OLS Enterprise Ltd

Company Registration no. 196800320E

Financial Statement and Dividend Announcement for the First Quarter Ended 30 June 2014 - UNAUDITED

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	3 months ended		
	30 June 2014	**30 June 2013**	**Increase/ (Decrease)**
	US$'000	**US$'000**	**%**
Continuing Operations			
Revenue	**-**	1,406	(100.0)
Cost of sales	**-**	(273)	(100.0)
Gross profit	**-**	**1,133**	**(100.0)**
Other operating income/(expense)	**(5)**	(966)	(99.5)
Gain on disposal of discontinued operations	**517**	-	n.m
Expenses			
- Research and development	**-**	(1,178)	(100.0)
- Selling	**-**	(730)	(100.0)
- Administrative	**(383)**	(1,049)	(63.5)
- Finance	**(16)**	(27)	(40.7)
Profit/(Loss) before tax	**113**	**(2,817)**	n.m
Tax	-	-	-
Net Profit/(Loss) for the year	**113**	**(2,817)**	**n.m**
Discontinued Operations			
Profit/(Loss) from discontinued operations net of tax	**-**	**-**	-
Total Profit/(Loss) attributed to the Company	**113**	**(2,817)**	**n.m**
Attributable to:			
Equity holders of the Company	**(944)**	(2,525)	(62.6)
Non-controlling interests	**1,057**	(292)	n.m
Net Profit/(Loss) for the year	**113**	**(2,817)**	**n.m**

1(a)(ii) Statement of Comprehensive Income

	Group		
	3 months ended		
	30 June 2014	30 June 2013	Increase/ (Decrease)
	US$'000	US$'000	%
Profit/(Loss) for the year	**113**	**(2,817)**	**n.m**
Other comprehensive income:			
Foreign currency translation	106	210	(49.5)
Other comprehensive profit/(loss) for the year, net of tax	**106**	**210**	**(49.5)**
Total comprehensive income for the year	**219**	**(2,607)**	**n.m**
Total comprehensive loss attributable to:			
Equity holders of the Company	(838)	(2,230)	(62.4)
Non-controlling interests	1,057	(377)	n.m
	219	**(2,607)**	**n.m**

1(a)(iii) Profit/(Loss) before income tax is determined after crediting/(charging):

	Group		
	3 months ended		
	30 June 2014	30 June 2013	Increase/ Decrease
	US$'000	US$'000	%
Interest Expense	(16)	(27)	(40.7)
Depreciation of property plant and equipment	*	(196)	n.m
Reversal of Amortisation of intangible assets	-	100	(100.0)
Other Income/(Expense) includes:			
Currency translation gains/(losses) - net	(5)	(853)	(99.4)

* less than $1,000.00

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 June 2014	31 March 2014	30 June 2014	31 March 2014
	US$'000	US$'000	US$'000	US$'000
Non-current assets				
Property, plant and equipment	-	3	-	-
Intangible assets	-	-	-	-
Investment in subsidiaries	-	-	-	-
Investment in an associate	-	-	-	-
Deposits	-	-	-	-
	-	**3**	**-**	**-**
Current assets				
Inventories	-	-	-	-
Trade receivables	-	-	-	-
Other receivables and deposits	16	10	16	8
Prepayments	97	28	32	26
Amounts due from related parties	-	-	115	-
Cash and cash equivalents	1,504	2,511	1,504	2,510
	1,617	**2,549**	**1,667**	**2,544**
Current liabilities				
Trade payables	-	-	-	-
Accruals and other payables	3,849	5,044	3,832	4,474
Deferred income	-	-	-	-
Convertible bonds	40	477	40	477
Amount due to shareholder	3,594	3,571	3,594	3,571
	7,483	**9,092**	**7,466**	**8,522**
Net current liabilities	**(5,866)**	**(6,543)**	**(5,799)**	**(5,978)**

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. (Cont'd)

