from the business of ACPAM which was acquired on 7 August 2017 in Singapore are provisionally determined as the Group is still in the midst of assessing the fair value of identifiable net assets acquired and is expected to be finalised within 12 months from date of acquisition.

BSDCN

Goodwill arising from the business of BSDCN which was acquired on 21 September 2017 in Singapore are provisionally determined as the Group is still in the midst of assessing the fair value of all identifiable net assets acquired, and this is expected to be finalised within 12 months from date of acquisition.

(d) Revenue and profit contribution

ACPAM

The acquired business contributed revenue of $893,000 and net loss of $302,000 to the Group for the financial period from 7 August 2017 to 31 March 2018.

Had ACPAM been consolidated from 1 April 2017, consolidated revenue and consolidated losses for the financial year ended 31 March 2018 would have been $1,217,000 and $213,000 respectively.

BSDCN

The acquired business contributed other comprehensive income amounting to $898,000 and incurred a net loss of $1,071 to the Group for the financial period from 21 September 2017 to 31 March 2018.

Had BSDCN been consolidated from 1 April 2017, there will be no significant impact to the consolidated revenue and consolidated profit for the financial year ended 31 March 2018.

The Group is finalising its PPA exercises of the acquisitions to determine the fair value of all identifiable assets acquired and liabilities assumed.

Should the outcome of the PPA exercises and the provisional amounts, resulted to a significant difference, retrospective adjustments will be made to reflect the new information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

26. BUSINESS COMBINATION (CONT'D)

(e) Non-controlling interests

ACPAM

The Group recognised the non-controlling interest at the proportionate share of the acquiree's identifiable net liabilities of $287,000.

27. FINANCIAL RISK MANAGEMENT

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.

The Group's has transactions primarily in SGD, hence, its foreign exchange risk exposure is mainly from US dollar ("USD") denominated available-for-sale financial asset from BSDCN Pte. Ltd. amounting to $2,287,000.

If the USD change against the SGD by 6%, with all other variables including tax rate being held constant, the impact on the net financial liabilities/assets position will be as follow:

	Increase/(decrease) 2018 $'000
Group	
USD against SGD	
- Strengthened	114
- Weakened	(114)

(ii) Price risk

The Group is not exposed to equity price risk as it does not hold equity securities traded in an active market.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(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 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.

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

(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 bank deposits as disclosed in Note 19.

Management monitors rolling forecasts of the Group's and Company's liquidity reserve and cash and cash equivalents (Note 19) 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, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(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 finance lease liabilities and trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Net debts/(assets)	**2,239**	(1,407)	**2,400**	(2,781)
Total equity	**5,977**	3,288	**5,147**	2,821
Total capital	**8,216**	1,881	**7,547**	40
Gearing ratio	**27%**	NM	**32%**	NM

NM: Not meaningful

The Group and the Company are not subject to externally imposed capital requirements for the financial years ended 31 March 2018 and 2017.

(e) Fair value measurement

The following table presents asset and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurement (Cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2018				
Financial asset				
Available-for-sale financial assets	–	–	2,287	2,287

There were no transfers between Level 1, 2 and 3 of fair value measurement hierarchy during the financial year ended 31 March 2018.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the reporting date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. These investments are classified as Level 2 and comprise debt investments and derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The carrying amount less impairment allowance of trade and other receivables and trade and other payables are assumed to approximate their fair values.

(f) Financial instrument by category

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

	Group		Company	
	2018 **$'000**	2017 $'000	**2018** **$'000**	2017 $'000
Loans and receivables	**864**	4,570	**449**	3,292
Financial liabilities at amortised cost	**3,007**	1,739	**2,826**	506

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statement, the following transactions took place between the Group and related parties at term agreed between the parties:

(a) *Sales and purchase of goods and services*

No transaction took place between the Company and related parties during the financial years ended 31 March 2018 and 2017.

29. EVENT OCCURING AFTER BALANCE SHEET DATE

On 7 May 2018, Pine Capital Group Limited has issued 787,210,747 right shares at an issue price of $0.0025 per share with an aggregated amount of $1,968,000. Net proceed from right shares issued was $1,640,000.

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

<u>Effective for annual periods beginning on or after 1 January 2019</u>

- FRS 116 Leases

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  Some of the commitments of the Group may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group is required to adopt a new accounting framework from 1 April 2018 (Note 30). The new accounting framework has similar requirements of FRS 116. The Group has yet to determine to what extent the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

- Amendments to FRS 109: Prepayment Features with Negative Compensation

- Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 *Construction contracts*, FRS 18 *Revenue*, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  The Group is required to adopt a new accounting framework from 1 April 2018 (Note 31). The new accounting framework has similar requirements of FRS 115 and the impact of adopting the equivalent FRS 115 is disclosed in Note 31 to the financial statements.

