WE Holdings Ltd.

Annual Report 2016

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

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

The contact person for the Sponsor is Ms Amanda Chen, Registered Professional, RHT Capital Pte. Ltd.

Address: Six Battery Road #10-01, Singapore 049909 Tel: 6381 6757

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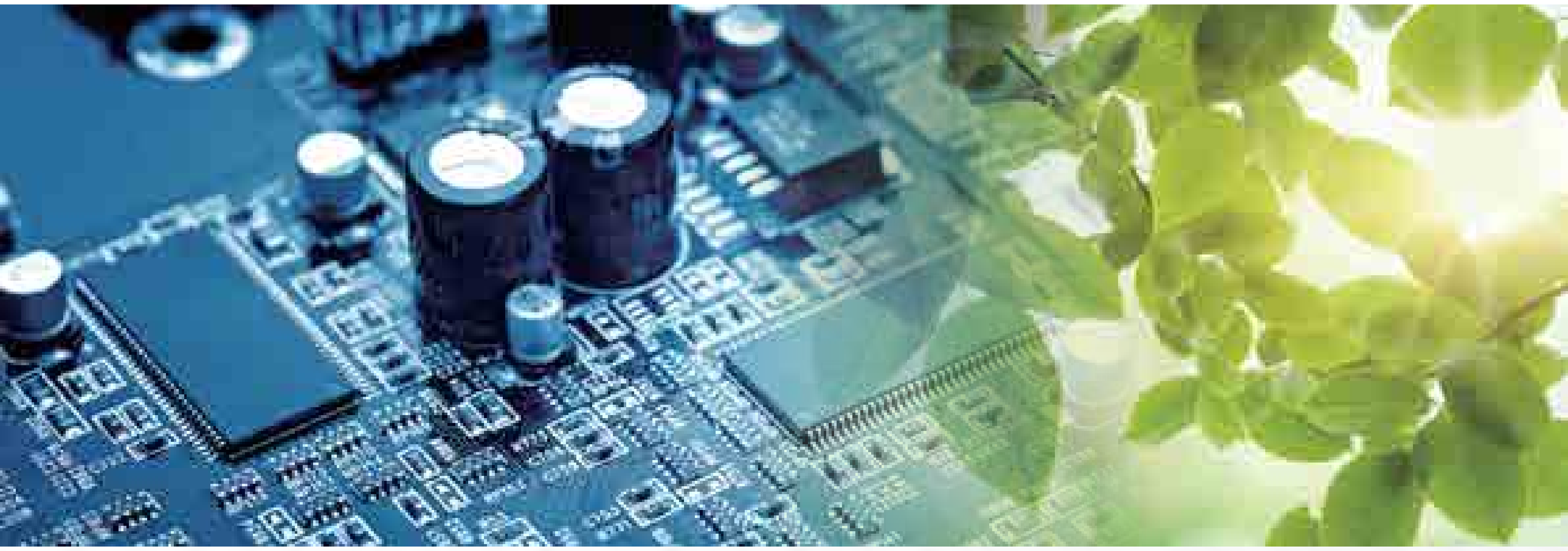


MISSION STATEMENT

We are a dedicated commodities-focused Group with a strong emphasis on long-term sustainability to unlock and maximise shareholders' value.

BUSINESS PHILOSOPHY

People are an integral part of our business and they are at the core of our business philosophy. Led by a strong leadership team and guided by sound business ethics, we aim to deliver value to all our stakeholders.

VISION

Our vision is to deliver long term shareholders' value through:

> Focused management expertise
> Excellent market knowledge
> An entrepreneurial spirit

WE Holdings started out as a distributor and manufacturer's representative for electronics products based in Singapore and covering the Southeast Asian region. In 2014, WE Holdings embarked on a strategic shift to diversify its business into the commodities sector as part of the Group's expansion plan. In line with the Group's overall consolidation and repositioning effort to focus on commodities, WE Holdings successfully disposed its electronics businesses as they were no longer complementary and synergistic to the future direction of the Group.

Looking ahead, the Group remains steadfast in its commitment to delivering long-term shareholder value and will continue to explore new opportunities for synergistic growth within the Asia-Pacific region.

Chairman's Message

Dear Shareholders,

On behalf of WE Holdings Ltd. ("WE Holdings") and together with its subsidiary corporations (the "Group"), I present the Group's Annual Report for the financial year ended 31 March 2016 ("FY2016").

FY2016 was a challenging year for WE Holdings as a commodities-focused group. Copper prices are now at their lowest level in six-and-a-half years. The Group's main customers for the metal are located in China, the world's biggest consumer, which also saw weakened demand for the year.

Notwithstanding the challenging operating environment, the Group has kept its focus on improving its overall financial standing while seeking new opportunities to widen its reach in the commodities space and integrate its businesses to generate greater value chain synergies.

OVERVIEW OF FY2016

In the period under review, commodity prices weakened further as oversupply and weaker emerging market growth prospects weighed on global demand.

Against this backdrop, the Group registered revenue of US$2.7 million for FY2016, representing a decrease of 44% from US$4.8 million recorded in the preceding financial year. The decline was mainly attributable to declining sales in both the Group's Systems and Commodities business segments brought about by weak product and commodity demand. As a result, cost of sales fell 37% to US$2.3 million in FY2016 and gross profit consequently decreased by US$0.7 million to US$0.4 million in FY2016.

To mitigate the tough operating environment, the Group further tightened its cost management measures. Coupled with the disposal of WE Components Pte. Ltd. ("WE Components"), operating expenses more than halved from US$8.4 million in FY2015 to US$3.3 million in FY2016.

As a result, the Group's loss from operating activities before tax narrowed from US$2.8 million in FY2015 to US$1.8 million in FY2016.

After taking into account share of loss of associate of US$ 4.7 million mainly attributed to a one-off loss suffered by Jubilee Industries Holdings Ltd arising from a dilution of investment in its associated company of S$ 13.6 million and goodwill written off at S$ 2.3 million, the Group reported a loss of US$6.5 million in FY2016 compared to a profit of US$ 1.3 million in FY2015.

Chairman's Message

As at 31 March 2016, the Group has registered an 82% increase in its cash and cash equivalents from US$5.5 million in FY2015 to US$9.9 million in FY2016.

CORPORATE DEVELOPMENTS

Within the Systems business segment, the Group saw intensified competition within the industry as well as lower market demand for current models under its distributorships. The Group is currently marketing a new generation of SSID testers, which is under development by its principal.

On a corporate level, the Group acquired the outstanding 50.0% interest in WE Dragon Resources Pte. Ltd. ("WE Dragon") from His Excellency Nay Win Tun, Chairman of the Ruby Dragon Group of Companies in Myanmar on 22 September 2015. WE Dragon was established as a joint venture company to assess petroleum, oil and gas, and related resources business opportunities in Myanmar. Following the acquisition, WE Dragon will be a wholly-owned subsidiary corporation of the Group.

In view of the ongoing softness in the global commodities market in FY2016, the Group continues to exercise a prudent approach for all its strategic initiatives within the sector as the Group remains committed in ensuring the best interests of our shareholders are upheld.

In the period under review, WE Holdings has decided against following through with the proposed acquisition of Hua Kai Engineering Co. Pte. Ltd., which is principally engaged in the trading of sand, dredging and supply of processed sand for land reclamation activities, as the outcome of the due diligence checks failed to meet the stringent selection and assessment process that the Group has in place.

The Group has also agreed to amicably end its proposed joint venture with Dragon Cement Co., Ltd. as both parties have been unable to agree with the terms set out in the due diligence process. The joint venture partner could not accede to the Group's request for a right to conduct a re-valuation of the venture since the last valuation was performed a few years ago. The cessation of the proposed joint venture is not expected to have a material impact on the Group's existing business, operations and financial performance. WE Holdings will continue to explore new growth opportunities within the ASEAN and Asia-Pacific regions that can enable the Group to achieve greater value chain synergies across its existing businesses.

OUTLOOK

A modest price recovery for most commodities is expected in the financial year ahead, according to The World Bank's latest Commodity Markets Outlook report released in April 2016. Nonetheless, the Group expects that the operating environment will remain challenging going forward.

In light of this, the Group will continue to remain vigilant on its cost, credit and cash management and undertake stringent measures to maintain the health of its balance sheet, while it prudently seeks to evolve its business towards a more efficient and integrated model through the pursuit of new, synergistic businesses opportunities.

A NOTE OF APPRECIATION

In closing, I would like to thank all our valued shareholders, business partners and staff who have continued to support us amid these difficult times. WE Holdings will continue to stay focused in uncovering new business opportunities which will be of long-term benefit to the Group and to build a sustainable business that maximises value for its shareholders.

Thank you.

Mr Terence Tea
Executive Chairman and Managing Director
WE Holdings

Financial and Operations Review

For the financial year ended 31 March 2016 ("FY2016"), the Group recorded revenue of US$2.7 million, a decrease of 44% as compared to US$4.8 million for the financial year ended 31 March 2015 ("FY2015"). The Group's total revenue is primarily derived from the Group's Systems and Commodities business segments. The decline was mainly attributable to weak demand in the products and commodities of the Group as compared to 31 March 2015.

Correspondingly, cost of sales fell 37% to US$2.3 million and gross profit dipped 67% from US$1.1 million in FY2015 to US$0.4 million in FY2016.

Other income fell to US$1.1 million in FY2016 from US$4.4 million in the preceding year, as a result of a lower write-back of over provisions and gain from disposal of subsidiary corporation, WE Components offset by an increase in rental income of US$0.4 million.

The Group's operating expenses decreased by more than half from US$8.4 million in FY2015 to US$3.3 million in FY2016. This largely corresponded with a 79% decrease in marketing and distribution expenses from US$1.1 million in FY2015 to US$0.2 million in FY2016, and a 59% decrease in administration expenses from US$5.1 million to US$2.1 million, as a result of tighter cost management and the disposal of WE Components.

As a result, the Group's loss from operating activities before tax narrowed from S$2.8 million in FY2015 to S$1.8 million in FY2016.

Other charges due mainly to exchange losses arising from the weakening of the US dollar at year end decreased from US$2.2 million in FY2015 to US$1.0 million in FY2016.

The Group's finance costs in FY2016 fell to US$0.01 million from US$0.02 million in the preceding year.

After taking into account share of loss of associate of US$ 4.7 million mainly attributed to a one-off loss suffered by Jubilee Industries Holdings Ltd arising from a dilution of investment in its associated company of S$ 13.6 million and goodwill written off at S$ 2.3 million, the Group reported a loss of US$6.5 million in FY2016 compared to a profit of US$ 1.3 million in FY2015.

BALANCE SHEET

The Group's non-current assets decreased to US$12.3 million in FY2016 from US$16.5 million in FY2015, mainly due to investment in associated company, Jubilee for US$11.8 million.
Cash and cash equivalents rose from US$5.5 million in FY2015 to US$9.9 million in FY2016 and other assets decreased from US$0.9 million to US$0.1 million, while trade and other receivables dipped 16% to US$18.9 million. As a result, the Group's total current assets increased marginally from US$28.7 million in FY2015 to US$28.9 million in FY2016.

Total current liabilities decreased from US$9.3 million in FY2015 to US$3.9 million in FY2016 mainly due to a decrease in trade and other payables, while non-current liabilities fell to US$1.6 million from US$1.8 million in the previous financial year, due to a corresponding decline in other financial liabilities.

As at 31 March 2016, the Group has a working capital of US$25.0 million compared to US$19.5 million in the preceding financial year, buoyed by the increase in cash and cash equivalents.

CASH FLOW STATEMENT

Net cash flow used in operating activities for the financial year under review was US$2.2 million, comprising operating loss before working capital charges of US$1.3 million and cash used in operations of US$1.0 million. The working capital outflow was mainly due to an increase of US$3.5million in trade and other receivables and a decrease in trade and other payables of US$5.3 million.

Net cash used in investing activities for FY2016 was US$0.2 million due to the purchase of property, plant and equipment and a disposal subsidiary corporation. Net cash generated from financing activities was US$7.1 million from the conversion of warrants to shares of US$6.9 million offset with repayment of finance liabilities of US$0.2 million, drawdown of cash restricted in use of US$0.4 million and cash restricted in use of US$1.4 million.

The Group recorded a net increase in cash and cash equivalents of US$4.7 million in FY2016, with cash and cash equivalents standing at US$8.5 million as at 31 March 2016.

Board of Directors

MR TERENCE TEA YEOK KIAN, 48

Executive Chairman and Managing Director

Academic and professional qualifications:
Ph.D. in Business Administration (Honorary) from Honolulu University
Diploma in Electronics and Electrical Engineering from Singapore Polytechnic

Date of first appointment as director: 11 March 2013
Date of last re-election as director: 25 July 2013
Length of service: 3 year
(as at 31 March 2016)

Served on the following Board Committee:
- Nominating Committee – Member

Present Directorships in other listed companies
Jubilee Industries Holdings Ltd. (Listed on SGX, Singapore)
EG Industries Berhad (Listed on Bursa Malaysia, Malaysia)

Present Principal Commitments
Executive Chairman and Managing Director – WE Holdings Ltd.

Directorships in other listed companies held over the preceding three years
Nil

Background and experience:
Mr Terence Tea Yeok Kian is responsible for the strategic positioning, business expansion planning and development of the Group. He is responsible for strategizing businesses, building and establishing right platforms on organizational levels for various core businesses and lead corporations to successful acquisitions and reverse acquisitions thus revolving companies to greater heights. Mr. Tea was known for his name when he kicked off with an impact founding a PCB testing company and eventually listed up in the SESDAO board in 2004. He brought the company to a whole new level in a very short period of time where is was soon being uplifted to become one of the main board listing in 2007.

Mr Tea is also an honorary patron of the Singapore Productivity Association and Sembawang Citizen's Consultative Committee, a member of River Valley School Advisory Committee, and Chairman of Eng Yong Tong Tay Si Association. He was awarded the Public Service Medal (PBM) by the President of the Republic of Singapore, as well as the Long Service Award (MOE) by Singapore's Ministry of Education. He is also the TOP Entrepreneur 2015 of the Small Medium Business Association in Singapore.

MR TAN WEE PENG KELVIN, 52

Non-Executive and Lead Independent Director

Academic and professional qualifications:
Attended Programme for Management Development at the Harvard Business School
Master of Business Administration Degree from National University of Singapore
Bachelor of Accountancy (First Class Honours) Degree from National University of Singapore
Member of Institute of Singapore Chartered Accountants
Member of Singapore Institute of Directors

Date of first appointment as director: 16 February 2011
Date of last re-election as director: 29 July 2014
Length of service: 5 years and 1 month
(as at 31 March 2016)

Served on the following Board Committees:
- Audit Committee – Chairman
- Remuneration Committee - Chairman
- Nominating Committee – Member

Present Directorships in other listed companies
Director - Viking Offshore and Marine Ltd
Director – IREIT Global
Director - Transcorp Holdings Ltd

Present Principal Commitments
Nil

Directorships in other listed companies held over the preceding three years
Nil

Background and experience:
Mr Tan Wee Peng Kelvin has more than 25 years of professional experience in the private and public sector. He currently sits on the Board of several private and public listed companies such as IREIT Global, Viking Offshore and Marine Ltd and Transcorp Holdings Ltd. Prior to this, Mr Tan held senior management positions with various companies including AETOS Security Management Pte Ltd, PSA International Ltd, and Temasek Holdings Pte Ltd.

Board of Directors

MR NG LI YONG, 44

Independent Non-Executive Director

Academic and professional qualifications:
Postgraduate Diploma in Singapore Law from National University of Singapore
Bachelor of Law from the University of Kent
Member of Law Society of Singapore
Member of Singapore Academy of Law

Date of first appointment as director: 11 June 2013
Date of last re-election as director: 14 August 2015
Length of service: 2 years and 3 months
(as at 31 March 2016)

Served on the following Board Committees:
- Nominating Committee - Chairman
- Audit Committee – Member
- Remuneration Committee - Member

Present Directorships in other listed companies
Director - C&G Environmental Protection Holdings Limited

Present Principal Commitments
Director - WNLEX LLC

Directorships in other listed companies held over the preceding three years
Nil

Background and experience:
Mr Ng Li Yong is a lawyer with more than 10 years of experience and is currently a Director of WNLEX LLC, a full-service law firm. His area of practice includes corporate, commercial and intellectual property. Mr Ng sits on the board of various private companies and C&G Environmental Protection Holdings Limited, a public listed company in Singapore.

MR WAN TAI FOONG, 47

Independent Non-Executive Director

Academic and professional qualifications:
Bachelor of Commerce from Murdoch University, Western Australia
Member of CPA Australia

Date of first appointment as director: 26 February 2015
Date of last re-election as director: 14 August 2015
Length of service: 1 year and 1 month
(as at 31 March 2016)

Served on the following Board Committees:
- Audit Committee - Member
- Remuneration Committee – Member

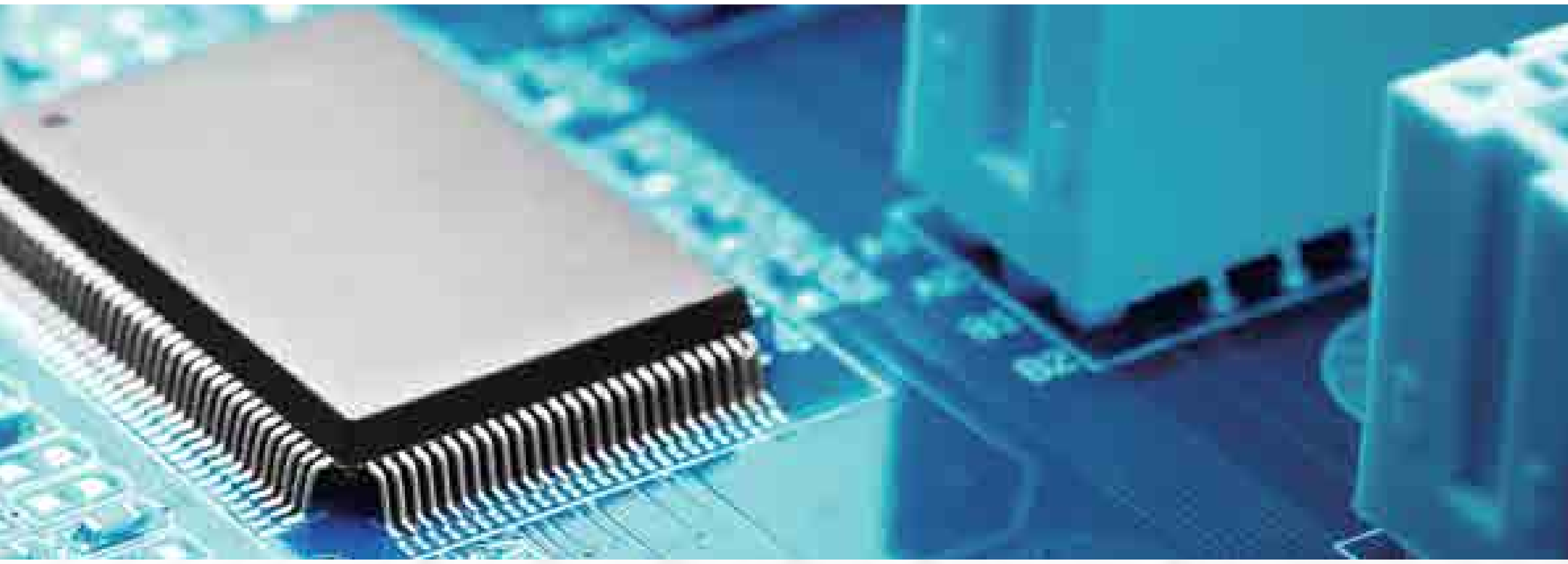
Present Directorships in other listed companies
Nil

Present Principal Commitments
CEO – Qi Capital Pte Ltd
Director - Ace Frontier Investments Ltd

Directorships in other listed companies held over the preceding three years
Nil

Background and experience:
Mr Wan Tai Foong currently is the CEO of Qi Capital Pte Ltd, a boutique advisory firm that advises private corporates on M&A and fund raising transactions. Mr Wan has over 20 years career in investment banking, with varied, in-depth exposure and experience to all aspects of mergers and acquisitions, restructuring and fund-raising transactions in different sectors.