	Group		Company	
	30 June 2014	31 March 2014	30 June 2014	31 March 2014
	US$'000	US$'000	US$'000	US$'000
Non-current liabilities				
Provision for reinstatement costs	-	-	-	-
Deferred tax liabilities	-	-	-	-
Amount due to shareholder	2,398	2,383	2,398	2,383
	2,398	**2,383**	**2,398**	**2,383**
Net Liabilities	**(8,264)**	**(8,923)**	**(8,197)**	**(8,361)**
Equity				
Share capital	149,634	149,194	493,240	492,800
Merger reserve	-	-	-	-
Capital reserve	-	-	-	-
Share plan reserve	-	-	-	-
Accumulated losses	(180,759)	(179,815)	(524,298)	(523,917)
Foreign currency translation reserve	22,861	22,633	22,861	22,756
	(8,264)	(7,988)	(8,197)	(8,361)
Non-controlling interests	-	(935)	-	-
	(8,264)	**(8,923)**	**(8,197)**	**(8,361)**

1(b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

As at 30 June 2014		As at 31 March 2014	
Secured	Unsecured	Secured	Unsecured
US$'000	US$'000	US$'000	US$'000
-	3,634	-	4,048

Amount repayable after one year

As at 30 June 2014		As at 31 March 2014	
Secured	Unsecured	Secured	Unsecured
US$'000	US$'000	US$'000	US$'000
-	2,398	-	2,383

Details of any collaterals

None of the borrowings and debts are secured by any collateral.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	3 months ended	
	30 June 2014	30 June 2013
	US$'000	US$'000
Cash flow for operating activities		
Net Profit/(Loss)	**113**	**(2,817)**
Adjusted for		
- Taxation	-	-
- Depreciation of property, plant and equipment	-	196
- Amortisation/(reversal) of intangible assets	-	(100)
- Reversal of impairment losses	-	(16)
- Loss on disposal of property, plant and equipment	3	131
- Interest expense	16	27
- Gain on sale of discontinued operations	(517)	-
- Unrealised currency translation loss	106	995
Operating cash flow before Working Capital changes	**(279)**	**(1,584)**
Inventories	-	(142)
Trade and other receivables	(61)	(470)
Trade and other payables	(691)	1,405
Cash used in operations	**(1,031)**	**(791)**
Income tax paid	-	-
Interest paid	-	-
Net cash used in operating activities	**(1,031)**	**(791)**
Cash flow from investing activities:		
Additions to property, plant and equipment	-	(13)
Additions to intangible assets	-	(109)
Proceeds from sale of property, plant and equipment	-	5
Net cash flow from disposal of subsidiaries	(1)	-
Net cash used in investing activities	**(1)**	**(117)**
Cash flows from financing activities		
Proceeds from bond issues and issuance of shares of convertible bonds	-	495
Proceeds from exercise of warrants	-	-
Proceeds from loan from shareholder	25	-
Net cash generated from finance activities	**25**	**495**
Net increase/decrease in cash and cash equivalents	**(1,007)**	**(413)**
Beginning of year	2,511	489
Foreign exchange translation	-	-
End of year	1,504	76

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

3 months ended 30 June 2014

	Attributable to equity holders of the parent								
The Group	**Share capital**	**Merger reserve**	**Capital reserve**	**Share plan reserve**	**Accumulated losses**	**Foreign currency translation reserve**	**Total**	**Non-controlling interests**	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 April 2014	**149,194**	**0**	**0**	**0**	**(179,815)**	**22,633**	**(7,988)**	**(935)**	**(8,923)**
Profit/(Loss) for the year									
- Continuing Operations					113		**113**		**113**
- Discontinued Operations					0		**0**		**0**
- Reversal of Non Controlling Interest					(1,057)		**(1,057)**	1,057	**0**
Currency translation differences									
- Continuing Operations						106	**106**		**106**
- Discontinued Operations					0	0	**0**		**0**
Total comprehensive income/(loss) for the year	0	0	0	0	(944)	106	**(838)**	1,057	**219**
Change in reserves from disposal of discontinued operations		0	0	0	0	122	**122**	(122)	**0**
Issuance of ordinary shares	440	0	0	0	0	0	**440**	0	**440**
At 30 June 2014	**149,634**	**0**	**0**	**0**	**(180,759)**	**22,861**	**(8,264)**	**0**	**(8,264)**