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

  The Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

  FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018) (Cont'd)

  There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 *Revenue from contracts with customers*, lease receivables, loan commitments and certain financial guarantee contracts.

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group is required to adopt a new accounting framework from 1 Apirl 2018 (Note 31). The new accounting framework has similar requirements of FRS 109 and the management does not expect significant adjustments to the Group's financial statements.

<u>Effective date: to be determined*</u>

- 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 Singapore ("**ASC**") in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.

The management anticipates that the adoption of the above FRS and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

31. ADOPTION OF SFRS(I)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The new framework is referred to as 'Singapore IFRS-identical Financial Reporting Standards' ("**SFRS(I)**") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 April 2018 and will be issuing its first set of financial information prepared under SFRS(I) for quarter ending 30 September 2018 in 30 November 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) equivalent of IFRS 1 First-time Adoption of IFRS. The Group will also concurrently apply new major SFRS(I) equivalents of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. The estimated impact arising from the adoption of SFRS(I) on the Group's financial statements are set out as follows:

(a) Application of SFRS(I) equivalent of IFRS 1

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 March 2019), subject to the mandatory exceptions and optional exemptions under IFRS 1. As at the date of this report, the Group does not intend to elect relevant optional exemption.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

31 ADOPTION OF SFRS(I) (CONT'D)

(b) Adoption of SFRS(I) equivalent of IFRS 9

The Group plans to elect to apply the short-term exemption under IFRS 1 to adopt SFRS(I) equivalent of IFRS 9 on 1 April 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 March 2018.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 April 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) equivalent of IFRS 9. Expected significant adjustments to the Group's balance sheet line items as a result of management's assessment are as follows:

- Equity investments reclassified from AFS to FVOCI

  The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale in other comprehensive income.

(ii) Impairment of financial assets

The following financial assets will be subject to the expected credit loss impairment model under SFRS(I) equivalent of IFRS 9:

– trade receivables recognised under SFRS(I) equivalent of IFRS 15; and

(c) Adoption of SFRS(I) equivalent of IFRS 15

In accordance with the requirements of IFRS 1, the Group will adopt the SFRS(I) equivalent of IFRS 15 retrospectively.

(i) Accounting for contracts with multiple performance obligations

The Group has assessed the existing agreements under the requirements of SFRS(I) equivalent of IFRS 15 and concluded the revenue for each agreement was recognised when the Group has satisfied the performance obligation or to be recognised when the performance obligation is satisfied.

Moving forward, the Group will continue to assess the new agreements under the requirements of SFRS(I) equivalent of IFRS 15. The assessment will conclude the number of performance obligations to be satisfied at different timings. This will result in a different timings of revenue recognition for each performance obligation under each agreement.

(d) Management does not expect significant adjustments to the Group's balance sheet line items from the application of the expected credit loss impairment model.

32 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Pine Capital Group Limited (formerly known as OLS Enterprise Ltd). on 6 July 2018.

ANALYSIS OF SHAREHOLDINGS

As at 29 June 2018

ISSUED AND FULLY PAID-UP CAPITAL	:	S$21,995,114
NO. OF SHARES ISSUED	:	4,457,794,948
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE
NO. OF TREASURY SHARES	:	NIL
NO. OF SUBSIDIARY HOLDINGS (1)	:	NIL
PERCENTAGE OF TREASURY SHARES AND SUBSIDIARY HOLDINGS (2)	:	NIL

Notes:

(1) "Subsidiary Holdings" means any Issued Shares of the Company held by its subsidiaries (as referred to in the Companies Act, Chapter 50 of Singapore ("**Companies Act**")).

(2) Percentage calculated against the total number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings).

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1,730	25.34	52,742	0.00
100 - 1,000	1,546	22.64	818,845	0.02
1,001 - 10,000	1,653	24.21	6,703,075	0.15
10,001 - 1,000,000	1,657	24.27	266,173,623	5.97
1,000,001 & above	242	3.54	4,184,046,663	93.86
TOTAL	6,828	100.00	4,457,794,948	100.00