Corporate Management



MS SNG EE LIAN ELIANE

Group Financial Controller

Ms Sng is the Group Financial Controller and heads the finance department for the daily finance functions of the Group. Ms Sng is a senior executive with 16 years of work experience in finance and public accounting, administration and costing in electronics contracts manufacturing and wholesale electronics distribution industries. She has been the Group Finance manager of the Plexus Group since 2005. Prior to joining the Plexus Group. Ms Sng was a Senior Corporate Finance Controller with ACT Manufacturing Inc, a company then listed on the National Association of Securities and Dealers Automated Quotation (NASDAQ). Ms Sng holds a Bachelor of Accountancy from Bentley College, USA and LLB from University of London.

MR WONG HOT YONG

President of the Systems Business

Mr Wong is the President of the Systems Business Unit of the Group. He joined WesTech Group since 1988 and was appointed to the Board of the WesTech Group in May 2005. In his executive capacity, he heads the WesTech Group's systems integration business.

He has secured many new value-added product lines from Japanese and American manufacturers, aiding the WesTech Group's expansion and penetration into new overseas markets. He holds a Diploma in Electronics Engineering as well as a sales and marketing diploma from the Marketing Institute of Singapore.

Corporate Directory

SINGAPORE

WE Holdings Ltd. (HQ)
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 6311 2905

WE Resources Pte. Ltd.
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 6311 2905

WE Systems Pte. Ltd.
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 6311 2905

WE Dragon Resources Pte. Ltd.
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 6311 2905

MALAYSIA

WE Components Sdn. Bhd.
62-1 Persiaran Bayan Indah
Bayan Bay, Sg. Nibong
Penang 11900
Malaysia
Tel: (603) 646 9888
Fax: (603) 646 9298

WE Resources Sdn. Bhd.
62-1 Persiaran Bayan Indah
Bayan Bay, Sg. Nibong
Penang 11900
Malaysia
Tel: (603) 646 9888
Fax: (603) 646 9298

Corporate Governance **Report**

The Board of Directors (the "**Board**" or "**Directors**") of WE Holdings Ltd. (the "**Company**" and together with its subsidiary corporations, the "**Group**") are committed to compliance with the principles of the Code of Corporate Governance 2012 (the "**Code**"). The Company believes that good corporate governance is essential in building a sound corporation with an ethical environment, thereby protecting the interests of all shareholders. This report sets out the Company's corporate governance practices. The Board confirms that, for the financial year ended 31 March 2016 ("**FY2016**"), the Company has generally adhered to the principals and guidelines set out in the Code. Where there are deviations from the Code, appropriate explanations are provided. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Principle 1: The Board's Conduct of Affairs

The primary function of the Board is to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board oversees the formulation of the Group's long-term strategic objectives and directions, reviews and approves the Group's annual business and strategic plans and monitors the achievement of the Group's corporate objectives. It also oversees the Management's business affairs and conducts periodic reviews of the Group's financial performance.

In addition to its statutory duties, the Board's principal functions are:-

1. Approving the Group's strategic plans, key operational initiatives, major investments, divestments and funding requirements;

2. Approving the annual budget, reviewing the performance of the business and approving the release of the financial results of the Group to shareholders;

3. Providing guidance in the overall management of the business and affairs of the Group; and

4. Overseeing the processes for risk management, financial reporting and compliance;

Matters which are specifically reserved to the Board for decision include, *inter alia*, material or major investment, material acquisition and disposal of assets, corporate or financial restructuring, share issuance and dividends.

To assist in the execution of its responsibilities, the Board has established an Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively "**Board Committees**"). Each Board Committee has its own defined terms of reference and operating procedures, which are reviewed on a regular basis by the Board. The effectiveness of each Board Committee is also constantly reviewed by the Board.

The Board meets on a regular basis and when necessary to address any specific matter. The Company's Constitution provides for the meetings to be convened via teleconferencing or videoconferencing.

The number of Board and Board Committee meetings held during FY2016 and the attendance of each Director, where relevant, are as follows:-

	Board	**AC**	**RC**	**NC**
No. of meetings held	4	4	5	4
Name of Director	**No. of meetings attended**			
Mr Terence Tea Yeok Kian	4	NA	NA	4
Mr Tan Wee Peng Kelvin	4	4	5	4
Mr Ng Li Yong	4	4	5	4
Mr Wan Tai Foong	3	3	4	NA

NA: Not Applicable

Corporate Governance **Report**

A formal letter setting out the director's duties and obligations will be issued to new directors upon their appointment.

All newly appointed Directors are given briefings by the Management on the history, business operations and corporate governance practices of the Group. Newly appointed Directors also attend courses, seminars and trainings which may have a bearing on their duties and contributions to the Board, organised by the professional bodies, regulatory institutions, to keep themselves updated on the latest developments concerning the Group. To keep pace with regulatory changes, the Director's own initiatives are supplemented from time to time with information, updates and sponsored seminars conducted by external professionals, including any changes in legislation and financial reporting standards, government policies, and regulations and guidelines from SGX-ST that affect the Company and/or the directors in discharging their duties. The Directors are informed of developments relevant to the Group, including changes in laws, regulations and risks that may impact the Group.

Principle 2: Board Composition and Guidance

The Board comprises one (1) Executive Director and three (3) Independent Non-Executive Directors who as a group, provides core competencies and diversity of experience which enable them to effectively contribute to the Company. The current number of Independent Directors complies with the Code's requirement that at least half of the Board should be made up of independent directors, which brings a strong and independent element to the Board.

The Board of Directors as at 31 March 2016 comprised:

(i) Mr Terence Tea Yeok Kian (Executive Chairman and Managing Director)

(ii) Mr Tan Wee Peng Kelvin (Non-Executive and Lead Independent Director)

(iii) Mr Ng Li Yong (Non-Executive Independent Director)

(iv) Mr Wan Tai Foong (Non-Executive Independent Director)

The Board is supported by the Board Committees, namely, the NC, the AC and the RC, whose functions are described below. The Board is able to exercise objective judgment independently from the Management and no individual or small group of individuals dominate the decisions of the Board.

On an annual basis and upon notification by an Independent Director of a change in circumstances, the NC will review the independence of each Independent Director based on the criteria for independence defined in the Code and recommend to the Board as to whether the Director is to be considered independent.

The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interest of the Company.

Currently, there is no Director who has served on the Board beyond nine (9) years from the date of appointment.

The Non-Executive Directors contribute to the Board by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide different perspectives to the Group's business. While challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions, involving conflicts of interest and other complexities. The Non-Executive Directors will meet to discuss on specific matter without the presence of Management.

The Board constantly examines its size and, with a view to determining the impact of the number upon effectiveness, decide what is considers an appropriate size for the Board, which facilitates effective decision-making. The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board, is appropriate for effective decision making.

The NC is of the view that the Board comprises persons who, as a group, provide the necessary core competencies and includes experience professionals with management, legal, accounting, business and management experience.

Information on the Board members is provided under the section "Board of Directors" in the Annual Report.

Corporate Governance **Report**

Principle 3: Chairman and Chief Executive Officer

Mr Terence Tea Yeok Kian is the Executive Chairman and Managing Director of the Company. Although the roles of the Chairman and Managing Director are not separated, the AC, RC and NC are chaired by independent directors. His performance and remuneration are reviewed periodically by the NC and RC. In addition, Mr Tan Wee Peng Kelvin has been appointed as the Lead Independent Director of the Company and is available to shareholders should they have concerns which cannot be solved through the normal channel of the Chairman or where such contact is inappropriate. As such, the Board believes that they are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is independent and based on the collective decision-making without Mr Terence Tea Yeok Kian being able to exercise considerable concentration of power or influence.

As the Executive Chairman, Mr Terence Tea Yeok Kian is responsible for the effective workings of the Board, ensuring the integrity and effectiveness of its governance process. As a Managing Director, Mr Terence Tea Yeok Kian has full responsibilities over the business directions and operational decisions of the Group.

Principle 4: Board Membership
Principle 5: Board Performance

Nominating Committee

The Company had established a NC to make recommendations to the Board on all board appointments. The NC comprises three (3) members, majority of whom, including the Chairman, are Independent Non-Executive Directors.

As at the date of this Report, the NC comprises:-

Mr Ng Li Yong	(Chairman)
Mr Terence Tea Yeok Kian	(Member)
Mr Tan Wee Peng Kelvin	(Member)

The Chairman of the NC is neither a substantial shareholder of the Company nor is he directly associated with the substantial shareholder of the Company.

The NC has written terms of reference and its role includes:-

1. Making recommendations to the Board on all board appointments, including the development of a set of criteria for Director's appointments;

2. Reviewing the size of the Board with a view to determining the impact of the number upon Board's effectiveness;

3. Ensuring that the Directors have the required expertise and adequate competencies to discharge their respective functions and to ensure that there is a balance of competencies;

4. Re-nominating Directors having regard to the Director's contribution to the Group and his performance at Board meetings, for example, attendance, participation and critical assessment of issues deliberated upon by the Board;

5. Considering and determining on an annual basis, whether or not a Director is independent;

6. Deciding on how the Board's performance may be evaluated and propose objective performance criteria to the Board;

7. Assessing the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board; and

8. Reviewing board succession plans for Directors.

Corporate Governance **Report**

The independence of each Director is reviewed annually by the NC based on the Code's definition of what constitutes an Independent Director. Following its annual review, the NC has endorsed the independence status of Mr Tan Wee Peng Kelvin, Mr Ng Li Yong and Mr Wan Tai Foong.

New Directors are presently appointed by way of Board resolutions after the NC has reviewed and nominated them for appointment. The NC considers each candidate for directorship carefully, taking into consideration the qualification and experience of such candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives.

In identifying suitable candidates, the NC mainly taps on the Directors' personal contacts and recommendations. After shortlisting the candidates, the NC shall:

(a) Consider and interview all candidates on merit against objective criteria, taking into consideration the qualification and experience of such candidate, his/her ability to increase the effectiveness of the Board and add value to the Groups' business in line with its strategic objectives; and

(b) Evaluate and agree to a preferred candidate for recommendation to and appointment by the Board.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole has been satisfactory. Although some of the Directors have other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. The Board has experienced minimal competing time commitments among its members as Board meetings are planned and scheduled well in advance of the meeting dates. In fact, the NC has noted that its members have contributed significantly in terms of time, effort and commitment during FY2016.

At present, the Board does not intend to set a maximum number of listed company board representations a Director may hold as it is of the view that the effectiveness of a Director should be evaluated by a qualitative assessment of his contributions to the Company's affairs taking into account his other commitments including his directorships in other listed companies. The NC considers that the multiple board representations held presently by some Directors do not impede their respective performance in carrying out their duties to the Company.

There is no alternate Director on the Board.

The NC sets objective performance criteria for evaluating the Board's performance annually for evaluation of the Board as a whole. The Board's performance is a function of the experience and expertise that each of the Directors brings with them. The NC has implemented a Board Evaluation Form which consists of board assessment checklist which takes into consideration factors such as the Board's understanding of its role and responsibilities, the Board's composition, clear goals and actions, and proceedings to assess and enhance the overall effectiveness of the Board. Board Committees assessment are incorporated into board assessment as a whole. All Directors will assess the effectiveness of the Board as a whole by completing a Board Evaluation Form. The NC has decided unanimously, that the Directors will not be evaluated individually, as each member of the Board contributes in different areas to the success of the Company, and therefore, it would be more appropriate to assess the Board as a whole. Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of the Directors for the current year include the contribution of such Directors to the effectiveness of the Board, the Directors' participation and involvement in Board meetings and Board Committee meetings and the qualification and experience of such Directors. The results of the evaluation for the Board's performance are considered by the NC, which is responsible for setting the performance criteria to assess the effectiveness of the Board, and used constructively to identify areas for improvements and recommend the necessary action to be taken by the Board.

The NC, in recommending the re-election or reappointment of Directors, who are subject to retirement at the Annual General Meeting ("**AGM**") in accordance with the Company's Constitution or the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), had taken into consideration the contribution of such Directors to the effectiveness of the Board, their participation and involvement in the Board meetings and Board Committee meetings, qualification and experience as well as their directorships and major appointments in other companies.

Each member of the NC shall abstain from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolutions in respect of the assessment of his/her own performance or re-nomination as a Director.

Corporate Governance **Report**

Pursuant to the Constitution of the Company:-

(a) One-third (1/3) of the Directors except the CEO and Managing Director retire from office at every AGM; and

(b) Directors appointed during the course of the year must submit themselves for re-election at the next AGM of the Company.

Mr Tan Wee Peng Kelvin will retire by rotation at the forthcoming AGM according to Article 91 of the Constitution of the Company. The NC noted that Mr Tan Wee Peng Kelvin will not be offering himself for re-election as a Director of the Company.

Details of the Directors' academic and professional qualifications and directorships both present and those held over the preceding three years in other listed companies and other principal commitments are set out on page 5 and 6 and below:-

Name of Director	Appointment	Date of initial appointment / last re-election	Directorships in other listed companies	
			Current	**Past 3 Years**
Terence Tea Yeok Kian	Executive Chairman and Managing Director	11 March 2013 & 1 December 2013 / 25 July 2013	Jubilee Industries Holdings Ltd. EG Industries Berhad	–
Tan Wee Peng Kelvin	Lead Independent Director	16 February 2011 / 29 July 2014	Viking Offshore and Marine Ltd IREIT Global Transcorp Holding Ltd	–
Ng Li Yong	Independent Non-Executive Director	11 June 2013/ 14 August 2015	C&G Environment Protection Holdings Limited	–
Wan Tai Foong	Independent Non-Executive Director	26 February 2015 / 14 August 2015	–	–

Principle 6: Access to Information

The Board is provided with complete and adequate information on a timely basis prior to Board meetings and on an on-going basis. The Management circulates copies of the minutes of the meetings of Board and Board Committees to all members of the Board to keep them informed of on-going developments within the Group. Board papers are generally sent to Directors before each meeting and would include financial management reports, reports on performance of the Group against the budget with notes on any significant variances, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues, strategic plans and developments in the Group.

The Board have separate and independent access to the Company's senior management and the Company Secretary at all times. Should the Directors, whether as a group or individually, require independent professional advice, such professionals (who will be selected with the concurrence of the Chairman or the Chairman of the Board Committee requiring such advice) will be appointed at the Company's expense.

The Company Secretary attends all Board meetings and is responsible for ensuring that Board procedures are followed. The Company Secretary assists senior management in ensuring that the Company complies with rules and regulations which are applicable to the Company. The appointment and removal of the Company Secretary is decided by the Board as a whole.

Corporate Governance **Report**

Principle 7: Procedures for Developing Remuneration Policies

As at the date of this Report, the RC comprises the following three (3) members, all of whom, including the Chairman, are Independent Non-Executive Directors:-

Mr Tan Wee Peng Kelvin	(Chairman)
Mr Ng Li Yong	(Member)
Mr Wan Tai Foong	(Member)

The RC is governed by the RC's terms of reference which describes the duties and powers of the RC.

The RC is responsible for:-

(a) reviewing and recommending to the Board in consultation with the Management and the Managing Director, a framework of remuneration and determine the specific remuneration packages and terms of employment for each of the Executive Director and senior executive/divisional directors of the Group including those employees related to the executive directors and/or controlling shareholders of the Group and to ensure that it is appropriate to attract, retain and motivate them to run the Group successfully. The RC will engage experts in the field of executive compensation whenever required;

(b) reviewing the fairness and reasonableness of the termination clauses of the service agreements of each Executive Director and senior executive/divisional directors of the Group to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance;

(c) reviewing on a yearly basis, the remuneration packages for each Executive Director, which covers all aspects of remuneration, including but not limited to Directors' salaries, allowances, bonuses, options and benefits in kind;

(d) recommending the payment of fees to Non-Executive Director and to ensure, as far as is possible, that the quantum commensurate with the Non-Executive Directors' contribution to the Board and the Company; and

(e) overseeing and administering the WE Share Award Scheme.

No remuneration consultants were engaged by the Company in FY2016.

Principle 8: Level and Mix of Remuneration

In setting remuneration packages, the RC takes into account the performance of the Group as well as the Directors and key executives aligning their interests with those of shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. The review of remuneration packages takes into consideration the longer term interests of the Group. The review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. The payment of Directors' fees is subject to the approval of shareholders at the AGM.

The Executive Director of the Company, Mr Terence Tea Yeok Kian has entered into a service agreement with the Company for an initial period of three (3) years (unless otherwise terminated by either party giving not less than six (6) months' notice to the other). The service agreement covers the terms of employments and specifically, the salaries and bonuses. Non-Executive Directors and Independent Directors have no service contracts.