3 months ended 30 June 2013

The Group	**Share capital**	**Merger reserve**	**Capital Reserve**	**Share plan reserve**	**Accumulated losses**	**Foreign currency translation reserve**	**Total**	**Non-controlling interests**	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 April 2013	**141,936**	**24,102**	**127**	**18,519**	**(227,097)**	**27,232**	**(15,181)**	**(726)**	**(15,907)**
Loss for the year	0	0	0	0	(2,525)	0	**(2,525)**	(292)	**(2,817)**
Foreign currency translation	0	0	0	0	0	210	**210**	0	**210**
Total comprehensive income/(loss) for the year	0	0	0	0	(2,525)	210	**(2,315)**	(292)	**(2,607)**
Conversion of convertible bonds	1,247						**1,247**		**1,247**
At 30 June 2013	**143,183**	**24,102**	**127**	**18,519**	**(229,622)**	**27,442**	**(16,249)**	**(1,018)**	**(17,267)**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(Cont'd)

3 months ended 30 June 2014

The Company	**Share Capital**	**Share plan reserve**	**Accumulated losses**	**Foreign currency translation reserve**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 April 2014	**492,800**	**-**	**(523,917)**	**22,756**	**(8,361)**
Loss for the year			(381)		**(381)**
Expiration of share options		-	-		**-**
Foreign currency translation				105	**105**
Total comprehensive income/(loss) for the year	**-**	**-**	**(381)**	**105**	**(276)**
Issuance of ordinary shares	440				**440**
At 30 June 2014	**493,240**	**-**	**(524,298)**	**22,861**	**(8,197)**

3 months ended 30 June 2013

The Company	**Share Capital**	**Share plan reserve**	**Accumulated losses**	**Foreign currency translation reserve**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 April 2013 (restated for FY 2013 audit adjustments)	**485,542**	**9,264**	**(526,243)**	**22,643**	**(8,794)**
Loss for the year			(444)		**(444)**
Foreign currency translation				(844)	**(844)**
Total comprehensive income/(loss) for the year	**-**		**(444)**	**(844)**	**(1,288)**
Issuance of ordinary shares	1,247				**1,247**
At 30 June 2013 (restated for FY 2013 audit adjustments)	**486,789**	**9,264**	**(526,687)**	**21,799**	**(8,835)**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

A total of 687,500,000 shares were issued during the first quarter Financial Year 2015 ending 30 June 2014.

Pursuant to the Equity Linked Redeemable Structured Convertible Notes due 2016, as announced on 20 August 2013 and approved by the Shareholders at an extraordinary general meeting on 20 November 2013, a total of $5,000,000 of notes have been issued and a total of $4,950,000 of notes have been converted into 5,689,858,490 shares. $50,000 of notes remain unconverted. During the quarter, S$550,000 of notes were converted into 687,500,000 shares during the quarter at the Floating Conversion Price as listed below.

	Amount Converted	Share Price	Shares issued
Q1 FY 2015	S$ 550,000	S$ 0.0008	687,500,000
	S$ 550,000		687,500,000

As of 30 June 2014, if the S$50,000 of unconverted equity linked notes were converted into 31,250,000 ordinary shares, the total number of ordinary shares outstanding would be 10,747,391,748 shares.

Pursuant to the Bond Subscription Agreement, as announced on 5 July 2012 and approved by the Shareholders at an extraordinary general meeting on 7 November 2012, S$4,752,000 of Redeemable 3% Convertible Bonds were converted into 1,437,915,410 shares in financial year 2014. No bonds were converted during the quarter. The Company has terminated the convertible bond program and there are no bonds outstanding.