TOP TWENTY SHAREHOLDERS

	NO. OF SHARES	%
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,162,563,929	26.08
LIN KOK PENG (LIN GUOPING)	505,050,505	11.33
CITIBANK NOMINEES SINGAPORE PTE LTD	341,228,244	7.65
RAFFLES NOMINEES (PTE) LTD	254,345,707	5.71
LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	220,045,000	4.94
DBS NOMINEES PTE LTD	104,394,856	2.34
ONG KHENG CHYE	99,601,977	2.23
LIM TIONG KHENG STEVEN	73,953,295	1.66
TEO YEN KOON	67,340,067	1.51
MORGAN LEWIS STAMFORD LLC	67,071,000	1.50
OCBC SECURITIES PRIVATE LTD	51,227,307	1.15
TAN SZE SENG	46,715,666	1.05
TAY WEE KWANG	40,753,717	0.91
SAI YEE @ SIA SAY YEE	40,000,000	0.90
NG CHENG HUAT	38,987,851	0.87
TEO YONG PING (ZHANG RONGBIN)	38,529,900	0.86
KULKARNI SACHIN SHRIKANT	31,765,614	0.71
TAN YOO HENG	25,438,847	0.57
KOH KIM LENG COLIN	23,295,000	0.52
WU MARCO OR WOO BEE KIM	22,406,930	0.50
TOTAL	3,254,715,412	72.99

ANALYSIS OF SHAREHOLDINGS

As at 29 June 2018

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 29 June 2018)

		Direct Interest		Deemed Interest	
No	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1	Advance Opportunities Fund (“**AOF**”) (Note 1)	291,949,376	6.55		
2	Pine Partners Pte Ltd (“**Pine Partners**”) (Note 2)	888,686,105	19.94		
3	Lin Kok Peng	505,050,505	11.33		
4	Sun Wei Yeh (Note 3)			888,686,105	19.94
5	Tan Choon Wee (Note 4)			291,949,376	6.55

Notes:

1 The 291,949,376 shares are registered and held through CGS-CIMB Securities (Singapore) Pte Ltd.

2 The 888,686,105 shares are registered and held through CGS-CIMB Securities (Singapore) Pte Ltd and Citibank Nominees Singapore Pte Ltd.

3 Sun Wei Yeh is deemed interested in the Shares held by Pine Partners by virtue of Section 7 of the Companies Act.

4 Tan Choon Wee is deemed interested im the Shares held by AOF by virtue of Section 7 of the Companies Act.

SHARE HELD BY PUBLIC

Based on the information provided to the Company as at 29 June 2018, approximately 62.18% of the issued shares of the Company was held in hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”). Accordingly, Rule 723 of the Catalist Rules has been complied with.

ANALYSIS OF WARRANTHOLDINGS

As at 29 June 2018

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	17	6.03	435	0.00
100 - 1,000	35	12.41	17,240	0.00
1,001 - 10,000	84	29.79	392,001	0.16
10,001 - 1,000,000	131	46.45	18,225,518	7.24
1,000,001 & above	15	5.32	233,272,206	92.60
TOTAL	282	100.00	251,907,400	100.00

TOP TWENTY WARRANTHOLDERS

	NO. OF WARRANTS	%
LEE THIAM SENG	84,880,800	33.70
LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	76,800,000	30.49
TEO YONG PING (ZHANG RONGBIN)	19,200,000	7.62
RAFFLES NOMINEES (PTE) LTD	14,814,314	5.88
LIM TIONG KHENG STEVEN	9,600,000	3.81
TAN SZE SENG	7,487,000	2.97
ONG KHENG CHYE	6,374,400	2.53
EIO HOCK CHUAR	2,862,160	1.14
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,585,513	1.03
CHUA AIK SOONG	1,913,000	0.76
OCBC SECURITIES PRIVATE LTD	1,782,400	0.71
WU MARCO OR WOO BEE KIM	1,434,043	0.57
ONG SOO YONG	1,280,000	0.51
UOB KAY HIAN PTE LTD	1,132,176	0.45
PUAY MENG HO	1,126,400	0.45
LEE JIAN YUAN (LI JIANYUAN)	936,000	0.37
LIN YANTING	832,000	0.33
PHILLIP SECURITIES PTE LTD	826,952	0.33
TAN SWEE HONG	800,000	0.32
DBS NOMINEES PTE LTD	668,030	0.27
TOTAL	237,335,188	94.24

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Pine Capital Group Limited (the "**Company**") will be held at 55 Market Street, #03-01, Singapore 048941, on 27 July 2018 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 2018 and the Directors' Statement together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$225,495 for the financial year ending 31 March 2019, payable quarterly in arrears (FY2018:S$125,000). **(Resolution 2)**
[See Explanatory Note (i)]

3. To re-elect Mr Chong Chee Hoong, a Director who is retiring pursuant to Article 92 of the Company's Constitution. **(Resolution 3)**
[See Explanatory Note (ii)]

4. To re-elect Mr Tan Choon Wee, a Director who is retiring pursuant to Article 98 of the Company's Constitution. **(Resolution 4)**
[See Explanatory Note (iii)]

5. To re-elect Prof. Ling Chung Yee, Roy, a Director who is retiring pursuant to Article 98 of the Company's Constitution. **(Resolution 5)**
[See Explanatory Note (iv)]