The RC administered the WE Share Awards Scheme which has been used as long-term incentives to the employees and directors. The share awards granted to the employees and directors vest over a period of one to two years. The WE Share Awards Scheme is also extended to the Group Non-Executive Independent Directors so as to better align the interests of such Non-Executive Independent Directors with the interest of shareholders. The RC will reclaim the share awards granted to the directors and employees who left the Company prior to the end of the vesting period of share awards.

The Directors are not involved in the discussion and in deciding their own remuneration.

Corporate Governance **Report**

Principle 9: Disclosure on Remuneration

The remuneration of the Directors and the key executives, who are not Directors, for FY2016, are disclosed below. The disclosure is to enable shareholders to understand the link between remuneration paid to the Directors and key executives and their performance.

In view of the competitive pressures in the talent market, the remuneration paid to Directors of the Company and top management executives are not fully disclosed. The total remuneration, in aggregate, paid to the top key management executives for FY2016 is approximately S$1,398,300.

The breakdown (in percentage terms) of each Director's and key executive's remuneration for FY2016 are as follows:-

Remuneration for the Directors

Name	Salary	Bonus	Fringe Benefits	Directors' Fees	Total
	%	%	%	%	%
Above S$1,000,000 below S$1,250,000					
Mr Terence Tea Yeok Kian	50	27	23	0	100
Below S$250,000					
Mr Tan Wee Peng Kelvin	0	0	0	100	100
Mr Ng Li Yong	0	0	0	100	100
Mr Wan Tai Foong	0	0	0	100	100

Remuneration of the top key executives

Name	Salary %	Bonus %	Fringe Benefits %	Total %
Below S$250,000				
Wong Hot Yong	77	0	23	100
Sng Ee Lian[1]	93	5	2	100

Note:

1. Working on a part-time basis starting 1 October 2013.

The Company does not have any employee who is immediate family members of a Director or the CEO, and whose remuneration for FY2016 exceeds S$50,000.

The Company has share award scheme known as WE Share Award Scheme ("**WSAS**"). The purpose of the WSAS is to provide an opportunity for the Group's employees and directors, who have met the performance targets to be remunerated not just through cash bonuses but also by an equity stake in the Company. The WSAS is also extended to the Group Non-Executive Independent Directors. The WSAS was approved and adopted pursuant to approval from shareholders at the extraordinary general meeting held on 25 May 2010.

The share award given to a selected person will be determined at the discretion of the RC. The RC will take into account factors such as the selected person's capability, scope of responsibility, skill and his vulnerability to leaving the employment of the Group. In deciding on a share award to be granted to a selected person, the RC will also consider all aspect of the compensation and/or benefits given to the selected person and such other share-based incentive schemes of the Company, if any. The RC may also set specific criteria and performance targets for each of its business units, taking into account factors such as the business goals and directions of the Company and the Group for each financial year, the actual job scope and responsibilities of the selected person and the prevailing economic conditions.

Corporate Governance **Report**

The Company had on 18 September 2015 granted 6,611,353 share awards to the key executives of the Group who have met sales performance targets. The market price of the Company's shares on the date of grant was S$0.004. The Company issued and allotted the share awards on 21 September 2015.

Further details of the WSAS are set out in the Directors' Statement on page 25 of this Annual Report.

Principle 10: Accountability

In presenting the annual financial statements and announcements of financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position and prospects. The Management currently provides the Board with appropriately detailed management accounts of the Company's performance, position and prospects on a monthly basis.

The Board ensures that all relevant compliances and updates will be highlighted from time to time to ensure adequate compliance with the regulatory requirements.

Principle 11: Risk Management and Internal Controls

The Directors recognise that they have overall responsibility to ensure proper financial reporting for the Group and effectiveness of the Group's system of internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems. The Audit Committee assists the Board in providing oversight of risk management in the Company. It is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls, including financial, operational, compliance and IT controls and reporting to the Board annually its observations on any matters under its purview including risk management, internal controls or financial and management matters as it considers necessary and makes recommendations to the Board as it thinks fit.

The AC ensures that a review of effectiveness of the Company's internal controls is conducted at least annually. The AC has met with the internal auditors without management during the year.

The Board noted that there were lapses in internal controls and with the recommendation of the auditors to the Audit Committee, the management will be taking corrective measures to improve, strengthen and refine the system of internal control and risk management.

The Board has received assurance from the Managing Director and Group Financial Controller:

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

(2) regarding the effectiveness of the Company's risk management and internal control systems.

Based on the statutory audit by the internal auditors during the financial year, as well as the statutory audit by the external auditors, and the assurance from Management, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal controls and risk management in place as at 31 March 2016 is adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations. The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no form of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

Corporate Governance **Report**

Principle 12: Audit Committee

As at the date of this Report, the AC comprises the following three (3) members, all of whom, including the Chairman, are Independent Non-Executive Directors:-

Mr Tan Wee Peng Kelvin	(Chairman)
Mr Ng Li Yong	(Member)
Mr Wan Tai Foong	(Member)

The AC members, collectively have had many years of experience in accounting, audit and business and financial management. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

The AC has written terms of reference. Specifically, the AC meets on a periodic basis to perform the following functions:-

(a) review with the internal and independent auditors, the scope, audit plans, and the results of their examinations and evaluation of the Group's system of internal accounting controls or internal audit procedures;

(b) review the adequacy of the Group's financial and management reporting system including the effectiveness of material independent financial controls, operational and compliance controls, and risk management policies;

(c) review the financial statements of the Group to ensure integrity before submission to the Board for approval and the independent auditors' report on those financial statements, if any;

(d) review any related significant findings and recommendations of the internal and independent auditors together with Management's responses thereto;

(e) review interested person transactions, if any, in accordance with the requirements of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST ("**Catalist Rules**");

(f) review legal and regulatory matters that may have a material impact on the financial statements;

(g) review the half-yearly and annual announcements as well as the related press releases on the results of the Group;

(h) review the independence of independent auditors on an annual basis;

(i) review the arrangements by which staff of the Group may, in confidence raise concerns about the possible improprieties in matters of financial reporting and other matters;

(j) review the assistance given by the Management to internal and independent auditors;

(k) generally undertake such other functions and duties as may be required by statute or the Catalist Rules (as thereafter defined), or by such amendments as may be made thereto from time to time;

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

(m) ensure that the internal audit function is adequately resourced and has appropriate standing within the Company. For the avoidance of doubt, the internal audit function can be either in-house, outsourced to a reputable accounting/ auditing firm or performed by a major shareholder, holding company, parent company or controlling enterprise with an internal audit staff. (The internal auditor's primary line of reporting should be to the Chairman of the AC although he would also report administratively to the Managing Director. The internal auditor should meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice set by The Institute of Internal Auditors);

Corporate Governance **Report**

(n) review the effectiveness and ensure the adequacy of the internal audit function annually; and

(o) ensure that a review of the effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management is conducted annually.

The AC is also authorised to investigate any matter within its terms of reference and authorize to obtain independent professional advice if it deems necessary to discharge of its responsibilities. Such expenses are to be borne by the Company. It has full access to and the co-operation of the Management and the full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. During FY2016, the AC has met with the independent auditors and internal auditors separately without the presence of the Management to review any area of audit concern for FY2016. Ad-hoc AC meetings may be carried out from time to time, as circumstances require. The AC has reasonable resources to enable it to discharge its functions properly.

The AC is kept abreast by the Management and the independent auditors of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The AC had undertaken a review of all non-audit services to the Group in relation to the proposed acquisitions of new investments provided by the external auditors, Messrs Nexia TS Public Accounting Corporation and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditors. The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its independent auditors.

The AC is also satisfied with the level of co-operation rendered by the Management to the independent auditors and the adequacy of the scope and quality of their audits and had recommended to the Board the nomination of Messrs Nexia TS Public Accounting Corporation for re-appointment at the forthcoming AGM.

The aggregate amount of fees paid to the independent auditors, Messrs Nexia TS Public Accounting, for FY2016 amounted to approximately US$62,701.90 (S$87,397.80[1]) for audit services and US$6,739.71 (S$9,550.00[1]) for non-audit services.

Whistle-blowing Policy

The AC has in place a whistle-blowing policy (the "**Policy**") for the Group. The Policy is to enable persons employed by the Group a channel to report any suspicions of non-compliance with regulations, policies and fraud etc., to the appropriate authority for resolution, without any prejudicial implications for these employees. In this regard, a designated email address has been set up which is accessible only by the designated members of the AC.

The AC exercises the overseeing function over the administration of the Policy. On a case by case basis and upon the receipt of complaints, a report will be submitted to the AC stating the number and nature of complaints received, the results of the investigation, follow up actions and the unresolved complaints.

Principle 13: Internal Audit

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the shareholders and the Company's assets. Regular reviews of these controls are conducted by the Company's internal and independent auditors and any recommendations for improvement are reported to the AC. Internal Auditors report to the AC.

The Company outsources its internal audit functions to a Certified Public Accounting ("**CPA**") firm which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditors would carry out regular cyclical review in phases based on regional presence of the Group with specific focus on sales transactions, inventories and overall effectiveness of the internal controls and reports to the Chairman and Audit Committee.

The AC has reviewed the internal audit plan and the internal auditor's evaluation of the system of internal controls, their audit findings and management's processes to those findings. The AC is satisfied that the internal audit is adequately resourced and has the appropriate standing within the Group.

Corporate Governance **Report**

Principle 14: Shareholder Rights
Principle 15: Communications with the Shareholders
Principle 16: Conduct of Shareholder Meetings

The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to shareholders of the Company, in compliance with the requirements set out in the Catalist Rules with particular reference to the Corporate Disclosure Policy set out therein. In this respect, the Company announces its results to shareholders on a half yearly basis.

The Company does not practice selective disclosure. Price sensitive information is first publicly released before the Company meets with investors or analysts.

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

- SGXNET announcements and news release; and
- Annual Report prepared and issued to all shareholders

The financial statements are released onto the SGX-ST website. All shareholders will receive the annual report of the Company and notice of the AGM by post and through notice published in the newspapers within the mandatory period.

Shareholders may from time to time share with senior management their views and concerns and where necessary, such input would be communicated to the Board. At the AGM, shareholders of the Company are given the opportunity to air their views and ask the Directors or the Management questions regarding the Company.

The Company's Constitution allows a member of the Company to appoint not more than two (2) proxies to attend and vote on behalf of the member. For the time being, the Board is of the view that this is adequate to enable shareholders to participate in the general meetings of the Company and is not proposing to amend their Constitution to allow votes in absentia.

The Company is not implementing absentia voting methods such as voting via mail, facsimile or email until security integrity and other pertinent issues are satisfactory resolved.

The Board noted that with the Companies (Amendment) Act 2014, with effect from 3 January 2016, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member 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 instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50. At the forthcoming Annual General Meeting, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting.

The Company will put all resolutions to vote by poll at general meetings and the detailed results of the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET.

The Chairman of each of the Audit, Nominations and Remuneration Committees, or members of the respective Committees standing in for them, are present at each Annual General Meeting, and other general meetings held by the Company, if any, to address shareholders' queries. Senior management is also present at general meetings to respond, if necessary, to operational questions from shareholders that may be raised.

Separate resolutions on each distinct issue are tabled at general meetings. Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, were prepared and made available to shareholders upon request.

The Company does not have a policy on payment of dividend. The board would consider a dividend policy at an appropriate time.

No dividend was paid for FY2016 as the Group reported a net operating loss for the year.

Corporate Governance **Report**

Non-Sponsor Fees

In accordance with Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to the sponsor, RHT Capital Pte. Ltd., by the Company for FY2016.

Dealings in Securities

In line with the Rule 1204(19) of Catalist Rules, the Company has in place a code of conduct on share dealings by the Directors and its employees. The Directors, the Management and employees of the Group are not permitted to deal in the Company's shares during the period commencing one (1) month before the announcement of the Company's half year and full year financial results and ending on the date of announcement of such financial results, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the Directors, the Management and employees of the Group are discouraged from dealing in the Company's shares on short-term considerations.

Directors, the Management and employees of the Group are expected to observe the insider trading laws at all times even when dealing with securities within permitted trading period.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and transactions are conducted on arm's length basis and are not prejudicial to the interests of Shareholders. The Board and the AC will review all interested person transactions to be entered to ensure that the relevant rules under Chapter 9 of Catalist Rules are complied with.

Disclosure according to Rule 907 of the Catalist Rules in respect of interested person transactions entered in FY2016 is set out in the following table: -

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
WE Components Pte. Ltd.[1]	S$480,000	–

Note:

1. The value of the Interested Person Transaction is less than 3% of the Group's net tangible assets.

Material Contracts

Save for the Interested Person Transactions disclosed above, there were no material contracts of the Company or its subsidiary corporations involving the interest of the Managing Director, CEO, any Director or controlling shareholder either still subsisting as at 31 March 2016 or if not then subsisting, entered into since the end of the previous financial year.

Corporate Governance **Report**

Utilisation of Proceeds

(i) Placement of 167,072,178 New Ordinary Shares

The details of the use of proceeds from the placement of 167,072,178 new ordinary shares of the Company at S$0.03699 per share as at the date of this report are as follows:

	Amount allocated S$ million	Reallotted Amount S$ million	Amount utilised S$ million	Balance S$ million
Partial voluntary prepayment of amounts owing and due under the facility agreement	2.30	2.30	2.30	–
Expansion into the resources business within Myanmar and other regions	1.17	–	–	–
Other business opportunities in Myanmar	1.17	–	–	–
Working capital [1]	1.17	3.51	3.51	–

Note:

1. Used for repayment to suppliers.

The Company had reallocated proceeds allocated for other business opportunities in Myanmar to working capital. The amount reallocated had been fully utilized as at the date hereof as there is no immediate use for the purpose and the Company is still in the midst of exploring other business opportunities in Myanmar.

(ii) Placement of 80,000,000 New Ordinary Shares

The details of the use of proceeds from the placement of 80,000,000 new ordinary shares of the Company at S$0.10224 per share as at the date of this report are as follows:

	Amount allocated S$ million	Amount utilised S$ million	Balance S$ million
Repayment due to be made by 17 June 2013 to the Bank under a loan facility dated 2 June 2010 granted pursuant to a scheme of arrangement involving the Company and the Bank	7.49	7.49	–

(iii) Issue of Renounceable Underwritten Rights cum Warrants ("**FY2013 Rights cum Warrants**") of 758,382,403 New Shares

The details of the use of proceeds from the FY2013 Rights cum Warrant Issue of 758,382,403 new shares at S$0.015 per share as at the date of this report are as follows:

	Amount allocated S$ million	Reallotted Amount S$ million	Amount utilised S$ million	Balance S$ million
Funding of proposed new business	6.94	4.94	4.94[1]	–
Working capital	3.74	5.74	5.74[2]	–

Notes:

1. S$0.20 million was used for professional fees on due diligence conducted for Myanmar exploration and as announced on 27 May 2014 as there is no immediate use for the purpose.

2. Used for repayment to suppliers.

Corporate Governance **Report**

The Company had reallocated proceeds of S$2 million allocated for funding of proposed new business to working capital. The amount reallocated had been fully utilised as at the date of this report as there is no immediate use for the purpose and the Company is still in the midst of exploring other business opportunities.

(iv) Placement of 204,050,000 New Ordinary Shares

The details of the use of proceeds from the placement of 204,050,000 new ordinary shares of the Company at S$0.04302 per share as at the date of this report are as follows:

	Amount allocated S$ million	Reallotted Amount S$ million	Amount utilised S$ million	Balance S$ million
Fund acquisition of 20% shareholding interest in Dragon Cement Co., Ltd.	8.00	–	–	–
Proposed acquisition of Jubilee[1]	–	8.00	8.00	–

Note:

1. The Company had reallocated proceeds allocated for funding of acquisition in Dragon Cement Co., Ltd. The amount reallocated had been fully utilised as at the date of this report and as announced on 27 May 2014 as there is no immediate use for the purpose.

(v) Issue of Renounceable Non-underwritten Rights cum Warrants ("**FY2014 Rights cum Warrants**") of 874,630,703 New Shares

The details of the use of proceeds from the FY2014 Rights cum Warrant of 874,630,703 new shares at S$0.015 per share as at the date of this report are as follows:

	Amount allocated S$ million	Reallotted Amount S$ million	Amount utilised S$ million	Balance S$ million
Fund acquisition of 20% shareholding interest in Dragon Cement Co., Ltd.	3.08	–	–	–
Expansion of coal and iron ore business	6.17	6.17	6.17	–
Working capital[1]	3.08	6.16	6.16	–

Note:

1. Used for repayment to suppliers.

The Company had reallocated proceeds allocated for funding of acquisition in Dragon Cement Co., Ltd. The amount reallocated had been fully utilized as at the date of this report as there is no immediate use for the purpose and the Company is still in the midst of exploring other business opportunities.

(vi) Issue of 2,560,965,745 Renounceable Non-underwritten Rights Warrants ("**FY2015 Rights Warrants**")

The details of the use of proceeds from the issue of FY2015 Rights Warrants of 2,370,630,317 new shares as at S$0.004 new shares at the date of this report are as follows:

	Amount allocated S$ million	Reallotted Amount S$ million	Amount utilised S$ million	Balance S$ million
Working capital[1]	3.59	–	2.99	0.60
New copper business opportunities	5.93	–	2.47	3.47

Note:

1. Allocated for repayment to suppliers and expenses.

Financial **Statements**

Directors' **Statement**

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

In the opinion of the directors,

(a) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 31 to 86 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; 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 Terence Tea Yeok Kian
Mr Tan Wee Peng Kelvin
Mr Ng Li Yong
Mr Wan Tai Foong

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object 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, other than as disclosed under "Performance shares" in this statement.

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 name of director or nominee		Holdings in which director is deemed to have an interest	
Company	**At 31 March 2016**	**At 1 April 2015**	**At 31 March 2016**	**At 1 April 2015**
(No. of ordinary shares)				
Mr Terence Tea Yeok Kian	993,846,629	33,060,763	26,762,000	148,561,779
Mr Tan Wee Peng, Kelvin	9,282,878	3,867,866	–	–

Mr Terence Tea Yeok Kian's deemed interest at 31 March 2016 is derived through shares held by his wife, Ms Sim Aileen. Mr Terence Tea Yeok Kian's deemed interest at 1 April 2015 is derived through shares held by SingYaSin SMC Holdings Technologies Pte Ltd, a company wholly owned by Mr Terence Tea Yeok Kian.

