

# OLS ENTERPRISE LTD.

(Incorporated in the Republic of Singapore on 24 July 1968)  
(Company Registration Number: 196800320E)

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## Quarterly Update Pursuant to Rule 1313(2) of the Listing Manual

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The Board of Directors (the “**Board**”) of OLS Enterprise Ltd. (the “**Company**”) refers to the Company’s announcement dated 3 December 2013 (the “**Announcement**”) in relation to the Company being placed under Watch-List with effect from 4 December 2013.

Pursuant to Rule 1313(2) of the Listing Manual which requires the Company to provide a quarterly update on its financial situation, including its future direction, or other material development that may have significant impact on its financial position, the Board wishes to provide the following updates on the Company and its subsidiaries (the “**Group**”) to complement the result announcement as released to the SGX for the reporting quarter ended June 2014.

### Update on Financial Position and Outlook

The Group’s cash and bank balances as at 30 June 2014 was US\$1.504 million as compared with US\$2.511 million as at 31 March 2014.

As at 30 June 2014, the Group made a net profit of US\$113,000 which was due to gains from the disposal of loss making subsidiaries. As at that date, the Company and the Group still had net liabilities of US\$8.2 million and US\$8.3 million, respectively.

It is anticipated that the Company will be in a net positive assets position upon completion of the proposed Rights Issue and the Creditors’ Scheme.

For more details on the financial position of the Group, please refer to our separate announcement on the Group’s first quarter unaudited results ended 30 June 2014 (“Q1 Results FY2015”) released on 11 August 2014.

### Update on Future Direction and Other Material Development

The Group continues its efforts in implementing the turnaround plan which include restructuring of existing business and adding profitable businesses to the Group in order to return to profitability and to be removed from the SGX watch-list.

The following exercises will continue to be carried out in FY2015:

- (a). A proposed share consolidation of every sixty-five (65) existing ordinary shares into one (1) ordinary share and immediately thereafter to carry out 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 after the Preliminary Share Consolidation, and one (1) Warrant for every one (1) Rights Share subscribed (the “Rights Cum Warrants Issue”). The Rights Cum Warrants Issue exercise is currently in progress.
- (b). The Company had entered into a conditional share purchase agreement in relation to the Proposed Acquisition of the entire issued and paid up share capital of the Straits Construction Group Pte. Ltd. The Company will pursue the exercise in accordance with the requirements of Chapter 1015 of the Listing Manual which, inter alia, is subject to SGX-ST clearance and shareholders’ approval. The Company has also acquired 51% of the issued share capital of Mojo Films Sdn. Bhd. which is a small, but profitable company in Malaysia.

- (c) The Company had on 31 July 2014, obtained the sanction of the High Court of the Republic of Singapore for the Proposed Creditors' Scheme. The Creditors' Scheme envisages a partial payment in cash and a partial conversion of all debts due and owing to them into such number of new ordinary shares at an issue price of S\$0.008 for each share (the "Scheme Shares"). The Creditors' Scheme is also subject to a number of conditions precedent to be fulfilled. The Company shall, in due course, convene an extraordinary general meeting to obtain shareholders' approval.
- (d) The Company has obtained its shareholders' approval on the Proposed Capital Reduction during the Extraordinary General Meeting convened on 31 July 2014. The Proposed Capital Reduction entails the cancellation of the share capital of the Company that has been lost or unrepresented by its available assets to the extent permissible by law.

Save for the above and as previously announced, there are no other material developments that may have a significant impact on the financial position of the Group or on its future direction.

The Board will update shareholders on any material developments in due course and the Company will make further announcements as and when there are any subsequent developments.

**BY ORDER OF THE BOARD  
OLS ENTERPRISE LTD.**

Koo Ah Seang  
Executive Chairman  
11 August 2014