6. To re-elect Mr Pan Ki Ro, a Director who is retiring pursuant to Article 98 of the Company's Constitution. **(Resolution 6)**
[See Explanatory Note (v)]

7. To re-appoint Messrs Nexia TS Public Accounting Corporation as auditors of the Company for the financial year ending 31 March 2019 and to authorise the Directors to fix their remuneration. **(Resolution 7)**

8. 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:

9. **Authority to Allot and Issue Shares** **(Resolution 8)**

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies 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

NOTICE OF ANNUAL GENERAL MEETING

(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 and subsidiary holdings)(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 existing 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 and subsidiary holdings)(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 and subsidiary holdings) 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

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

NOTICE OF ANNUAL GENERAL MEETING

(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 Companies 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 a general meeting, continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (vi)]

BY ORDER OF THE BOARD

Yap Lian Seng
Company Secretary
Singapore
12 July 2018

Explanatory Notes:

(i) **Resolution 2**

The Directors' fees proposed for the financial year ending 31 March 2019 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 size of the board of directors ("**Board**")), approval will be sought at the next annual general meeting for additional fees to meet the shortfall.

(ii) **Resolution 3**

Mr Chong Chee Hoong ("**Mr Chong**") will, upon re-election as a Director of the Company, remain as an Independent Director, chairman of the Audit Committee and a member of the Nominating and Remuneration Committees respectively of the Company. The Board considers Mr Chong to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(iii) **Resolution 4**

Mr Tan Choon Wee will, upon re-election as a Director of the Company, remain as Interim Chief Executive Officer and Executive Chairman, chairman of the Nominating Committee and a member of the Remuneration Committee of the Company.

(iv) **Resolution 5**

Prof. Ling Chung Yee, Roy ("**Prof. Ling**") will, upon re-election as a Director of the Company, remain as Lead Independent Director, chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee respectively of the Company. The Board considers Prof. Ling to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(v) **Resolution 6**

Mr Pan Ki Ro will, upon re-election as a Director of the Company, remain as a Non-Executive Non-Independent Director and a member of the Audit Committee of the Company.

NOTICE OF ANNUAL GENERAL MEETING

(vi) **Resolution 8**

This is to empower the Directors of the Company, effective until conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held 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. (i) 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 appointments shall be invalid unless the proportion of the shareholding concerned to be represented by each proxy is 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.

   (ii) 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 (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**").

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

3. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he deems fit.

4. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.

5. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney.

6. 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. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act.

7. The signature on the instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy 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 appointing a proxy, failing which the instrument may be treated as invalid.

8. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Robinson Road, #13-00 ASO Building, Singapore 048544, at least forty-eight (48) hours before the time appointed for holding of the Annual General Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and 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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*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Sponsor has not independently verified the contents of this notice, including the correctness of any of the figures used, statements or opinions made.*

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

The contact person for the Sponsor is Mr Liau H.K.
Telephone number: 6221 0271

PINE CAPITAL GROUP LIMITED

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

Important :
1. A relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) 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 Pine Capital Group Limited 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.

PROXY FORM
Annual General Meeting

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

of ____ (address)

being a member/members of Pine Capital Group Limited (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 55 Market Street, #03-01, Singapore 048941, on 27 July 2018 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	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 2018 and the Directors' Statement together with the Auditors' Report thereon.		
Resolution 2	To approve the Directors' fees of S$225,495 for the financial year ending 31 March 2019, payable quarterly in arrears.		
Resolution 3	To re-elect Mr Chong Chee Hoong, a Director who retires pursuant to Article 92 of the Constitution of the Company.		
Resolution 4	To re-elect Mr Tan Choon Wee, a Director who retires pursuant to Article 98 of the Constitution of the Company.		
Resolution 5	To re-elect Prof. Ling Chung Yee, Roy, a Director who retires pursuant to Article 98 of the Constitution of the Company.		
Resolution 6	To re-elect Mr Pan Ki Ro, a Director who retires pursuant to Article 98 of the Constitution of the Company.		
Resolution 7	To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditors of the Company for the financial year ending 31 March 2019 and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
Resolution 8	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 indicate "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 ___________________ 2018

Total Number of Shares held (Note 1)

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

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

NOTES:

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. (i) 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 appointments shall be invalid unless the proportion of the shareholding concerned to be represented by each proxy is 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.

   (ii) 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 (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**").

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

4. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he deems fit.

5. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.

6. An investor who buys 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.

7. 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.

8. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney.

9. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act.

10. The signature on the instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy 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 appointing a proxy, failing which the instrument may be treated as invalid.

11. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Robinson Road, #13-00 ASO Building, Singapore 048544, at least forty-eight (48) hours before the time appointed for holding of the Annual General Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General 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) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and 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.

PINE CAPITAL GROUP

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