By virtue of Section 7 of the Singapore Companies Act Cap. 50, Mr Terence Tea Yeok Kian is deemed to have an interest in all the related corporations of the Group.

The directors' interests in the ordinary shares of the Company at 21 April 2016 were the same as at 31 March 2016.

Directors' Statement

Performance shares

The Company has a share award scheme known as WE Share Award Scheme ("WSAS") approved and adopted by its members at an Extraordinary General Meeting held on 25 May 2010. WSAS is administered by a committee which consists of directors of the Company. The purpose of the WSAS is to provide an opportunity for the Group's employees and directors who have met the performance targets to be remunerated not just through cash bonuses but also by an equity stake in the Company. The WSAS is also extended to the Group non-executive directors.

The directors believe that the retention of outstanding employees within the Group is paramount to the Group's long-term objective of pursuing continuous growth and expansion in its business and operations. The Group also acknowledges that it is important to preserve financial resources for future business developments and to withstand difficult times. As such, one of the Group's strategies is to contain the remuneration of its employees and executives that is a major component of the Group's operating costs.

The WSAS is formulated with those objectives in mind. It is hoped that through the WSAS, the Group would be able to remain an attractive and competitive employer and better able to manage its fixed overhead costs without compromising on performance standards and efficiency.

On 22 March 2013, the Company awarded the following shares under WSAS which vest at various periods.

Name of Awardee	No. of shares awarded	Vesting periods
Directors of the Company		
Mr Tan Wee Peng Kelvin	1,000,000	22 March 2013 to 30 April 2014
	500,000	22 March 2013 to 30 April 2015
Executive Officers and Employees		
Others	5,700,000	22 March 2013 to 30 April 2014
	6,325,000	22 March 2013 to 30 April 2015
	13,525,000	

The market price at the time of awarding the above shares is S$0.094.

Directors' Statement

Performance shares (continued)

Out of the above, 50,000 shares that vested on 30 April 2014 and 1,725,000 shares that vested on 30 April 2015, totaling 1,775,000 shares under "Others", are cancelled due to cessation of employment. Due to capital variation from the placement of shares and issue of rights and warrant shares, the remaining awardees for 11,750,000 shares are issued a further 33,697,423 shares that vest at various periods:

Name of Awardee	No. of shares awarded	Vesting periods
Directors of the Company		
Mr Tan Wee Peng Kelvin	2,867,866	22 March 2013 to 30 April 2014
	1,433,933	22 March 2013 to 30 April 2015
Executive Officers and Employees		
Others	16,203,442	22 March 2013 to 30 April 2014
	13,192,182	22 March 2013 to 30 April 2015
	33,697,423	

The market price at the time of awarding the above shares is S$0.0152.

On 1 October 2013, the Company awarded 18,665,765 shares for S$0.0506. Out of this, 18,276,651 shares were issued on 8 November 2013 and 389,114 shares were cancelled due to cessation of employment.

On 7 May 2014, the Company issued 25,721,308 shares for those that vested on 30 April 2014.

On 1 October 2014, the Company awarded 6,939,603 shares for S$0.01 and these shares were issued on 2 October 2014.

On 8 May 2015, the Company issued 19,726,115 shares for those that vested on 30 April 2015.

On 18 September 2015, the Company awarded 6,611,353 shares for S$0.004 and these shares were issued on 21 September 2015.

Share options

No options were 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 an option to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit committee

The members of the audit committee ("AC") at the end of the financial year were as follows:

Mr Tan Wee Peng Kelvin	(Independent Director, Chairman of Audit Committee)
Mr Ng Li Yong	(Independent Director)
Mr Wan Tai Foong	(Independent Director)

Directors' Statement

Audit committee (continued)

The audit committee performs the functions specified by section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2016 before their submission to the Board of Directors.

Other functions performed by the audit committee are described in the Report on Corporate Governance included in the Annual Report of the Company. It also includes an explanation of how the independent auditor's objectivity and independence is safeguarded where the independent auditor provides non-audit services.

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.

Internal controls

The independent auditor, during the conduct of their normal audit procedures, may also report on matters relating to internal controls. Any material non-compliance and recommendation for improvement will be reported to the AC.

On an annual basis, the internal auditors of the Company conduct a risk-based audit, to review the adequacy and effectiveness of the internal controls of the Group, including financial, operational and relevant risk assessments pursuant to the approved internal audit plans.

All audit findings and recommendations made by the internal and independent auditors are reported to the AC. Significant issues are discussed at AC meetings and duly reported to the board thereafter, including decisions made and actions taken by the management of the Company where necessary. The management of the Company follows up on all recommendations by internal and independent auditors to ensure that they are all implemented in a timely and appropriate manner and reports the results to the AC on a half yearly basis.

Separately, management has put in place a process to guide and assist the Company to manage risks that could result in violation of applicable laws and regulations, including promulgating respective standard operating procedures and manuals, and conducting regular meetings with all staff. The management of the Company reports all breaches, significant issues and their resolutions to the AC on a half yearly basis.

The board has also received the management representation letters as to the integrity of the financial statements and notes thereto, as well as the system of internal controls of the Group put in place to address the key financial, operational and compliance risks of the Group and to prevent and detect fraud and error.

The Company has implemented a whistle blowing policy which provides the mechanism for staff of the Company to, in confidence, raise concerns about fraud and other possible improprieties in matters of financial reporting or other matters.

Based on the discussion with and the reports submitted by the internal auditors, the various management controls put in place, the discussion and representation from the management, the board, with concurrence of the audit committee, is of the opinion that the internal controls of the Group, key areas of which are subject to ongoing independent reviews by the various parties such as internal auditors, are adequate to safeguard the assets of the Group and address the financial, operational and compliance risks of the Group as at 31 March 2016.

The board also notes that all internal control systems and risk management systems contain inherent limitations and a cost effective system of internal controls or risk management could only provide reasonable and not absolute assurance against the occurrence of material errors, financial misstatement, poor judgment in decision making, human error, losses and/or other irregularities.

Directors' **Statement**

Independent auditor

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

On behalf of the directors

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Terence Tea Yeok Kian
Director

....

Tan Wee Peng Kelvin
Director

30 June 2016

Independent **Auditor's Report**

To the Members of WE HOLDINGS LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of WE Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group") set out on pages 31 to 86, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2016, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent **Auditor's Report**

To the Members of WE HOLDINGS LTD.

Opinion

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

Report on other Legal and Regulatory Requirements

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

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Loh Ji Kin
(Appointed since financial year ended 31 March 2014)

Singapore

30 June 2016

Consolidated Statement of **Comprehensive Income**

For the financial year ended 31 March 2016

	Notes	2016 US$'000	2015 US$'000
Continuing Operations			
Revenue	5	**2,702**	4,803
Cost of sales		**(2,332)**	(3,689)
Gross profit		**370**	1,114
Other items of income			
Other credits	6	**1,084**	4,407
		1,454	5,521
Other items of expenses			
Marketing and distribution expenses		**(224)**	(1,050)
Administrative expenses		**(2,107)**	(5,106)
Finance costs	8	**(9)**	(23)
Other charges	6	**(950)**	(2,191)
Share of (loss)/profit of associated company	16	**(4,686)**	758
Bargain purchase from acquisition of associated company	16	**–**	1,960
Loss before tax		**(6,522)**	(131)
Income tax credit	10A	**14**	–
Loss from continuing operations		**(6,508)**	(131)
Discontinued Operations			
Profit from discontinued operations	11A	**–**	1,401
Total (loss)/profit		**(6,508)**	1,270
Other comprehensive income/(loss) after tax:			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income/(loss) of associated company	16	**434**	(106)
Exchange differences on translating foreign operations		**292**	(506)
		726	(612)
Items that will not be reclassified subsequently to profit or loss:			
Gains on property revaluation	22B	**–**	240
Other comprehensive income/(loss) for the financial year, net of tax		**726**	(372)
Total comprehensive (loss)/income for the financial year		**(5,782)**	898
(Loss)/profit for the financial year attributable to:			
Equity holders of the Company		**(6,505)**	1,265
Non-controlling interests		**(3)**	5
		(6,508)	1,270
(Loss)/profit attributable to equity holders of the Company			
Continuing operations		**(6,505)**	(136)
Discontinued operations		**–**	1,401
		(6,505)	1,265
Total comprehensive (loss)/income for the financial year attributable to:			
Equity holders of the Company		**(5,781)**	893
Non-controlling interests		**(1)**	5
		(5,782)	898
(Loss)/earnings per share for (loss)/profit from continuing and discontinued operations attributable to equity holders of the Company		**US Cents**	US Cents
Basic (loss)/earnings per share			
From continuing operations	12(a)	**(0.14)**	(0.00)
From discontinued operations		**–**	0.05
Diluted (loss)/earnings per share			
From continuing operations	12(b)	**(0.14)**	(0.00)
From discontinued operations		**–**	0.05

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

Balance Sheets

As at 31 March 2016

		Group		Company	
	Notes	**2016**	2015	**2016**	2015
		US$'000	US$'000	**US$'000**	US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**493**	445	**103**	140
Intangible assets	14	**24**	–	**24**	–
Investments in subsidiary corporations	15	**–**	–	**3,756**	187
Investments in associated companies	16	**11,752**	16,004	**13,392**	13,392
Other assets	17	**15**	93	**15**	93
Total non-current assets		**12,284**	16,542	**17,290**	13,812
Current assets					
Inventories	18	**–**	16	**–**	–
Trade and other receivables	19	**18,863**	22,331	**20,659**	10,017
Other assets	17	**75**	873	**–**	798
Income tax recoverable		**28**	55	**6**	6
Cash and cash equivalents	20	**9,911**	5,465	**3,678**	466
Total current assets		**28,877**	28,740	**24,343**	11,287
Total assets		**41,161**	45,282	**41,633**	25,099
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	21	**54,604**	47,437	**84,686**	77,519
Accumulated losses		**(22,059)**	(15,554)	**(43,312)**	(53,459)
Other reserves	22	**3,052**	2,328	**–**	–
		35,597	34,211	**41,374**	24,060
Non-controlling interests		**20**	21	**–**	–
Total equity		**35,617**	34,232	**41,374**	24,060
Non-current liabilities					
Deferred income tax liabilities	10D	**595**	607	**–**	39
Other financial liabilities	24	**1,045**	1,177	**–**	–
Total non-current liabilities		**1,640**	1,784	**–**	39
Current liabilities					
Income tax payable		**10**	9	**–**	–
Trade and other payables	25	**3,843**	9,164	**259**	1,000
Other financial liabilities	24	**51**	93	**–**	–
Total current liabilities		**3,904**	9,266	**259**	1,000
Total liabilities		**5,544**	11,050	**259**	1,039
Total equity and liabilities		**41,161**	45,282	**41,633**	25,099

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

Statements of Changes in Equity

For the financial year ended 31 March 2016

Group	Share capital US$'000	Accumulated losses US$'000	Other reserves US$'000	Attributable to equity holders of the Company sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
2016						
Beginning of financial year	47,437	(15,554)	2,328	34,211	21	34,232
Total comprehensive (loss)/income for the financial year	–	(6,505)	724	(5,781)	(1)	(5,782)
Issue of new ordinary shares in the capital (Note 21)	7,167	–	–	7,167	–	7,167
End of financial year	54,604	(22,059)	3,052	35,597	20	35,617
2015						
Beginning of financial year	45,077	(16,819)	2,700	30,958	16	30,974
Total comprehensive income/(loss) for the financial year	–	1,265	(372)	893	5	898
Issue of new ordinary shares in the capital (Note 21)	2,360	–	–	2,360	–	2,360
End of financial year	47,437	(15,554)	2,328	34,211	21	34,232

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

Statements of Changes in Equity

For the financial year ended 31 March 2016

Company	Share capital US$'000	Accumulated losses US$'000	Total equity US$'000
2016			
Beginning of financial year	77,519	(53,459)	24,060
Total comprehensive income for the financial year	–	10,147	10,147
Issuance of new ordinary shares in the capital (Note 21)	7,167	–	7,167
End of financial year	84,686	(43,312)	41,374
2015			
Beginning of financial year	75,159	(48,018)	27,141
Total comprehensive loss for the financial year	–	(5,441)	(5,441)
Issuance of new ordinary shares in the capital (Note 21)	2,360	–	2,360
End of financial year	77,519	(53,459)	24,060

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

Consolidated Statement of **Cash Flows**

For the financial year ended 31 March 2016

	Note	2016 US$'000	2015 US$'000
Cash Flows From Operating Activities			
Total (loss)/profit		**(6,508)**	1,270
Adjustments for:			
Employee share award expense	21	**245**	367
Club membership transferred to a director		**78**	–
Depreciation of property, plant and equipment	13	**95**	282
Share of loss/(profit) of associated company	16	**4,686**	(758)
Interest expense	8	**9**	23
Bargain purchase from acquisition of associated company	16	**–**	(1,960)
Gain on disposal of subsidiary corporation	6	**(28)**	(1,822)
Income tax (credit)/expense	10	**(14)**	1
Net effect of exchange rate changes in consolidating foreign subsidiary corporations		**182**	(773)
Operating cash flows before working capital changes		**(1,255)**	(3,370)
Changes in working capital, net of effects from acquisition and disposal of subsidiary corporation:			
Inventories		**16**	1,212
Trade and other receivables		**3,468**	(4,867)
Other assets		**798**	4
Trade and other payables		**(5,272)**	(5,325)
Cash generated from operations		**(2,245)**	(12,346)
Income tax refund		**27**	–
Net cash flows used in operating activities		**(2,218)**	(12,346)
Cash Flows From Investing Activities			
Investment in associated company	16	**–**	(13,392)
Purchase of property, plant and equipment	13	**(144)**	(329)
Purchase of intangible assets	14	**(24)**	–
Disposal of subsidiary corporations, net of cash disposed of	11	**(21)**	12,489
Net cash flows used in investing activities		**(189)**	(1,232)
Cash Flows From Financing Activities			
Repayment of finance liabilities		**(174)**	(668)
Drawdown/(placement) of cash restricted in use over 3 months		**388**	(1,779)
Proceeds from issuance of ordinary shares	21	**6,922**	1,993
Interest paid		**(9)**	(23)
Net cash flows provided by/(used in) financing activities		**7,127**	(477)
Net increase/(decrease) in cash and cash equivalents		**4,720**	(14,055)
Cash and cash equivalents at beginning of financial year		**3,686**	17,516
Effects of exchange rate changes on cash and cash equivalents		**114**	225
Cash and cash equivalents at end of financial year	20A	**8,520**	3,686

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

Notes to the Financial Statements

For the financial year ended 31 March 2016

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

1. General

The Company is incorporated in Singapore with limited liability. The financial statements are presented in US Dollars (USD or US$) and they cover the Company (referred to as "parent") and the subsidiary corporations.

The board of directors approved and authorised these financial statements for issue on the date of the directors' statement.

The principal activities of the Company during the year was as distributor and manufacturers' representative of test equipment for the disk drive industry, acting as commission agents, system integration and commodities resources trading. The Company is still exploring new opportunities in the sand, cement, metal and petroleum sectors.

It is listed on the Catalist which is a shares market on the Singapore Exchange Securities Trading Limited (SGX-ST).

The principal activities of the subsidiary corporations and associated companies are described in Note 15 and Note 16 to these financial statements.

The registered office is: 10 Ubi Crescent, Ubi Techpark, Lobby E, #03-95, Singapore 408564. The Company is situated in Singapore.

2. Summary of Significant Accounting Policies

Accounting Convention

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act Cap. 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. Other comprehensive income comprises items of income and expenses that are not recognised in the income statement, as required or permitted by FRS.

Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with FRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Interpretations and amendments to published standards effective in 2016

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

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies 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 2016

2. Summary of Significant Accounting Policies (continued)

Segment Reporting

The Group discloses financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the financial year arising from the course of the activities of the entity and it is shown net of related sales taxes, returns and rebates. Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services is recognised when the services are rendered. Interest is recognised using the effective interest method. Dividend from equity instruments is recognised as income when the entity's right to receive dividend is established. Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Share-Based Compensation

Benefits to employees are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or granted, excluding the impact of any non-market vesting conditions. The fair value is determined by reference to the fair value of the shares awarded or granted on grant date. This fair value is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual levels of shares vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the financial year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the financial year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiary corporations and associated companies except where the Company is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Foreign Currency Transactions

The functional currency is the US Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the financial year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the financial year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation of the financial statements is in the functional currency of the Company.

Translation of Financial Statements of Other Entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the financial year rates of exchange and the income and expense items for each statement presenting profit or loss or other comprehensive income are translated at average rates of exchange for the financial year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant entity.

Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold buildings	-	Over the lease term that is 2% to 20%
Leasehold improvements	-	10%
Plant and equipment	-	10% to 50%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment (continued)

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses except for leasehold buildings. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss within other credits/(other charges). The residual value and the useful life of an asset is reviewed at least at each end of the financial year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leasehold buildings are measured at revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity by independent professional valuers on yearly basis to ensure that the carrying amount does not differ materially from the fair value of the buildings at the end of the financial year. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus except that the increase is recognised in profit or loss or to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the accumulated in equity under the heading of revaluation surplus. The revaluation surplus included in equity is transferred directly to retained earnings when the asset is derecognised.

Leases

(a) When the Group is the lessee:

The Group leases offices and warehouses under operating leases from non-related parties.

Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership 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.

(b) When the Group is the lessor:

The Group leases out office space under operating leases to related parties.

Lessor – Operating leases

Leases of office space where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Intangible Assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Computer Software - 2 years

During the financial year, the Group revised the estimate useful life of computer software from 3 years to 2 years so as to reflect the expected pattern of consumption of the future economic benefits embodied to its intangible assets.

The residual values, estimated useful life and amortisation method of intangible assets 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.

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 a subsidiary corporation's 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 a subsidiary corporation, 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.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Group Accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisitions (continued)

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 previously-held equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired, is recorded as goodwill.

(iii) Disposals

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

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

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" 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 interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments. When the group's share of the fair value of the identifiable net assets of the associated company exceeds the cost of acquisition paid by the group, the excess is recognised in profit and loss as part of the share of profit from associated companies.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Group Accounting (continued)

(c) Associated companies (continued)

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds in partial disposal, is recognised in profit or loss.

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

Club Memberships

Club memberships were acquired separately and are measured on initial recognition of cost. The cost of club memberships is the fair value as at the date of acquisition. Subsequent to recognition, club memberships are measured at cost less any accumulated impairment losses.