As at 31 March 2014 and 30 June 2014, there were no share options or warrants outstanding.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 June 2014 and 31 March 2014, the Company did not hold any treasury shares. The total number of issued and paid-up shares of the Company as at 30 June 2014 was 10,716,141,748 shares and as at 31 March 2014 was 10,028,641,748 shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and, in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period ended 30 June 2014, consistent with those applied for the audited financial statements for the financial year ended 31 March 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There were no changes for the current financial period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Loss per ordinary share of the group for the current financial period reported on and the immediately preceding financial period, after deducting any provision for preference dividends.

	Group	
	Full year	
	30 June 2014	30 June 2013
Basic (US cents)	0.001	(0.08)
Weighted Average No of Shares ('000)	10,693,477	3,667,317
Diluted (US cents)	0.001	(0.08)
Weighted Average No of Shares ('000)	10,724,727	3,667,317

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) Current financial period reported on; and
(b) Immediately preceding financial year

	Group		Company	
	30 June 2014	31 March 2014	30 June 2014	31 March 2014
Net assets value per ordinary share (US cents)	(0.08)	(0.09)	(0.08)	(0.08)

Net asset value per ordinary share as at 30 June 2014 and 31 March 2014 are calculated based on the issued share capital of the Company of 10,716,141,748 shares and 10,028,641,748 shares respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during

BUSINESS OVERVIEW

To improve cash flow and profitability, the Group disposed of a number of its subsidiaries that has negative cash flows. In Q1 FY2015, the Group sold its remaining green energy business and the Singapore based Pharmaceutical business. The Company also entered into a sale and purchase agreement to acquire 51% of the issued share capital of Mojo Films Sdn. Bhd. to support the Group's cosmetic business. The Group is in the process of finalising the purchase.

INCOME STATEMENT REVIEW

No revenue or cost of sales were recorded in the Q1 FY 2015 as the company sold the Japanese subsidiaries. Revenue from the Company's new acquisition, Mojo Films Sdn. Bhd., were not included in the financial statements since the Group is waiting for certain conditions precedent to be met.

Other operating expenses reduced from US$0.96 million in Q1 FY 2014 to US$5,000 in Q1 FY 2015 . The reduction is mostly due to the decreased in foreign exchange exposure.

The Group recorded an $0.5 million gain on the sale of Singapore subsidiaries which involved in the Green Energy and Pharmaceutical businesses.

No Research and Development costs were incurred during the quarter since the subsidiaries with R&D expenses had been disposed.

Similarly, no Selling expenses were incurred during the quarter since the subsidiaries with selling expenses had been disposed.

Administrative expenses reduced from US$1.05 million in Q1 FY2014 to US$0.4 million in Q1 FY2015 due to the sale of subsidiaries.

The finance charges are related to interest accrued on shareholder loans and convertible notes.

The results from discontinued operations relates to the results from Transcu Ltd and Transcu Green Tech Pte Ltd and its subsidiary, Transcu Green Fuel Pte Ltd, and were breakeven for the quarter since expenses were offset by foreign exchange gains.

Minority interest relates to the deconsolidation of Transcu Green Fuel Pte Ltd, which was owned 40% by unrelated party.

BALANCE SHEET REVIEW

Non-current assets is zero due to the disposal of subsidiaries.

Current assets reduced from US$2.55 million (FY2014) to US$1.6 million (Q1 FY2015) due to a reduction in cash, and an increase in prepayments related to the purchase of Mojo Films.

Current liabilities decreased by US$1.6 million compared to 31 March 2014:

- Accruals and other payables decreased by US$1.2 million, mostly due to the sale of subsidiaries.
- Current amounts due to shareholder consists of unsecured debt which is part of the Creditors' Scheme.

Non-current debt due to a shareholder consists of a term loan at 1% p.a. interest due in July 2016 which has been included in the Creditors' Scheme.

CASH FLOW STATEMENT REVIEW

Net cash used in operating activities was approximately US$1 million for the Q1 FY2015 as compared to net cash used in operating activities of US$0.8 million in prior year.

There were no additions to fixed assets since the Group focused on reducing cash flow and restructuring the business.

Cash flow from financing activities decreased from US$0.5 million (Q1FY204) to US$25,000 (Q1FY2015).