Club memberships are classified as "Other Assets" with indefinite useful lives as club memberships entitle the member to enjoy the club facilities for lifetime. Since it is with indefinite useful lives, they are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of the club memberships with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable.

Investments in Subsidiary Corporations and Associated Companies

Investments in subsidiary corporations and associated companies 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 2016

2. Summary of Significant Accounting Policies (continued)

Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the financial year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the financial year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Financial Assets (continued)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the financial year, there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically trade and other receivables are classified in this category.

3. Held-to-maturity financial assets*:* As at end of the financial year, there were no financial assets classified in this category.

4. Available-for-sale financial assets: As at end of the financial year, there were no financial assets classified in this category.

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the consolidated statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Financial Liabilities (continued)

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Fair Value Measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless state otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Classification of Equity and Liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition.

Equity instruments are contracts that give a residual interest in the net assets of the Company. Where the financial instrument does not give risk to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

Borrowing Costs

Borrowing costs are recognised in profit or loss using the effective interest method.

Financial Guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary corporations' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the financial year they occur.

Discontinued operations

A discontinued operation is a component of an entity that has been disposed of and represents a separate major line of business or geographic area operations.

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Determination of functional currency:

Management measures foreign currency transactions in the respective functional currencies of the Company and its subsidiary corporations. In determining the functional currencies of the Company and the separate entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process for determining sales prices.

Estimated impairment of subsidiary corporations or associated companies:

Where a subsidiary corporation or associated company is in net equity deficit and has suffered losses, a test is made whether the investment in the investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. The amount of the relevant investments are US$3,756,000 (2015: US$187,000) for investments in subsidiary corporations and US$13,392,000 (2015: US$13,392,000) for investments in associated companies respectively at the end of the financial year.

It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the asset affected.

Allowance for impairment of doubtful trade accounts:

An impairment allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management generally analyses trade receivables and historical bad debts, customer concentrations, and customer creditworthiness when evaluating the adequacy of the allowance for doubtful trade receivables. To the extent that it is feasible, impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the financial year, the trade receivables' carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the financial year. The carrying amount is disclosed in Note 19 to these financial statements.

If the net present values of estimated cash flows had been lower by 10% from management's estimates for all past due loans and receivables, the allowance for impairment of the Group would have been higher by US$407,900 (2015: US$387,500).

Notes to the Financial Statements

For the financial year ended 31 March 2016

2. Summary of Significant Accounting Policies (continued)

Deferred income tax assets:

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses, capital allowances and donations carried forward amounting to US$34,313,000 (31 March 2015: US$33,259,000), US$79,000 (31 March 2015: US$ Nil) and US$117,000 (31 March 2015: US$104,000), respectively at the balance sheet date. These losses and capital allowances relate to Company and subsidiary corporations that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The Company and subsidiary corporations have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses and capital allowances as deferred tax assets. If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by US$5,867,000 (31 March 2015: US$5,672,000).

3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associated company or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associated company of the third entity; (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3.1 Related companies:

Related companies in these financial statements include the members of the Company's group of companies. Associated companies also include those that are associated companies of the parent and/or related companies.

There are transactions and arrangements between the reporting entity and members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3.2. Related parties other than related companies:

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees, no interest or charge is imposed unless stated otherwise.

Notes to the Financial Statements

For the financial year ended 31 March 2016

3. Related Party Relationships and Transactions (continued)

3.3 Key management compensation:

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Key management compensation including:				
Salaries, bonuses and other short-term benefits	**1,039**	1,619	**946**	1,509
Contributions to defined contribution plan	**17**	39	**11**	31
Share-based payment compensation	**19**	–	**19**	–
Other benefits	**–**	11	**–**	11
Total key management compensation	**1,075**	1,669	**976**	1,551

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Remuneration of directors of the Company	**869**	1,181	**869**	1,181
Fees to directors of the Company	**48**	67	**48**	67

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel. Further information about the remuneration of individual directors is provided in the report on Corporate Governance.

4. Financial Information by Segments

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

For management purposes, following the disposal of WEC Group in last financial year, electronics components distribution was no longer a major operating segment and the Group is organised into two major operating segments for the financial year: systems and equipment distribution and commodities resource trading. Such structural organisation is determined by the nature of risks and returns associated to each business segment and define the management structure as well as the internal reporting system.

The segments are as follows:

The system and equipment distribution segment provide engineering support services ranging from installation, calibration, integration and testing of systems, applications training to maintenance of systems.

The commodities and resources segment provides supply chain management for natural materials and will be the driver for the Group's forward growth through its integrated sourcing, marketing and transportation operations.

The electronics components distribution segment distributes and acts as a representative for a diversified range of active and passive electronic components throughout the Asia Pacific region. This business segment was discontinued during the last financial year.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

4. Financial Information by Segments (continued)

Segmental Information:

The following table provides the information about the reportable segments:

	Systems and equipment distribution		Commodities and resources		Electronics components distribution		Total for continuing operations	
	2016	2015	2016	2015	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Segment revenue								
Sales of goods	518	243	1,977	1,101	12	4,151	2,507	5,495
Service and maintenance income	236	455	–	–	–	–	236	455
Inter-segment sales	(41)	–	–	–	–	(1,147)	(41)	(1,147)
Sales to external parties	713	698	1,977	1,101	12	3,004	2,702	4,803
Gross profit	318	482	49	99	3	533	370	1,114
Other credits							1,084	4,407
Other items of expenses								
- Marketing and distribution expenses							(224)	(1,050)
- Administrative expenses							(2,107)	(5,106)
- Finance cost							(9)	(23)
- Other charges							(950)	(2,191)
- Share of (loss)/profit of associated company							(4,686)	758
- Bargain purchase from acquisition of associated company							–	1,960
Loss before income tax							(6,522)	(131)
Income tax credit							14	–
Loss before income tax							(6,508)	(131)
Segment assets	977	703	2,825	1,139	37,359	43,440	41,161	45,282
Segment liabilities	(187)	(91)	(14)	(10)	(5,343)	(10,949)	(5,544)	(11,050)

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

4. Financial Information by Segments (continued)

Geographical Information:

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the goods/services:

	Group	
	2016	2015
	US$'000	US$'000
Revenue:		
Singapore	**11**	417
Malaysia	**104**	1
People's Republic of China and Hong Kong	**2,238**	1,581
India	**–**	1,056
Other countries	**349**	1,748
	2,702	4,803

The following is an analysis of the carrying amount of non-current assets, and additions to property, plant and equipment and intangible assets analysed by the geographical area in which the assets are located:

	Group	
	2016	2015
	US$'000	US$'000
Non-Current Assets:		
Singapore	**12,281**	16,535
Malaysia	**3**	7
	12,284	16,542
Capital Expenditure:		
Singapore	**168**	310
Malaysia	**–**	*
Other countries	**–**	19
	168	329

The non-current assets are analysed by the geographical area in which the assets are located.

Revenue of approximately US$1,924,000 (2015: US$ 788,000) is derived from a single external customer. These revenues are attributable to the commodities and resources segment.

* Amount less than US$1,000.

5. Revenue

	Group	
	2016	2015
	US$'000	US$'000
Sale of goods	**2,466**	4,348
Service and maintenance income	**236**	455
	2,702	4,803

Notes to the Financial Statements

For the financial year ended 31 March 2016

6. Other Credits and (Other Charges), net

	Group	
	2016 US$'000	2015 US$'000
(Allowance)/Reversal for impairment– trade receivables (Note 19)	**(10)**	594
Allowance for impairment – other receivables (Note 19)	**–**	(1,694)
Bad debts written off – trade and other receivables	**(373)**	–
Bad debts recovered – trade receivables	**1**	–
Foreign exchange adjustments losses – net	**(567)**	(497)
Gain on disposal of subsidiary corporation (Note 11)	**28**	1,822
Government grants		
- PIC bonus (1)	**–**	12
- WCS (2)	**2**	26
- SEC (3)	**1**	–
- TEC (4)	**2**	–
Miscellaneous income	**37**	55
Gain on warrants not exercised	**205**	–
Trade and other payables written back (5)	**403**	1,898
Rental income on operating lease	**405**	–
Total	**134**	2,216
Presented in statement of comprehensive income as:		
Other credits	**1,084**	4,407
Other charges	**(950)**	(2,191)
Net	**134**	2,216

(1) As announced in Budget 2014, businesses that invest in qualifying activities under the Productivity and Innovation Credit (PIC) scheme will receive a PIC Bonus in order to help businesses defray rising operating costs such as wages and rentals and encourages businesses to undertake improvements in productivity and innovation.

(2) As announced in Budget 2013, businesses will receive wage credit payouts under the Wage Credit Scheme (WCS) to free up resources to make investments in productivity and to share the productivity gains with their employees.

(3) As announced in Budget 2011, businesses whom provide continuing support to hire older Singaporean workers and Persons with Disabilities (PWDs) will received payouts under the Special Employment Credit (SEC) to support employers, and to raise the employability of older low-wage Singaporeans.

(4) As announced in Budget 2015, businesses will received a one-year offset of 0.5% of wages for its Singaporean and Singapore Permanent Resident (PR) employees in 2015 under the Temporary Employment Credit (TEC) as a Budget 2014 initiative to help businesses for adjustment of 1 percentage point increase in Medisave contribution rates, which took effect in January 2015.

(5) Trade and other payables were written back due to a reversal in over-accruals, largely due to the replacement of the commission scheme, a cash bonus incentive to employees, with the WE Share Awards Scheme and over-provision of other accruals.

Notes to the Financial Statements

For the financial year ended 31 March 2016

7. Employee Benefits Expense

	Group	
	2016	2015
	US$'000	US$'000
Employee benefits expense including directors:		
Salaries, bonuses and other short-term benefits	**1,248**	2,961
Contributions to defined contribution plan	**75**	278
Share-based expenses	**5**	–
Other benefits	**87**	161
Total employee benefits expense included in administrative expenses	**1,415**	3,400

8. Finance Costs

	Group	
	2016	2015
	US$'000	US$'000
Interest expense - bank	**9**	23

9. Items in the Consolidated Statement of Comprehensive Income

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the statement of comprehensive income includes the following charges/(credits):

	Group	
	2016	2015
	US$'000	US$'000
Inventories recognised as cost of sales (Note 18)	**2,297**	3,584
Depreciation of property, plant and equipment (Note 13)	**95**	138
Employee compensation (Note 7)	**1,415**	3,400
Rental expense on operating lease (Note 28)	**–**	18
Inventories written off (Note 18)	**3**	124
Inventories written back (Note 18)	**–**	(140)
Share-based payment expenses paid to a consultant	**14**	–
Audit fees to independent auditors included under administrative expenses		
- Company's auditors	**65**	62
- Other auditors	**2**	10
Other fees to independent auditors included under administrative expenses:		
- Company's auditors	**7**	30

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

10. Income Tax Expense

10A. Components of tax expense/(credit) recognised in profit or loss include:

	Group	
	2016 US$'000	2015 US$'000
Tax (credit)/expense attributable to (loss)/profit is made up of:		
(Loss)/profit for the financial year:		
- Current income tax	**–**	1
- Deferred income tax	**25**	–
Over provision in prior years:		
- Deferred income tax	**(39)**	–
	(14)	1
Tax (credit)/expense is attributable to:		
- continuing operations	**(14)**	–
- discontinued operations	**–**	1
	(14)	1

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2015: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2016 US$'000	2015 US$'000
(Loss)/profit before tax from		
- continuing operations	**(6,522)**	(131)
- discontinued operations	**–**	1,402
	(6,522)	1,271
Share of loss/(profit) of associated companies, net of tax	**4,686**	(2,718)
Loss before tax and share of (loss)/profit of associated companies	**(1,836)**	(1,447)
Income tax expense at the statutory rate	**(312)**	(246)
Expenses not deductible for tax purposes	**148**	857
Effect of different tax rates in different countries	**(2)**	(50)
Deferred tax assets unrecognised	**196**	184
Utilisation of previously unrecognised tax losses	**(1)**	(713)
Utilisation of previously unrecognised capital allowances	**–**	(34)
Tax rebate	**(4)**	–
Other item	**–**	3
	25	1

Notes to the Financial Statements

For the financial year ended 31 March 2016

10. Income Tax Expense (continued)

10B. Deferred tax income recognised in profit or loss includes:

	Group 2016 US$'000	Group 2015 US$'000
Excess of tax values over net book value of plant and equipment	**(14)**	–
Total deferred tax income recognised in profit or loss	**(14)**	–

10C. Income tax expense recognised directly in equity includes:

	Group 2016 US$'000	Group 2015 US$'000
Relating to revaluation of property, plant and equipment (Note 22B)	**–**	49
Total income tax expense recognised directly in equity	**–**	49

10D. Deferred tax balance in the balance sheet:

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Deferred tax liabilities:				
Relating to revaluation of property, plant and equipment	**(624)**	(624)	**–**	–
Excess of net book value of plant and equipment over tax values	**–**	–	**–**	(39)
Other	**29**	17	**–**	–
Total deferred tax liabilities	**(595)**	(607)	**–**	(39)
Unrecorded deferred tax assets:				
Tax loss carryforwards and others	**5,846**	5,668	**4,990**	4,809
Other	**22**	7	**20**	20
Total unrecorded deferred tax assets	**5,868**	5,675	**5,010**	4,829
Net total deferred tax assets	**5,273**	5,068	**5,010**	4,790
Deferred tax assets unrecognised	**5,273**	5,068	**5,010**	4,790

It is impracticable to estimate the amount expected to be settled or used within one year.

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law.

No deferred tax assets have been recognised in respect of the above balances, as the future profit streams are not probable.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

11. Disposal of Subsidiary Corporations

11A. Disposal of WE Components Pte Ltd (“WEC”)

FY2015

The Company has, on 11 July 2014, entered into a non-binding memorandum of understanding (“MOU”) with Jubilee Industries Holdings Ltd (“Jubilee”) to sell its entire interest of issued and paid-up share capital, consisting of 9,276,797 ordinary shares, in WEC together with its 6 subsidiary corporations and a sub-subsidiary corporation (collectively, the “WEC Group”). WEC is principally engaged in the provision and distribution of electronic components and products, services and solutions to industrial and commercial users.

On 18 July 2014, the Company entered into a Sale and Purchase Agreement (“SPA”) with Jubilee to dispose WEC Group for an aggregate consideration of US$8,393,000 (“Consideration”). The Consideration shall be satisfied in cash, based on the conditions as set out in the SPA in the following manner:

(a) an amount of US$4,196,500 shall be payable by Jubilee to the Company as deposit upon the execution of this SPA (“First Payment”);

(b) subject to such adjustments as set out in the following paragraphs on Stock Count, an amount of US$2,478,500 shall be payable by Jubilee to the Company on completion (“Second Payment”); and

(c) subject to such adjustments as set out in the following paragraphs on Stock Count, an amount of US$1,718,000 shall be payable by Jubilee to the Company on or before 31 December 2014 (“Final Payment”).

If, following such Stock Count:

(1) the Net Tangible Asset (“NTA”) Value shall be less than US$6,675,000 (i.e. addition of (a) and (b) per above) (“Initial Value”), the Consideration shall accordingly be reduced by the difference between the Initial Value and the NTA Value. Such reduction shall be deducted from the Second Payment; or

(2) the NTA Value shall be less than Initial Value, the difference between the NTA Value and the Initial Value (“Reduction Amount”) shall be deducted from the Consideration in the following manner (i) the value of the Second Payment shall be reduced by deducting the Reduction Amount from the Second Payment; and (ii) in the event that the Reduction Amount shall be greater than the Second Payment, any difference thereof shall be deducted from the Final Payment.

The SPA excludes the following properties currently held by WEC and situated at:

(a) 52 Ubi Avenue 3, #01-28/29/30, The Frontier, Singapore 408867; and

(b) 10 Ubi Crescent, Ubi Techpark Lobby E, #03-94/95/96 Singapore 408564

(collectively, “Excluded Properties”).

The Company shall procure the sale and transfer of the Excluded Properties from WEC to itself or its nominees within 3 months from completion. Thereafter, the Company shall lease the Excluded Properties to Jubilee in accordance with such terms and conditions to be mutually agreed upon between the parties based on prevailing market rates.

Subsequently, the Company entered into the First Supplemental Agreement on 18 July 2014 with Jubilee to supplement and clarify the terms of the SPA. The disposal of WEC Group shall exclude:

(a) WEC’s subsidiary corporations comprising Plexus Electronics Inc., WE Technology (HK) Ltd and Plexus Technology Taiwan Co., Ltd (collectively the “Excluded Subsidiaries”);

(b) the Excluded Properties;

(c) the aggregate cash balance of the WEC Group as at completion date (other than the Deposits), based on the completion accounts;

Notes to the Financial Statements

For the financial year ended 31 March 2016

11. Disposal of Subsidiary Corporations (continued)

11A. Disposal of WE Components Pte Ltd ("WEC") (continued)

(d) all trade and other payables or other amounts owing by the WEC Group to their creditors in connection with their respective businesses as at completion including all bank loans, trust receipts and bills payable as shown in the completion accounts ("Accounts Payables");

(e) all amounts owing to the WEC Group by their debtors in connection with their respective businesses as shown in the completion accounts ("Accounts Receivables");

(f) all income tax recoverable and deferred expenses, accruing and payable to the WEC Group for the period up to the completion date, as assessed and determined by the relevant tax authorities ("Income Tax Recoverable");

(g) all deferred tax liabilities and income tax payables, accruing and payable by the WEC Group for the period up to the completion date, as assessed and determined by the relevant tax authorities ("Deferred Tax Liabilities/ Income Tax Payables"); and

(h) all other assets and liabilities of each of the WEC Group companies, other than the Sale Assets, which are the shares of WEC, WEC's subsidiary corporations, inventories of WEC Group, plant and equipment of WEC Group, and all contracts and engagement with the respective suppliers and customers.

(collectively, "**Excluded Items**").

Further to the above, the Excluded Properties shall be procured by the Company from WEC for an aggregate consideration of US$5,617,000 ("Excluded Properties Consideration"). The Excluded Properties Consideration is equivalent to the audited net book value of the Excluded Properties as at 31 March 2014. The Consideration was increased by US$5,617,000 (being an amount equivalent to the Excluded Properties Consideration) from US$8,393,000 to US$14,010,000.

A Second Supplemental Agreement was entered on 15 January 2015 prior to the completion on 31 January 2015 for provisions on Post Completion Obligation which are for the relevant parties to agree to the terms and conditions on sale and transfer of the Excluded Properties.