USE OF PROCEEDS - EQUITY LINKED NOTE ISSUES

The Company had on 20 August 2013 announced the proposed issue of 1% unsecured equity linked redeemable structured notes due on 2016 ("ELN") by the Company to Advance Opportunities Fund ("AOF"). The ELN was approved by shareholders and an extraordinary general meeting on 20 November 2013. The ELN will be issued in 3 separate tranches totaling $50 million. As of the date of this announcement, five sub-tranches totaling S$5 million has been issued.

	S$ '000
Proceeds from Equity Linked Notes	**5,000**
Use of Proceeds	
Listed Company operating expenses	(1,207)
RTO transaction expenses	(400)
Payment of overdue invoices	(897)
TTIe operating costs and past due payments	(243)
Fees related to ELN financing	(400)
Total Payments	**(3,147)**
Net Balance to be disbursed	**1,853**
Approximate Value in US$,000	1,481

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As announced on 3 December 2013, the Company was placed on the watch-list by SGX due to more than three consecutive years of losses and a market capitalization below S$40 million. The Management is developing plans to satisfy the requirements for an application for removal from the watch list, including a restructuring of business, adding profitable businesses, and a proposed acquisition of Straits Construction Group Pte Ltd. The success of any such action involves uncertainty regarding the Company's future as well as substantial risk.

On 16 April 2014, the Company entered into a conditional share purchase agreement with Wong Swee Chun Contractor Pte Ltd, Wong Swee Chun, Tang Loi Hup, Wong Sjew Hung, Wong Chee Herng, Kenneth Loo and Chuah Hwa Lim (collectively, the "Vendors", and together with the Company, the "Parties" and each a "Party") in relation to the Proposed Acquisition (the "Sale and Purchase Agreement"). The Proposed Acquisition will result in a "Very Substantial Acquisition or Reverse Takeover" of the Company as defined in Chapter 1015 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and is subject to, inter alia, the approval of the SGX-ST and the approval of the shareholders of the Company (the "Shareholders") at an extraordinary general meeting (the "EGM") to be convened.

On 9 July 2014, Shareholders at an Extraordinary General Meeting approved the proposed share consolidation of every sixty-five (65) existing ordinary shares in the capital of the Company held by Shareholders as at a books closure date to be determined, into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded; and immediately following the completion of the Share Consolidation, a renounceable non-underwritten rights issue of up to such number of shares at an issue price of S$0.008 for each share (the "Rights Shares") and up to an equal number of free detachable warrants (the "Warrants"), on the basis of five (5) Rights Shares for every one (1) ordinary share held by Shareholders as at the books closure date to be determined immediately after the Preliminary Share Consolidation, and one (1) Warrant for every one (1) Rights Share subscribed, fractional entitlements to be disregarded (the "Rights Cum Warrants Issue").

On 31 July 2014, The Company has successfully obtained the sanction of the High Court for the proposed Creditors' Scheme which was approved by the Scheme Creditors at a creditors' meeting held on 7 July 2014.

On 31 July 2014, The Company has obtained shareholders approval on the proposed Capital reduction at the Extraordinary General Meeting of the company. As of the date of this report, this execise has not yet completed.

11. Dividend

a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

Name of Dividend :	Not applicable.
Dividend Type :	Not applicable.
Dividend Amount per share :	Not applicable.
Number of Shares :	Not applicable.
Tax Rate :	Not applicable.

b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

Name of Dividend :	Not applicable.
Dividend Type :	Not applicable.
Dividend Amount per share :	Not applicable.
Number of Shares :	Not applicable.
Tax Rate :	Not applicable.

c) Date payable

Not applicable.

d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions ("IPT") pursuant to Rule 920(1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

We, Mr Koo Ah Seang and Mr Geoffrey Ng Ching Fung, being directors of OLS Enterprise Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements of the Company and its subsidiaries for the financial period ended 30 June 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Koo Ah Seang
Executive Chairman

Geoffrey Ng Ching Fung
Director

Singapore
11 August 2014