On 31 January 2015, the Company completed the sale of its entire 100% equity interest comprising 9,276,797 shares in WEC for a total consideration of US$14,010,000. The consideration was adjusted to US$12,489,000 after Stock Count which provides that in the event the Stock Count Value is less than US$6,675,000 ("Initial Value"), the consideration shall accordingly be reduced by the difference between the Initial Value and the NTA Value. The sale was arrived at arm's length, on a willing buyer willing seller basis after taking into account the business prospects of WEC Group, the net tangible asset value as at 31 March 2014 and the value of the Sale Assets and Excluded Properties.

The results for the period from the beginning of the previous financial year to 31 January 2015 which have been included in the consolidated financial statements were as follows:

	Group Period ended 31 Jan 2015 US$'000
Revenue	**44,963**
Expenses	**(43,561)**
Profit before tax from discontinued operations	**1,402**
Income tax	**(1)**
Profit after tax from discontinued operations	**1,401**

Notes to the Financial Statements

For the financial year ended 31 March 2016

11. Disposal of Subsidiary Corporations (continued)

11A. Disposal of WE Components Pte Ltd ("WEC") (continued)

The following table summarises the carrying amount of assets and liabilities of the subsidiary corporation, WE Components Pte Ltd that was sold on 31 January 2015.

	Group 2015 US$'000
Inventory	5,009
Plant and equipment	144
Properties classified as held-for-transfer	5,514
Net assets disposed of	10,667

The aggregate cash inflows arising from the disposal of subsidiary corporation were:

	Group 2015 US$'000
Net assets disposed of (as above)	10,667
Gain on disposal (Note 6)	1,822
Cash proceeds from disposal	12,489
Less: Cash and cash equivalents in subsidiary disposed of	–
Net cash inflows on disposal	12,489

As at 31 March 2016, the sale and transfer of the Excluded Properties have not taken place. As the loans provided by each financial institution to WEC for the Excluded Properties are not directly transferable to the Company, both the Company and WEC are sourcing for other financial institutions to have the loan transferred. There have been negotiations with other financial institutions and the Company is not intending to make a pay down of the balance outstanding to reserve cash for expansion purposes which resulted in a delay in the transfer of the Excluded properties.

11B. Disposal of WE Components (Penang) Sdn. Bhd.

The subsidiary corporation, WE Components (Penang) Sdn. Bhd. was disposed on 2 April 2015.

The following table summarises the carrying amount of assets and liabilities of the subsidiary corporation, WE Components (Penang) Sdn. Bhd. that was disposed on 2 April 2015.

	Group 2016 US$'000
Cash and cash equivalents	21
Property, plant and equipment	*
Other assets	*
Total assets	21
Trade and other payables	(49)
Total liabilities	(49)
Net liabilities disposed of	(28)

Notes to the Financial Statements

For the financial year ended 31 March 2016

11. Disposal of Subsidiary Corporations (continued)

11B. Disposal of WE Components (Penang) Sdn. Bhd. (continued)

The aggregate cash inflows arising from the disposal of subsidiary corporation were:

	Group 2016 US$'000
Net liabilities disposed of (as above)	**(28)**
Gain on disposal (Note 6)	**28**
Cash proceeds from disposal	*
Less: Cash and cash equivalents in subsidiary corporation disposed of	**(21)**
Net cash outflows on disposal	**(21)**

* Amount less than US$1,000.

12. Earnings Per Share

(a) Basic earnings per share

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

	Continuing operations		Discontinued operations		Total	
	2016	2015	**2016**	2015	**2016**	2015
Net (loss)/profit for the year attributable to the equity holders of the Company (US$'000)	**(6,505)**	(136)	**–**	1,401	**(6,505)**	1,265
Weighted average number of equity shares issued ('000)	**4,609,324**	2,808,344	**–**	2,808,344	**4,609,324**	2,808,344
Basic (loss)/earnings per share (in cents)	**(0.14)**	(0.00)	**–**	0.05	**(0.14)**	0.05

Notes to the Financial Statements

For the financial year ended 31 March 2016

12. Earnings Per Share (continued)

(b) Diluted earnings per share

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

	Continuing operations		Discontinued operations		Total	
	2016	2015	**2016**	2015	**2016**	2015
Net (loss)/profit for the year attributable to the equity holders of the Company (US$'000)	**(6,505)**	(136)	**–**	1,401	**(6,505)**	1,265
Weighted average number of equity shares issued fully diluted ('000)	**4,609,324**	2,963,586	**–**	2,963,586	**4,609,324**	2,963,586
Diluted (loss)/earnings per share (in cents)	**(0.14)***	(0.00)	**–**	0.05	**(0.14)***	0.05

* As loss was recorded in 2016, the dilutive potential shares from shares to be issued and performance shares are anti-dilutive and no change is made to the diluted loss per share.

The weighted average number of equity shares refers to shares in circulation during the financial year.

Notes to the Financial Statements

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13. Property, Plant and Equipment

Group:	Leasehold building and improvements US$'000	Plant and equipment US$'000	Total US$'000
Cost or revaluation:			
At 1 April 2014	5,635	2,794	8,429
Revaluation increase	214	–	214
Foreign exchange adjustments	(187)	(27)	(214)
Additions	–	329	329
Disposal of subsidiary corporation (Note 11A)	(5,568)	(898)	(6,466)
Disposals	–	(104)	(104)
Written off	(94)	(1,584)	(1,678)
At 31 March 2015	–	510	510
Foreign exchange adjustments	–	(10)	(10)
Additions	–	144	144
Disposal of subsidiary corporation (Note 11B)	–	*	*
Reclassified to intangible assets (Note 14)	–	(26)	(26)
At 31 March 2016	–	618	618
Represented by:			
Cost	–	618	618
Accumulated depreciation:			
At 1 April 2014	18	2,356	2,374
Foreign exchange adjustments	57	17	74
Depreciation charge	148	134	282
Disposal of subsidiary corporation (Note 11A)	(54)	(754)	(808)
Disposals	–	(104)	(104)
Elimination of depreciation upon revaluation	(75)	–	(75)
Written off	(94)	(1,584)	(1,678)
At 31 March 2015	–	65	65
Foreign exchange adjustments	–	(9)	(9)
Depreciation charge (Note 9)	–	95	95
Disposal of subsidiary corporation (Note 11B)	–	*	*
Reclassified to intangible assets (Note 14)	–	(26)	(26)
At 31 March 2016	–	125	125
Net book value:			
At 31 March 2015	–	445	445
At 31 March 2016	–	493	493

* Amount less than US$1,000.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

13. Property, Plant and Equipment (continued)

Company	**Leasehold Improvements US$'000**	**Plant and Equipment US$'000**	**Total US$'000**
Cost:			
At 1 April 2014	94	1,708	1,802
Additions	–	26	26
Disposals	–	(26)	(26)
Written off	(94)	(1,521)	(1,615)
At 31 March 2015 and 31 March 2016	–	187	187
Accumulated depreciation:			
At 1 April 2014	36	1,505	1,541
Depreciation charge	58	68	126
Disposals	–	(5)	(5)
Written off	(94)	(1,521)	(1,615)
At 31 March 2015	–	47	47
Depreciation charge	–	37	37
At 31 March 2016	–	84	84
Net book value:			
At 31 March 2015	–	140	140
At 31 March 2016	–	103	103

As at 31 March 2016, there are no items that are under finance lease agreements.

The leasehold property of a previously wholly-owned subsidiary corporation is mortgaged for bank facilities (Note 24A).

The depreciation expense is charged to statement of comprehensive income as administrative expenses.

Notes to **the Financial Statements**

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14. Intangible Assets

Group	Computer Software US$'000
Cost:	
At 1 April 2014	1,286
Written off	(1,286)
At 31 March 2015	–
Addition	24
Reclassified from property, plant and equipment	*
At 31 March 2016	24
Accumulated amortisation:	
At 1 April 2014	1,286
Written off	(1,286)
At 31 March 2015 and 31 March 2016	–
Net book value:	
At 31 March 2015	–
At 31 March 2016	24

* Computer software with net book value of US$ Nil balance has been reclassified from property, plant and equipment to intangible assets (Note 13).

Company	Computer Software US$'000
Cost:	
At 1 April 2014	1,286
Written off	(1,286)
At 31 March 2015	–
Addition	24
At 31 March 2016	24
Accumulated amortisation:	
At 1 April 2014	1,286
Written off	(1,286)
At 31 March 2015 and 31 March 2016	–
Net book value:	
At 31 March 2015	–
At 31 March 2016	24

The amortisation expense is charged to the statement of comprehensive income as administrative expenses.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

15. Investments in Subsidiary Corporations

	Company 2016 US$'000	Company 2015 US$'000
Movements during the year:		
Balance at beginning of the financial year	**187**	11,570
Additions [1]	**3,569**	*
Disposals	*	(11,383)
Balance at the end of the financial year	**3,756**	187
Total cost comprising:		
Unquoted equity shares at cost	**4,509**	940
Allowance for impairment	**(753)**	(753)
Total at cost	**3,756**	187
Movements in allowance for impairment loss:		
Balance at beginning of the financial year	**753**	25,753
Written off on disposal	**–**	(25,000)
Balance at end of the financial year	**753**	753

[1] As at 13 October 2015, the Company acquired additional 4,803,809 shares in its wholly owned subsidiary corporation, WE Resources Pte. Ltd. ("WER") by capitalisation of loan due from WER to the Company for the amount of S$4,803,809 (US$3,569,000).

* Amount less than US$1,000.

The subsidiary corporations held by the Company and its subsidiary corporations are listed below:

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
	2016	2015	**2016**	2015	**2016**	2015
	%	%	**%**	%	**%**	%
WE Components Sdn Bhd [a] Malaysia Distributor and representative of electronic components and systems and equipment (KPMG)	**85**	85	**85**	85	**15**	15
WE Systems Pte Ltd Singapore Engineering support service, application training and system maintenance (Nexia TS Public Accounting Corporation)	**100**	100	**100**	100	**–**	–

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For the financial year ended 31 March 2016

15. Investments in Subsidiary Corporations (continued)

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
	2016	2015	**2016**	2015	**2016**	2015
	%	%	**%**	%	**%**	%
WesCal Electronics Trading (Shanghai) Pte Ltd [b] People's Republic of China Inactive	**100**	100	**100**	100	**–**	–
WE Electronics Co., Ltd [b] Thailand Inactive	**100**	100	**100**	100	**–**	–
WE Electronics Industrial Pte Ltd [e] Singapore Other investment holding Inactive	**–**	100	**–**	100	**–**	–
WE Dragon Resources Pte Ltd Singapore Petroleum, mining and prospecting services (Nexia TS Public Accounting Corporation)	**100**	50	**100**	50	**–**	50
WE Resources Pte Ltd Singapore Iron ore and coal trading (Nexia TS Public Accounting Corporation)	**100**	100	**100**	100	**–**	–
WE Components (Penang) Sdn. Bhd. [a] [d] Malaysia Distributor and representative of electronic components and systems and equipment (KPMG)	**–**	100	**–**	100	**–**	–
WE Resources Sdn. Bhd. [a] Malaysia Iron ore and coal trading (KPMG)	**100**	100	**100**	100	**–**	–
Plexus Electronics Inc. [b] [c] United States of America Inactive	**100**	100	**100**	100	**–**	–
WE Technology (HK) Ltd [c] Hong Kong Inactive	**100**	100	**100**	100	**–**	–

Notes to the Financial Statements

For the financial year ended 31 March 2016

15. Investments in Subsidiary Corporations (continued)

(a) Other independent auditors. Audited by firms of accountants other than member firms of Nexia TS Public Accounting Corporation. Their names are indicated above.

(b) Not required to be audited in the country of incorporation. The subsidiary corporation is insignificant to the Group.

(c) The subsidiary corporations are dormant and are not significant to the Group.

(d) The subsidiary corporation was disposed during financial year ended 31 March 2016.

(e) The subsidiary corporation was struck off during financial year ended 31 March 2016.

As required by Rule 715 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiary corporations would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

Significant Restrictions

Cash and short-term deposits of US$551,579 (2014: US$216,000) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

16. Investments in Associated Companies

	Group		**Company**	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Movements in carrying value:				
At beginning of the financial year	**16,004**	–	**13,392**	–
Additions	**–**	13,392	**–**	13,392
Disposal	*****	–	**–**	–
Share of (loss)/profit for the financial year	**(4,686)**	758	**–**	–
Share of other comprehensive income/(loss) for the financial year	**434**	(106)	**–**	–
Bargain purchase	**–**	1,960	**–**	–
At end of the financial year	**11,752**	16,004	**13,392**	13,392
Carrying Value:				
Bargain purchase	**1,960**	1,960	**–**	–
Quoted equity shares at cost	**13,392**	13,392	**13,392**	13,392
Unquoted equity shares at cost	**114**	114	**43**	43
Allowance for impairment	**(78)**	(78)	**(43)**	(43)
Share of post-acquisition (loss)/profit	**(3,964)**	722	**–**	–
Share of post-acquisition other comprehensive income/(loss)	**328**	(106)	**–**	–
	11,752	16,004	**13,392**	13,392
Movements in allowance for impairment loss:				
Balance at the beginning and at the end of the financial year	**78**	78	**43**	43

* The carrying amount is less than US$1,000.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

16. Investments in Associated Companies (continued)

Name of Company, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	% of ownership interest	
	%	%
Jubilee Industries Holdings Ltd [(a)] Singapore Mould design/fabrication and provision of precision plastic injection manufacturing solutions	**29.25**	29.75
Syntax-Olevia (Far East) Pte Ltd [(b)] Singapore Distributor and representative of LCD TV	**20**	20
Plexus Technology Taiwan Co., Ltd [(c)] Taiwan Trading in electronic components	**–**	20

(a) Audited by Nexia TS Public Accounting Corporation.

(b) Dormant.

(c) The associated company was disposed during financial year ended 31 March 2016.

As of 31 March 2016, the Company has a direct interest in 97,354,500 ordinary shares representing 29.25% (2015: 29.75%) of the issued and paid up capital of Jubilee Industries Holdings Ltd ("Jubilee"). The dilution in percentage of shareholding was following by an issue of 5,634,306 new shares under the Jubilee Shares Award Scheme (JSAS).

In June 2014, 59,903,000 Jubilee shares were purchased from Dr. Toh Soon Huat and SCE Enterprise at S$0.242 for S$14,496,526. Out of this, S$11,996,526 were paid in cash while S$2,500,000 (US$1,993,000) were paid by share issuance (Note 21). A further 3,000,000 Jubilee shares were purchased from the open market in July 2014 for S$299,581 and 31,451,500 Jubilee warrants for a consideration of S$1,887,090. On 10 December 2014, the Company made another acquisition of 3,000,000 Jubilee shares through a married deal for a cash consideration of S$162,000.

Jubilee is principally engaged in mould design/fabrication and provision of precision plastic injection manufacturing solutions to customers whose end products are in the consumer electronics, computer peripherals, automotive and household appliances industries. In addition to plastic injection manufacturing solutions, Jubilee also provide a wide range of diversified PPIM related Value Added Services which includes laser etching, ultrasonic welding, heat staking, printing, polishing and sub-assembly through its subsidiary corporations E-Mold Manufacturing and Jubilee Manufacturing Sdn Bhd.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

16. Investments in Associated Companies (continued)

The summarised financial information in respect of Jubilee, based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Jubilee	
	2016 US$'000	2015 US$'000
Current assets	**24,922**	19,602
Includes:		
- Cash and cash equivalents	656	3,037
Current liabilities	**(19,035)**	(9,937)
Includes:		
- Financial liabilities (excluding trade payables)	(218)	(619)
Non-current assets	**8,368**	21,312
Non-current liabilities	**(19)**	(40)
Includes:		
- Financial liabilities	(19)	(40)
Net assets	**14,236**	30,937

Summarised statement of comprehensive income

	Jubilee	
	For the financial year ended 31 March 2016 US$'000	For the financial period from 1 July 2014 to 31 March 2015 (9 months) US$'000
Revenue	60,971	17,703
Interest income	20	31
Expenses		
Includes:		
Depreciation and amortisation	(1,227)	(979)
Interest expense	(244)	(69)
(Loss)/profit before taxation	(15,726)	2,545
Income tax (expense)/credit	(294)	2
(Loss)/profit after taxation	(16,020)	2,547
Other comprehensive income/(loss)	1,485	(355)
Total comprehensive (loss)/income	(14,535)	2,192

The information above reflects the amounts presented in the financial statements of Jubilee (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated companies.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

16. Investments in Associated Companies (continued)

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented, to the carrying amount of the Group's interest in associated company, is as follows:

	Jubilee	
	For the financial year ended 31 March 2016 US$'000	For the financial period from 1 July 2014 to 31 March 2015 (9 months) US$'000
Net assets at beginning of the financial year/acquisition date	30,955	24,879
(Loss)/profit for the year	(16,020)	2,547
Other comprehensive income/(loss) for the year/period	1,485	(355)
Foreign exchange differences	(2,307)	(67)
Issuance of share capital	122	4,490
Purchase of treasury shares	–	(556)
Other	–	17
At 31 March	14,235	30,955
Interest in associated company (2016: 29.25%; 2015: 29.75%)	4,164	9,209
Fair value adjustment during the financial year/acquisition date	7,176	7,176
Change in percentage of shareholdings during the financial year/period	73	(120)
Other adjustment	339	(261)
Carrying value	11,752	16,004
Carrying value of individually immaterial associated companies, in aggregate	–	–
Carrying value of Group's interest in associated companies	11,752	16,004

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For the financial year ended 31 March 2016

17. Other Assets

	Group		Company	
	2016 **US$'000**	2015 US$'000	**2016** **US$'000**	2015 US$'000
Other assets (current):				
Deferred expenses	**1**	1	**–**	–
Deposits to secure services	**66**	72	**–**	4
Prepayments	**8**	6	**–**	–
Deposit for proposed acquisition of various entities [(a)]	**–**	794	**–**	794
	75	873	**–**	798
Other assets (non-current):				
Club membership	**15**	93	**15**	93

(a) On 29 January 2014, the Company entered into 3 sale and purchase agreements. The first agreement was for the acquisition of the entire issued and paid-up share capital of SingYaSin Technologies Pte. Ltd. ("SYS") and 10% of the issued and paid-up share capital of SCT Technologies Pte. Ltd. ("SCT"). The second agreement was for the acquisition of the entire issued and paid-up share capital of LSP Technology Pte. Ltd. ("LSP"). The third agreement was for the acquisition of 50% of the issued and paid-up share capital of LSP Advance Sdn. Bhd. ("LSP Malaysia"). The Company has paid a refundable deposit of S$1,000,000 (approximately US$794,000) upon signing of the Agreements to SYS. On 29 January 2015, the Company announced it has entered into a termination agreement with Terence Tea Yeok Kian, Bobby Lim Chye Huat and Ng Cheng Chuan to which the parties agree to terminate the sale and purchase agreement dated 29 January 2014 and the two supplemental agreements dated 14 February 2014 and 2 June 2014 and to return the refundable deposit. The refundable deposit has been fully collected during financial year ended 31 March 2016.

18. Inventories

	Group		Company	
	2016 **US$'000**	2015 US$'000	**2016** **US$'000**	2015 US$'000
Goods for resale at cost	**–**	16	**–**	**–**
The cost of inventories included in the cost of sales (Note 9)	**2,297**	3,584	**41**	3,789
Inventories written off (Note 9)	**3**	124	**–**	124
Inventories written back (Note 9)	**–**	(140)	**–**	(140)

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

19. Trade and Other Receivables

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables:				
Outside parties	**4,805**	15,216	**20**	194
Less: Allowance for impairment	**(654)**	(700)	**(10)**	(56)
Subsidiary corporations	**–**	–	**1,673**	4,007
Less: Allowance for impairment	**–**	–	**(1,358)**	(3,171)
Related parties	**6**	–	**6**	–
Subtotal	**4,157**	14,516	**331**	974
Other receivables:				
Subsidiary corporations	–	–	**10,209**	15,756
Less: Allowance for impairment	**–**	–	**(1,825)**	(11,369)
Related parties	**12,244**	5,745	**11,933**	4,597
Advance to suppliers	**453**	289	**–**	40
Other receivables – outside parties	**3,759**	3,531	**11**	19
Less: Allowance for impairment	**(1,750)**	(1,750)	**–**	–
Subtotal	**14,706**	7,815	**20,328**	9,043
Total trade and other receivables	**18,863**	22,331	**20,659**	10,017

The other receivables due from subsidiary corporations and related parties are unsecured, interest-free and repayable on demand.

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Movements in above allowance:				
Trade receivables:				
Balance at beginning of the year	**700**	43,137	**3,227**	45,073
Foreign exchange adjustments	**(1)**	(41)	**–**	–
Charged/(reversed) to profit or loss	**10**	(1,164)	**(1,802)**	(614)
Utilisation of allowance	**(57)**	(41,232)	**(57)**	(41,232)
Balance at end of the year	**652**	700	**1,368**	3,227
Other receivables:				
Balance at beginning of the year	**1,750**	56	**11,369**	8,115
Charged to profit or loss	**–**	1,694	**(9,544)**	3,254
Balance at end of the year	**1,750**	1,750	**1,825**	11,369

Trade receivables of a previously wholly-owned subsidiary corporation are pledged as security for borrowings (Note 24A) in the previous financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2016

20. Cash and Cash Equivalents

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Not restricted in use	**8,520**	3,686	**3,678**	466
Restricted in use [(a)]	**1,391**	1,779	**–**	–
	9,911	5,465	**3,678**	466

(a) This is for bank balance held by bankers to cover bank facilities granted (Note 24A).

The rate of interest for the cash on interest earning accounts of US$1,391,000 (2015: US$1,779,000) is between 0.30% to 1.41% (2015: 0.05% to 0.20%).

20A. Cash and Cash Equivalents in the Consolidated Statement of Cash Flows:

	Group	
	2016	2015
	US$'000	US$'000
Amount as shown above	**9,911**	5,465
Cash restricted in use over 3 months	**(1,391)**	(1,779)
Cash and cash equivalents per consolidated statement of cash flows	**8,520**	3,686

20B. Non-Cash Transactions

On 7 May 2014, the Company issued 25,721,308 shares for performance shares that vested on 30 April 2014.

On 1 October 2014, the Company awarded 6,939,603 shares for S$0.01 and these shares were issued in 2 October 2014.

On 8 May 2015, the Company issued 19,726,115 shares for performance shares that vested on 30 April 2015.

On 18 September 2015, the Company awarded 6,611,353 shares for S$0.004 and these shares were issued on 21 September 2015.

Notes to the Financial Statements

For the financial year ended 31 March 2016

21. Share Capital

Group	Number of shares issued '000	Share capital US$'000
Ordinary shares of no par value:		
Balance at 1 April 2014	2,623,892	45,077
Issuance of shares pursuant to WE Share Award Scheme in May 2014 at S$0.0152 per share	25,721	312
Issuance of shares for investment in Jubilee in June 2014 at S$0.01323 per share	188,964	1,993
Issuance of shares pursuant to WE Share Award Scheme in October 2014 at S$0.010 per share	6,940	55
	221,625	2,360
Balance at end of the year 31 March 2015	2,845,517	47,437
Issuance of shares pursuant to WE Share Award Scheme in May 2015 at S$0.0152 per share	19,726	226
Warrants exercised for September 2013 right shares at S$0.03 per share	122	3
Warrants exercised for March 2014 right shares at S$0.03 per share	26	*
Warrants exercised for May 2015 right shares at S$0.004 per share	2,370,631	6,919
Issuance of shares pursuant to WE Share Award Scheme in September 2015 at S$0.004 per share	6,611	19
	2,397,116	7,167
Balance at end of the year 31 March 2016	5,242,633	54,604

Company	Number of shares issued '000	Share capital US$'000
Ordinary shares of no par value:		
Balance at 1 April 2014	2,623,892	75,159
Issuance of shares pursuant to WE Share Award Scheme in May 2014 at S$0.0152 per share	25,721	312
Issuance of shares for investment in Jubilee in June 2014 at S$0.01323 per share	188,964	1,993
Issuance of shares pursuant to WE Share Award Scheme in October 2014 at S$0.010 per share	6,940	55
	221,625	2,360
Balance at end of the year 31 March 2015	2,845,517	77,519
Issuance of shares pursuant to WE Share Award Scheme in May 2015 at S$0.0152 per share	19,726	226
Warrants exercised for September 2013 right shares at S$0.03 per share	122	3
Warrants exercised for March 2014 right shares at S$0.03 per share	26	*
Warrants exercised for May 2015 right shares at S$0.004 per share	2,370,631	6,919
Issuance of shares pursuant to WE Share Award Scheme in September 2015 at S$0.004 per share	6,611	19
	2,397,116	7,167
Balance at end of the year 31 March 2016	5,242,633	84,686

* Amount less than US$1,000

Notes to the Financial Statements

For the financial year ended 31 March 2016

21. Share Capital (continued)

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements. The difference in amounts in the Group and the Company is due to the reverse takeover exercise in the past.

In FY2015, the Company has issued 188,964,475 shares for the Company's equity interest in Jubilee Industries Holdings Limited for S$2,500,000 (US$1,993,000) (Note 16).

In FY2016, a total of 2,370,779 shares were issued due to exercise of 2,370,779 warrants for S$9,486,963 (US$6,921,000).

The newly issued shares rank pari passu in all respects with the previously issued shares.

Capital management:

In order to maintain its listing on the Singapore Stock Exchange the Company has to have share capital with at least a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the year. Management receives a report from the registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the financial year.

The objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurate with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the financial year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management monitors the capital on the basis of the debt-to-adjusted-capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Net debts:				
All current and non-current borrowings	**1,096**	1,270	**–**	–
Less cash and cash equivalents	**(9,911)**	(5,465)	**(3,678)**	(466)
Net debt	**(8,815)**	(4,195)	**(3,678)**	(466)
Net capital:				
Equity	**35,617**	34,232	**41,374**	24,060
Net capital	**35,617**	34,232	**41,374**	24,060
Debt-to-adjusted-capital ratio	**(24.7%)**	(12.3%)	**(8.9%)**	(1.9%)

The Group and Company have a net cash rather than net debt position as shown by the positive to negative debt-to-adjusted-capital ratio for the financial year. This resulted primarily from the increase in cash and cash equivalents from funds obtained through the issue of shares.

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For the financial year ended 31 March 2016

22. Other Reserves

Group	**2016 US$'000**	2015 US$'000
Foreign currency translation reserve (Note 22A)	**(129)**	(408)
Revaluation reserve (Note 22B)	**2,853**	2,842
Other reserve (Note 22C)	**328**	(106)
Balance at end of the financial year	**3,052**	2,328

The other reserves are not available for cash dividends unless realised.

The foreign currency translation reserve accumulates all foreign exchange differences.

The revaluation reserve arises from the revaluation model of buildings held under property, plant and equipment. It is not distributable until it is recovered from use or released on the disposal of the buildings.

The revaluation reserve pertains to buildings listed as Excluded Properties in the disposal of WEC Group. The Company has entered into a Second Supplemental Agreement with Jubilee Industries Holdings Ltd on 15 January 2015 prior to completion of the disposal of WEC Group. The Second Supplemental Agreement provides that following completion, the Excluded Properties shall be procured, sold and transferred from WEC Group to the Company or its nominees at a consideration amounting to US$5,617,000 at the Company's own cost and expense within 12 months after completion and, if required by the Banks, the Company or its nominees shall continue to provide third party security by way of mortgage over the Excluded Properties, in relation to loans provided by each of the banks to WEC, pursuant to the term loan letter dated 2 May 2008 from DBS Bank Ltd to WEC and the revised banking facilities letter dated 1 October 2013 from United Overseas Bank Limited to WEC.

22A. Foreign Currency Translation Reserve

Group	**2016 US$'000**	2015 US$'000
Balance at beginning of financial year	**(408)**	(105)
Exchange differences on translating foreign operations	**279**	(303)
Balance at end of the financial year	**(129)**	(408)

22B. Revaluation Reserve

Group	**2016 US$'000**	2015 US$'000
Balance at beginning of financial year	**2,842**	2,805
Foreign exchange adjustments	**11**	(203)
Gain on revaluation of property, plant and equipment (Note 13)	**–**	289
Deferred tax on revaluation of property, plant and equipment (Note 10C)	**–**	(49)
	–	240
Balance at end of the financial year	**2,853**	2,842

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

22. Other Reserves (continued)

22C. Other Reserve

Group	2016 US$'000	2015 US$'000
Balance at beginning of financial year	**(106)**	–
Share of associated company's other reserves	**434**	(106)
Balance at end of the financial year	**328**	(106)

23. Contingencies

The Company has issued corporate guarantees to banks for borrowings of a previously wholly-owned subsidiary corporation with net assets position. These bank borrowings amount to US$1,096,000 (2015: US$1,270,000) at the balance sheet date. The management has evaluated the fair value of the corporate guarantees and is of the view that the consequential benefit derived from its guarantees to the bank with regards to the subsidiary corporation is minimal.

The Company is not required to fulfil any guarantee on the basis of default by the borrowers as at the balance sheet date. The details of the corporate guarantee are disclosed in Note 24A.

24. Other Financial Liabilities

	Group	
	2016 US$'000	2015 US$'000
Non-current:		
Bank loans (secured) (Note 24A)	**1,045**	1,177
Current:		
Bank loans (secured)	**51**	93
Total financial liabilities	**1,096**	1,270
Non-current portion is repayable as follows:		
Due within 1 to 2 years	**53**	97
Due within 2 to 5 years	**179**	207
After 5 years	**813**	873
Total non-current portion	**1,045**	1,177

The range of floating interest rates paid was as follows:

	Group	
	2016 %	2015 %
Bank loans	**3.5% to 5.25%**	3.5% to 5.25%

Notes to the Financial Statements

For the financial year ended 31 March 2016

24. Other Financial Liabilities (continued)

24A. Bank Loans

The bank loans are secured by:

(i) Legal mortgages of leasehold industrial properties of a previously wholly-owned subsidiary corporation;

(ii) Registered charge over cash deposits of US$0.3 million in the name of a previously wholly-owned subsidiary corporation held with a bank;

(iii) Fixed deposits of at least US$0.2 million which are pledged to a bank;

(iv) Existing letter of charge and set-off executed by a previously wholly-owned subsidiary corporation in respect of foreign currency fixed deposits of not less than US$1.25 million;

(v) Debenture agreement including floating charge over all present and future trade receivables and inventories of a previously wholly-owned subsidiary corporation; and

(vi) Corporate guarantee is provided to a previously wholly-owned subsidiary corporation for some banking facilities provided.

Other bank facilities are secured by fixed bank deposits which are pledged to a bank (Note 20).

24B. Fair value of non-current borrowings

	Group	
	2016	2015
	US$'000	US$'000
Bank loans	**698**	780

The fair values above are determined from the cash flow analyses, discounted at market borrowings rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	2016	2015
	US$'000	US$'000
Bank loans	**5.35%**	5.35%

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For the financial year ended 31 March 2016

25. Trade and Other Payables

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Trade payables:				
Outside parties	**2,586**	7,060	**–**	–
Subsidiary corporations	**–**	–	**47**	110
Related parties	**12**	–	**–**	–
Sub-total	**2,598**	7,060	**47**	110
Other payables:				
Outside parties	**925**	1,364	**66**	73
Accrued liabilities	**159**	740	**137**	563
Subsidiary corporations	**–**	–	**9**	254
Related parties	**161**	–	**–**	–
Sub-total	**1,245**	2,104	**212**	890
Total trade and other payables	**3,843**	9,164	**259**	1,000

The non-trade amounts due to subsidiary corporations and related parties are unsecured, interest-free and repayable upon demand.

26. Share Based Payments

The Company has a share award scheme known as WE Share Award Scheme ("WSAS") approved and adopted by its members at an Extraordinary General Meeting held on 25 May 2010. The WSAS is administered by a committee which consists of directors of the Company. The purpose of the WSAS is to provide an opportunity for the Group's employees and directors who have met the performance targets to be remunerated not just through cash bonuses but also by an equity stake in the Company. The WSAS is also extended to the Group non-executive directors.

The directors believe that the retention of outstanding employees within the Group is paramount to the Group's long-term objective of pursuing continuous growth and expansion in its business and operations. The Group also acknowledges that it is important to preserve financial resources for future business developments and to withstand difficult times. As such, one of the Group's strategies is to contain the remuneration of its employees and executives that is a major component of the Group's operating costs.

The WSAS is formulated with those objectives in mind. It is hoped that through the WSAS, the Group would be able to remain an attractive and competitive employer and better able to manage its fixed overhead costs without compromising on performance standards and efficiency.

On 22 March 2013, the Company awarded the following shares under WSAS which are vested at various periods.

Name of Awardee	No. of shares awarded	Vesting periods
Directors of the Company		
Mr Tan Wee Peng Kelvin	1,000,000	22 March 2013 to 30 April 2014
	500,000	22 March 2013 to 30 April 2015
Executive Officers and Employees		
Others	5,700,000	22 March 2013 to 30 April 2014
	6,325,000	22 March 2013 to 30 April 2015
	13,525,000	

The market price at the time of awarding the above shares is S$0.094.

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26. Share Based Payments (continued)

Out of the above, 50,000 shares that vested in 30 April 2014 and 1,725,000 shares that vested on 30 April 2015, totaling 1,775,000 shares under "Others", are cancelled due to cessation of employment. Due to capital variation from the placement of shares and issue of rights and warrant shares, the remaining awardees for 11,750,000 shares are issued a further 33,697,423 shares that vest at various periods:

Name of Awardee	No. of shares awarded	Vesting periods
Directors of the Company		
Mr Tan Wee Peng Kelvin	2,867,866	22 March 2013 to 30 April 2014
	1,433,933	22 March 2013 to 30 April 2015
Executive Officers and Employees		
Others	16,203,442	22 March 2013 to 30 April 2014
	13,192,182	22 March 2013 to 30 April 2015
	33,697,423	

The market price at the time of awarding the above shares is S$0.0152.

On 1 October 2013, the Company awarded 18,665,765 shares for S$0.0506. Out of this, 18,354,217 shares were issued on 8 November 2013 and 311,548 shares were cancelled due to cessation of employment.

On 7 May 2014, the Company issued 25,721,308 shares for those that vested on 30 April 2014.

On 1 October 2014, the Company awarded 6,939,603 shares for S$0.01 and these shares were issued on 2 October 2014.

On 8 May 2015, the Company issued 19,726,115 shares for those that vested on 30 April 2015.

On 18 September 2015, the Company awarded 6,611,353 shares for S$0.004 and these shares were issued on 21 September 2015.

27. Financial Instruments: Information on Financial Risks

27A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the financial year by FRS 39 categories:

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Financial assets				
Cash and cash equivalents	**9,911**	5,465	**3,678**	466
Trade and other receivables	**18,410**	22,042	**20,659**	9,977
Other assets	**66**	866	**–**	798
	28,387	28,373	**24,337**	11,241
Financial liabilities				
Trade and other payables at amortised cost	**3,843**	9,164	**259**	1,000
Other financial liabilities at amortised cost	**1,096**	1,270	**–**	–
	4,939	10,434	**259**	1,000

Further quantitative disclosures are included throughout these financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2016

27. Financial Instruments: Information on Financial Risks (continued)

27B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. However these are not formally documented in written form. The guidelines include the following:

(i) Minimise interest rate, currency, credit and market risks for all kinds of transactions.

(ii) Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

(iii) All financial risk management activities are carried out and monitored by senior management staff.

(iv) All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

The Group is exposed to currency and interest rate risk. There are no arrangements to reduce such risks exposures through derivatives and other hedging instruments.

27C. Fair Value of Financial Instruments

The carrying amount less impairment provision of trade and other receivables and payables are assumed to approximate their fair values. The fair value of current borrowings approximates their carrying amount.

27D. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the financial year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on customers, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

Note 20 discloses the maturity of the cash and cash equivalents balances.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position except as follows:

	Company	
	2016	2015
	US$'000	US$'000
Corporate guarantees provided to banks on previously wholly-owned subsidiary corporation's loans (Note 23)	1,096	1,270

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

27. Financial Instruments: Information on Financial Risks (continued)

27D. Credit Risk on Financial Assets (continued)

(a) Ageing analysis of the trade receivable amounts that are past due as at the end of financial year but not impaired:

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables:				
0 – 60 days	**10**	–	**–**	–
61 to 90 days	**13**	820	**–**	*
Over 90 days	**4,056**	3,055	**331**	50
Total	**4,079**	3,875	**331**	50

* Amount less than US$1,000.

(b) Ageing analysis as at the end of financial year of trade receivable amounts that are impaired:

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables:				
Over 90 days	**654**	700	**1,368**	3,227

The allowance which is disclosed in the note on trade receivables is based on individual accounts totalling US$654,000 (2015: US$700,000) that are determined to be impaired at the end of the financial year. These are not secured. Other receivables are normally with no fixed terms and therefore there is no maturity.

Concentration of trade receivable customers as at the end of financial year:

	Group		Company	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Top 1 customer	**3,014**	1,182	**318**	755
Top 2 customers	**3,973**	2,196	**332**	797
Top 3 customers	**4,067**	3,189	**334**	836

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

27. Financial Instruments: Information on Financial Risks (continued)

27E. Liquidity Risk

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year US$'000	1 - 2 years US$'000	2 - 5 years US$'000	Over 5 years US$'000	Total US$'000
31 March 2016:					
Trade and other payables	3,843	–	–	–	3,843
Other financial liabilities	50	109	436	936	1,531
Financial guarantee contract	1,096	–	–	–	1,096
	4,989	109	436	936	6,470
31 March 2015:					
Trade and other payables	9,164	–	–	–	9,164
Other financial liabilities	93	148	435	1,014	1,690
	9,257	148	435	1,014	10,854

Company	Less than 1 year US$'000	1 - 2 years US$'000	2 - 5 years US$'000	Over 5 years US$'000	Total US$'000
31 March 2016:					
Trade and other payables	259	–	–	–	259
Financial guarantee contract	1,096	–	–	–	1,096
	1,355	–	–	–	1,355
31 March 2015:					
Trade and other payables	1,000	–	–	–	1,000
Financial guarantee contract	1,270	–	–	–	1,270
	2,270	–	–	–	2,270

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 60 days (2015: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the balance sheet as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

The Company does not have any undrawn borrowing facilities as at year ended 31 March 2015 and 2016.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

27. Financial Instruments: Information on Financial Risks (continued)

27F. Interest Rate Risk

The interest rate risk exposure is mainly from changes in floating interest rates. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Financial liabilities:				
Floating rate	**1,096**	1,270	**–**	–
Non-interest bearing	**3,843**	9,164	**259**	1,000
Total at end of the year	**4,939**	10,434	**259**	1,000
Financial assets:				
Non-interest bearing	**26,996**	26,594	**24,347**	11,241
Fixed rate	**1,391**	1,779	**–**	–
Total at end of the year	**28,387**	28,373	**24,347**	11,241

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant.

27G. Foreign Currency Risks

The Group's currency exposure based on the information provided to key management is as follows:

	USD US$'000	**SGD US$'000**	**Others US$'000**	**Total US$'000**
As at 31 March 2016				
Financial assets				
Cash and cash equivalents	5,138	3,331	1,442	9,911
Trade and other receivables	16,303	1,551	556	18,410
Other assets	–	16	51	67
Receivables from subsidiary corporations	28,315	–	13	28,328
	49,756	4,898	2,062	56,716
Financial liabilities				
Other financial liabilities	–	(1,096)	–	(1,096)
Trade and other payables	(3,081)	(331)	(431)	(3,843)
Payables to subsidiary corporations	(28,315)	–	(13)	(28,328)
	(31,396)	(1,427)	(444)	(33,267)
Net financial assets	18,360	3,471	1,618	23,449
Less: Net financial assets denominated in the respective entities' functional currencies	22,250	560	1,749	24,559
Currency exposure	(3,890)	2,911	(131)	(1,110)

Notes to the Financial Statements

For the financial year ended 31 March 2016

27. Financial Instruments: Information on Financial Risks (continued)

27G. Foreign Currency Risks (continued)

	USD US$'000	SGD US$'000	Others US$'000	Total US$'000
As at 31 March 2015				
Financial assets				
Cash and cash equivalents	4,018	592	855	5,465
Trade and other receivables	20,936	634	472	22,042
Other assets	–	764	103	867
Receivables from subsidiary corporations	36,756	–	1,122	37,878
	61,710	1,990	2,552	66,252
Financial liabilities				
Other financial liabilities	–	(1,270)	–	(1,270)
Trade and other payables	(7,815)	(910)	(439)	(9,164)
Payables to subsidiary corporations	(36,756)	–	(1,122)	(37,878)
	(44,571)	(2,180)	(1,561)	(48,312)
Net financial assets/(liabilities)	17,139	(190)	991	17,940
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	6,695	(1,263)	1,703	7,135
Currency exposure	10,444	1,073	(712)	10,805

The Company's financial assets and financial liabilities denominated in non-functional currency are not material.

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	Group	
	2016 **US$'000**	2015 US$'000
A hypothetical 2% (2015: 9%) strengthening in the exchange rate of the functional currency against the Singapore dollar would have a favourable effect on pre-tax profit of	**58**	(102)
A hypothetical 6% (2015: 1%) strengthening in the exchange rate of the functional currency against all other currencies would have a favourable effect on pre-tax profit of	**(8)**	7

The above table shows sensitivity to a hypothetical 2% and 6% (2015: 9% and 1%) variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction on the profit or loss and reserves.

The analysis above has been carried out on the basis that there is no hedged transaction.

In management's opinion, the above sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the historical exposures do not reflect the exposures in future.

Notes to **the Financial Statements**

For the financial year ended 31 March 2016

28. Commitments

28A. Operating Lease Commitments – where the Group is a lessee

The Group leases offices and warehouses from non-related parties under non-cancellable operating lease arrangements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2016	2015
	US$'000	US$'000
Not later than one year	**5**	27
Later than one year and not later than five years	**–**	7
Rental expense for the year (Note 9)	**–**	18

28B. Operating Lease Commitments – where the Group is a lessor

The Group and Company lease out office space to related parties under non-cancellable operating leases.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group and Company	
	2016	2015
	US$'000	US$'000
Not later than one year	**346**	–

Notes to the Financial Statements

For the financial year ended 31 March 2016

29. New or Revised Accounting Standards and Interpretations

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

Effective for annual periods beginning on or after 1 January 2016

- FRS 114 Regulatory Deferral Accounts
- Amendments to FRS 1: Disclosure Initiative
- Amendments to FRS 27: Equity Method in Separate Financial Statements
- Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants
- Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception
- Various improvements to FRSs (November 2014)
  - Amendments to FRS 107 Financial Instruments: Disclosures
  - Amendments to FRS 19 Employee Benefits

Effective for annual periods beginning on or after 1 January 2017

- Amendments to FRS 7: Disclosure Initiative
- Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses

Effective for annual periods beginning on or after 1 January 2018

- FRS 115 Revenue from Contracts with Customers
- FRS 109 Financial Instruments

*Effective date to be determined by the ASC**

- 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 FRSs, INT FRSs 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.

Statistics of Shareholdings

As at 16 June 2016

Class of shares	:	Ordinary Shares
Voting rights	:	One vote per ordinary share
Number of issued shares	:	5,242,633,329
Treasury Shares	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 16 JUNE 2016

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	13	0.33	293	0.00
100 – 1,000	249	6.27	149,190	0.00
1,001 – 10,000	285	7.18	1,718,000	0.03
10,001 – 1,000,000	2,964	74.70	820,143,442	15.65
1,000,001 and above	457	11.52	4,420,622,404	84.32
TOTAL	**3,968**	**100.00**	**5,242,633,329**	**100.00**

TWENTY-ONE LARGEST SHAREHOLDERS AS AT 16 JUNE 2016

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	TERENCE TEA YEOK KIAN	992,879,629	18.94
2	OCBC SECURITIES PRIVATE LTD	894,608,869	17.06
3	PHILLIP SECURITIES PTE LTD	449,715,631	8.58
4	RHB SECURITIES SINGAPORE PTE LTD	158,036,100	3.01
5	CIMB SECURITIES (SINGAPORE) PTE LTD	156,763,265	2.99
6	MAYBANK NOMINEES (S) PTE LTD	80,000,000	1.53
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	69,328,350	1.32
8	TAN SIAK LIAN	55,255,080	1.05
9	ANG CHAI CHENG	46,852,448	0.89
10	MAYBANK KIM ENG SECURITIES PTE LTD	45,515,532	0.87
11	DBS NOMINEES PTE LTD	40,822,805	0.78
12	CHONG THIM PHENG	40,226,400	0.77
13	KHOO WOOI CHEE	36,000,000	0.69
14	UOB KAY HIAN PTE LTD	30,361,000	0.58
15	RAFFLES NOMINEES (PTE) LTD	28,274,690	0.54
16	NG SAN SAN	27,300,000	0.52
17	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	25,294,000	0.48
18	TIEW YEW SENG	22,000,000	0.42
19	KGI FRASER SECURITIES PTE LTD	18,285,000	0.35
20	CHUA SIEW LIAN	18,000,000	0.34
21	KHOR CHOR AIK	18,000,000	0.34
	TOTAL	**3,253,518,799**	**62.05**

Statistics of **Shareholdings**

As at 16 June 2016

Substantial Shareholders as at 16 June 2016

	No. of Ordinary Shares			
Name Of Shareholder	Direct Interest	%	Deemed Interest	%
Terence Tea Yeok Kian	993,846,629[1]	18.96	26,762,000[2]	0.51
EG Industries Berhad	290,790,400[3]	5.55	–	–
Toh Soon Huat	–	–	413,102,052[4]	7.88
Dektos Capital SPC (acting for and on behalf of Eva Capital SP)	302,464,000	5.77	–	–
Dektos Investment Corporation Pte. Ltd.	–	–	302,464,000[5]	5.77
Ong Kok Heng	–	–	302,464,000[5][6]	5.77
Thng Qida, Roland Jude	–	–	302,464,000[5][6]	5.77
Chong Thim Peng	40,226,400	0.77	302,464,000[5][6]	5.77

Notes:

(1) Inclusive of 967,000 Shares which are held through CPF investment account.

(2) Mr Terence Tea Yeok Kian is deemed interested in the 26,762,000 issued shares of the Company held by his wife, Ms Sim Aileen.

(3) EG Industries Berhad's direct interest of 290,790,400 Shares are held in the name of OCBC Securities Private Ltd.

(4) 29,094,500 Shares are beneficially owned by Mr Toh Soon Huat and registered in the name of Maybank Kim Eng Securities Pte. Ltd. In addition, 384,007,552 Shares are beneficially owned by Mr Toh Soon Huat and registered in the name of Phillip Securities Pte. Ltd.

(5) Dektos Investment Corporation Pte. Ltd. ("**Dektos Investment**") is the investment manager of Dektos Capital SPC (the "**Fund**"). As such, Dektos Investment is deemed to be interested in the Shares of the Company held by the Fund (acting for and on behalf of EVA Capital SP).

(6) Each of Mr Ong Kok Heng ("**Mr Ong**") and Mr Thng Qida, Roland Jude ("**Mr Thng**") owns more than 20% of voting power in the Fund. As such, they are each deemed to have an interest in the Shares of the Company held by the Fund (acting for and on behalf of EVA Capital SP). Each of Mr Ong, Mr Thng owns more than 20% of the voting power in Dektos Investment. In addition, Mr Chong Thim Pheng owns a controlling interest in Dektos Investment. As such, they are each deemed to have an interest in the Shares of the Company deemed to be held by Dektos Investment.

Free Float

Based on the information available to the Company as at 16 June 2016, approximately 61.16% of the issued ordinary shares of the Company was held in the hands of the public. This is compliance with the Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST which requires at least 10% of the listed issuer's equity securities to be held by the public.

Notice of **Annual General Meeting**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the Company will be held at 10 Ubi Crescent, #02-07 Ubi Techpark, Lobby A, Singapore 408564 on Friday, 29 July 2016 at 2:00 p.m. for the purpose of transacting the following business:-

AS ORDINARY BUSINESS

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

2. To approve the payment of Directors' fees of S$180,000 for the financial year ending 31 March 2017, to be paid semi-annually in arrears (FY2016: S$200,000). **(Resolution 2)**

3. To note the retirement of Mr Tan Wee Peng Kelvin who is retiring pursuant to Regulation 91 of the Company's Constitution and has decided not to seek for re-election.

4. To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 3)**

AS SPECIAL BUSINESS

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

5. **Special Resolution: General authority to allot and issue shares**

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

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

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

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 (notwithstanding 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 that:-

(i) the aggregate number of Shares and convertible securities issued, whether on a pro rata or non pro rata basis, does not exceed 100% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the Catalist Rules), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time this Special Resolution is passed, after adjusting for:-

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

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

Notice of **Annual General Meeting**

(iii) in exercising the authority conferred by this Special Resolution, the Company shall comply with the provision of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, such authority conferred by this Special Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or by the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

(See Explanatory Note 1) **(Resolution 4)**

6. **Ordinary Resolution: Authority to grant awards and issue shares under the WE Share Award Scheme**

"THAT in accordance with the provisions of the WE Share Award Scheme ("**Scheme**") and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to grant awards ("**Awards**") and allot and issue from time to time such number of shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the vesting of the Awards provided always that the aggregate number of Shares to be issued or issuable pursuant to the Scheme and any other shares based schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) from time to time."

(See Explanatory Note 2) **(Resolution 5)**

7. **Ordinary Resolution: Proposed Renewal of the Share Buyback Mandate**

"THAT:-

(a) for the purposes of the Section B: Rules of Catalist of the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:-

(i) on-market purchases (the "**Market Purchase**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or

(ii) off-market purchases (the "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and the Catalist Rules,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:-

(i) the date on which the next AGM is held or required by law to be held;

(ii) the date on which the share buybacks are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

Notice of **Annual General Meeting**

(c) in this Resolution:-

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days ("**Market Day**" being a day on which the SGX-ST is open for trading in securities) on which the Shares were transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5)-day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Maximum Percentage**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as Treasury Shares as at that date);

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related expenses of the purchase) which shall not exceed:-

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."

(See Explanatory Note 3) **(Resolution 6)**

8. To transact any other business that may be transacted at an annual general meeting.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary

Singapore,
7 July 2016

Explanatory Notes:

1. Special Resolution 5, if passed, will empower the Directors of the Company to issue Shares and convertible securities, whether on a pro rata basis or non pro rata basis, up to 100% of the total number issued shares (excluding treasury shares) of the Company at the time of passing of this Special Resolution. This authority will continue to be in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting.

2. Ordinary Resolution 6, if passed, will empower the Directors of the Company, to grant Awards pursuant to the provisions of the Scheme and allot and issue Shares pursuant to the vesting of the Awards under the Scheme. The Scheme was approved by the shareholders of the Company in the extraordinary general meeting on 25 May 2010. Please refer to the Circular dated 10 May 2010 for further details.

Notice of **Annual General Meeting**

3. Ordinary Resolution 7, if passed, will empower the Directors of the Company, to purchase or otherwise acquire its issued Shares, on the terms of the Share Buyback Mandate. This authority will continue to be in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting. Please refer to the Circular dated 27 June 2016 for further details.

Notes:

1. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoint two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member 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 instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

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

2. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Ubi Crescent, #03-95 Ubi Techpark, Singapore 408564 not less than 48 hours before the time set for the AGM.

4. 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/her vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or 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 AGM.

Personal Data Privacy:

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

WE HOLDINGS LTD.

(Company Registration No. 198600445D)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 2(b) for the definition of "Relevant Intermediary").
2. For investors who have used their CPF monies to buy the Shares of WE Holdings Ltd., this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF investors who wish to attend and vote at the Meeting, should contact their respective CPF Approved Nominees within the time frame specified.

I/We ______________________________ (Name) ____________________ (NRIC/Passport No.)

of ____ (Address)

being a member/members of WE Holdings Ltd. (the "Company") hereby appoint:-

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

and/or (delete as appropriate)

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM, to be held at 10 Ubi Crescent, #02-07 Ubi Techpark, Lobby A, Singapore 408564 on Friday, 29 July 2016 at 2:00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolutions Relating to:	No. of Votes For*	No. of Votes Against*
1.	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2016 together with the Auditors' Report thereon.		
2.	Approval of Directors' fees of S$180,000 for the financial year ending 31 March 2017, to be paid semi-annually in arrears (FY2016: S$200,000).		
3.	Re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditors and to authorise the Directors to fix their remuneration.		
4.	Authority to allot and issue new shares.		
5.	Authority to grant awards and issue shares under the WE Share Award Scheme.		
6.	To renew Share Buyback Mandate.		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ____________________ 2016.

Total Number of Shares held in	No of shares
(a) CDP Register	
(b) Register of Member	

____

Signature(s) of Shareholder(s) /
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ 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 (as defined in Section 81SF of the Securities and Future Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where such member appoint two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member 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 instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its seal or under the hand of an officer or attorney duly authorised.

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Affix
Postage
Stamp

The Company Secretary
WE Holdings Ltd.
10 Ubi Crescent
Ubi Techpark Lobby E #03-95
Singapore 408564

2nd fold here

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Ubi Crescent, #03-95 Ubi Techpark, Singapore 408564 not less than 48 hours before the time set for the Annual General Meeting.
5. 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 Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of the Singapore.
6. An investor who buy shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Annual General Meeting in person. CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their CPF and/or 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 AGM.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, 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/her name in the Depository Register as at 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 PROTECTION ACT CONSENT

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 July 2016.

Corporate Information

BOARD OF DIRECTORS

Mr Terence Tea Yeok Kian
Executive Chairman and Managing Director
Member of Nominating Committee

Mr Tan Wee Peng Kelvin
Non-Executive and Lead Independent Director
Chairman of Audit and Remuneration Committees,
Member of Nominating Committee

Mr Ng Li Yong
Non-Executive Independent Director
Chairman of Nominating Committee,
Member of Audit and Remuneration Committees

Mr Wan Tai Foong
Non-Executive Independent Director
Member of Audit and Remuneration Committees

REGISTERED OFFICE

10 Ubi Crescent Ubi Techpark
Lobby E #03-95
Singapore 408564
Tel : (65) 6311 2900
Fax : (65) 6311 2905
Website: www.wes.sg

COMPANY SECRETARY

Mr Lee Wei Hsiung

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road, #02-00,
Singapore 068898

BANKERS

Citibank NA
8 Marina View
#21-00 Asia Aquare Tower 1
Singapore 018960

AUDITORS

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

Director-in-charge:
Loh Ji Kin
Appointed since financial year ended 31 March 2014

WE Holdings Ltd.

Company Registration No. : 198600445D
10 Ubi Crescent
Ubi Techpark Lobby E #03-95
Singapore 408564
Tel: (65) 6311 2900 | Fax: (65) 6311 2905

Website: www.wes.sg